Regulating Trademarks on Exterior Signs: Should Local Law Trump the Lanham Act and the Constitution

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This Article examines the largely unexplored relationship between municipal zoning or signage ordinances, trademark law, and the U.S. Constitution.

Section 1121(b) of the Lanham Act expressly prohibits any state or political subdivision from requiring the alteration of a federally registered mark. Yet, recent litigation has confirmed that local signage laws are being applied to compel mark owners to alter components of their federally registered marks displayed on exterior signs. In some instances, municipal ordinances are expressly worded so as to provide a basis for mandated alterations. In other instances, enforcement patterns provide the basis for the changes. Both situations, however, interfere with the ownership rights of the mark owners and their licensees.

Since many such ordinances exist throughout this country and affect numerous trademarks, it is imperative that a resolution of the legal issues presented by this controversy be formulated. Trademark owners, their licensees, and municipalities all have a vital interest in resolving the appropriate application of § 1121(b) in the context of local signage ordinances. Specifically, trademark owners and their licensees need to understand the circumstances under which they can reasonably refuse demands by local authorities to alter their federally registered marks on exterior signs. Conversely, municipalities need guidance with respect to the appropriate limitations they may place on the display of federally registered marks on exterior signs.

This Article highlights the growing controversy between the application of § 1121(b) and local signage laws, and recommends several legal bases for a solution. Part II of this Article examines the nature of trademarkable properties and offers empirical evidence showing how municipalities actually regulate trademarkable properties through their signage laws. Part II also provides an overview of § 1121(b) and explores some of the litigation resulting from specific requests by municipalities to alter displays of federally registered marks on exterior signs.

Part III focuses on the concept of trademark display and argues that the display of a federally registered mark on an exterior sign should be considered an integral component of the mark. Therefore, municipal signage laws that are applied to require alterations of such marks interfere with a significant aspect of mark owners' property rights.

Part IV examines the legal framework courts have invoked to determine when local regulations are preempted by federal law. It argues that the application of signage laws to require alterations of federally registered marks on exterior signs should be preempted by § 1121(b) with respect to the most conventional trademarkable properties, such as color and lettering style. The analysis in this Article, based on both the express language of § 1121(b) and its legislative history, suggests that both express and implied conflict preemption should invalidate local signage laws when they are applied to require color and lettering changes in federally registered marks on exterior signs. Allowing local authorities to mandate such alterations severely undermines the need for uniformity in the display of federally registered marks.
In contrast, with respect to less mainstream trademarkable properties such as size, three-dimensional shape, illumination, and even sound, § 1121(b) should be interpreted with more flexibility so that courts may balance the appropriate considerations on both sides. Flexibility is critical, because municipal regulation of less recognized trademark components often is justified by public safety concerns, which are more important than the aesthetic considerations prompting regulation of color schemes or lettering styles.

Part V examines arguments that support mark owners under the Commerce Clause. A violation of the Commerce Clause can occur when laws burden interstate commerce to a greater degree than is warranted by local benefits. A dormant Commerce Clause violation also can be triggered when state laws inconsistently regulate activities that require a degree of uniformity. Both theories potentially may help invalidate application of local signage laws to require color and lettering changes in federally registered marks on exterior signs. Requests for alterations based on legitimate public safety grounds, however, probably will not be invalidated under these theories.

Part V also demonstrates that serious First Amendment issues arise when local authorities require color and lettering alterations of federally registered marks on exterior signs. Municipal regulation of trademarks can be analyzed under intermediate scrutiny, since such regulation can be labeled within the confines of commercial speech as defined by the U.S. Supreme Court. Under this analysis, a strong argument exists that aesthetic justifications alone are not a sufficient basis for requiring color and lettering alterations of federally registered marks on exterior signs when local authorities can impose other types of sign regulations with an even more visible impact on the area. In contrast, sign regulations involving size, three-dimensional shape, illumination, and sound should be tolerated under the First Amendment to the extent they are based on legitimate public safety concerns.

II. OVERVIEW

Local signage laws frequently afford municipalities the power to require changes affecting the visual integrity of federally registered marks. This Part examines the potential for municipal regulation of trademarkable properties on exterior signs and the extent to which such regulation has already occurred. It begins with an examination of the types of trademarkable properties affected by these local laws.

*1109 A. The Nature of Trademarkable Properties Subject to Signage Regulation

The Lanham Act, [FN3] which governs federally registered trademarks, defines a trademark and service mark as "any word, name, symbol, or device, or any combination thereof" which is used "to identify and distinguish" the owner's goods or services from those goods manufactured or services sold by others, and to indicate the source of those goods or services. [FN4] The statutory definition of a trademark underscores the fact that trademark protection is appropriate for a wide range of subject matter. The only requirement is that the subject matter must be indicative of the mark owner's goods or services. Trademarkable subject matter can take many forms, "[s]ince human beings might use as a 'symbol' or 'device' almost anything at all that is capable of carrying meaning." [FN5]

In Qualitex Co. v. Jacobson Products Co., the Supreme Court held that a single color alone could be registered as a trademark in certain instances. [FN6] Long before Qualitex, however, courts had recognized that when color was part of a defined design, or when several combinations of colors composed a pattern, such a design or pattern could be eligible for trademark protection. [FN7] In Qualitex, the Supreme Court stressed that the language of the Lanham Act, [FN8] as well as the underlying principles of trademark*1110 law, suggest that color is an appropriate subject matter for trademark protection. [FN9] Color is different from some other trademark subject matter in that it lacks inherent distinctiveness. Therefore, color may not qualify for registration absent a showing that it has acquired secondary meaning and has become indicative of the source of a particular product or service. [FN10] Still, once such a showing is made, color can be eligible for registration either alone, in a pattern, or in a combination. [FN11]

A stylized lettering display of a word is also registrable. The law is clear that even if the words composing a trademark are unregistrable because they are generic or descriptive and lack secondary meaning, the appearance of such words in a stylized script may be entitled to registration if it is deemed to be source indicative. [FN12] Coca-Cola Co. v. Gemini Rising, Inc. [FN13] best illustrates the power that can inhere in a mark consisting of stylized lettering. The defendant marketed a poster that reproduced plaintiff's "Coca-Cola" trademark and distinctive format, substituting "ine" for "Cola." The poster read "Enjoy Cocaine." The court noted that the plaintiff had displayed the trademark "Coca-Cola" since 1893 in a distinctive, stylized script lettering with the lower portion of the "C" in "Coca" extending under the remaining letters in the form of a curved dash." [FN14] In its traditional form, the word "Enjoy" appeared above "Coca-Cola." This trademark had been
continually displayed in white lettering against a bright red background in numerous forms of advertising. [FN15] The court observed that, although the word "Coca-Cola" did not appear anywhere on the defendant's poster, "one would have to be a visitor from another planet not to recognize immediately the familiar 'Coca' in its stylized script and accompanying words, colors and design." [FN16]

Statistics compiled for this Article reveal a large number of federally registered marks that are either color specific or are composed of stylized lettering. [FN17] As of the summer of 1997, there were 16,777 active registrations listed on the Principal and Supplemental Registers in which color appeared to be a material part of the mark. [FN18] With respect to marks incorporating specific stylized formats, more than 179,000 registered marks were noted as having words, letters, or numbers in a stylized form. [FN19] Although these numbers may represent a relatively small percentage of total registered marks, [FN20] they are nonetheless significant. Therefore, the impact of signage laws on both federally registered marks and the businesses they represent merits considerable attention.

In addition to color and lettering style, trademarks can include other properties, such as three-dimensional shape, size, neon, and illumination. According to the Trademark Office, the size or three-dimensional configuration of a mark is relevant only with respect to the registration of product *1112 configurations as trademarks. [FN21] An early example of a product configuration mark is "the distinctively shaped contour, or conformation and design" of the Coca Cola bottle. [FN22] Although product configurations are less likely to appear on signs, [FN23] the litigation involving the application of § 1121(b) illustrates that such federally registered marks still can be subject to regulation by signage ordinances. [FN24]

To date, the Trademark Office has not granted a registration for neon or illumination. [FN25] In one case, In re Hudson News Co., [FN26] the Trademark Trial and Appeal Board considered the registrability of a blue motif for retail newsstand services as a trade dress including neon lighting as an element. [FN27] In affirming the Examiner's refusal to register the trade dress, the Board concluded that the trade dress was not inherently distinctive and, therefore, the applicant had to prove acquired distinctiveness before a registration for the trade dress could be granted. [FN28]

The Trademark Office faces the issue again in a currently pending trademark application that includes a flashing red light as part of an air pump. However, it will be some time before a decision is rendered on this matter. [FN29] Based on these applications, it is conceivable that a registration *1113 may one day be granted for a mark that incorporates neon or other illumination as part of the mark itself. [FN30]

Pursuant to local ordinances, federally registered marks incorporating color, lettering, size, and three-dimensional components are vulnerable to compelled alterations when they appear on exterior signs. Moreover, the potential issuance of trademark registrations for marks incorporating elements such as neon, illumination, or sound, presents the possibility of even more conflicts between mark owners and municipalities regarding the display of such marks on exterior signs. The following section explores the extent of municipal signage laws' potential to mandate changes in the appearance of federally registered marks on exterior signs.

B. The Current Municipal Regulatory Landscape

State governments possess the power to regulate land use by virtue of their police power, which enables them to enact measures for the public's general health and welfare. [FN31] As a result, local governments are empowered to enact land use regulations such as zoning laws. [FN32] The Supreme Court affirmed this power in Euclid v. Ambler, [FN33] by holding that such zoning ordinances will be sustained as a valid exercise of the police power *1114 as long as they have a "substantial relation to the public health, safety, morals, or general welfare." [FN34]

The concept of the "general welfare" is an elastic one that has allowed once questionable objectives to attain a degree of acceptability over time. In fact, zoning laws aimed at regulating the appearance of a community were once automatically invalidated. [FN35] Today, however, many courts find that aesthetics are a permissible justification for zoning. [FN36]

In order to assess the potential impact of signage laws upon the depiction of federally registered marks on exterior signs, the author conducted an informal survey of municipal regulations. Much of the information was obtained from the Internet, but ordinances which have been the subject of recent litigation were also included, along with ordinances that were easily accessible by other means. The survey examined thirty-five municipalities from a total of twenty-one states. [FN37]

Although the survey was not exhaustive, it does suggest that the operation of these ordinances, pursuant to both their
express language and patterns of enforcement, have tremendous potential for mandating alterations in the appearance of federally registered marks. [*FN38] All thirty-five or *1115 dinances regulate sign size in some fashion. [*FN39] With respect to illumination, twenty of the thirty-five ordinances provide general prescriptions for types of lighting in certain districts, [*FN40] while fifteen of the ordinances have explicit prohibitions on flashing and/or moving signs. [*FN41] One of those fifteen, however, permits neon signs and specifies requirements for their use. [*FN42] At least seven of the ordinances explicitly regulate the colors and/or the lettering that can appear on exterior signs. [*FN43]

*1116 Explicit regulations, however, represent only a relatively small part of the overall regulatory scheme. The majority of ordinances require the submission of permit applications, which typically include scale drawings of the sign, dimensions, colors, and graphics. Since virtually all of the ordinances imply that municipalities are concerned with aesthetic impact signs will have on a neighborhood, the planning and zoning commissions can easily justify prohibiting a particular sign on the basis that its color, lettering, or size is not harmonious with the surrounding area. Thus, the enforcement of these application requirements by commissions or design review boards operates as probably the most pervasive means by which control over undesirable color schemes and other designs is exercised by local authorities. [*FN44] Arbitrary enforcement of such requirements is particularly *1117 problematic for trademark owners in light of the lack of predictability and uniformity of application. [*FN45]

Another way municipalities regulate signs is by requiring commercial complexes displaying more than one sign to create comprehensive signage plans. These signage plans are submitted to local commissions for review and must comport with certain style, type of sign, and color requirements in order to obtain approval. [*FN46] Once approved, the plans are incorporated into all tenant contracts within the development. [*FN47]

Besides ordinances, some community members have taken sign regulation matters into their own hands. In Greenwich, Connecticut, for example, the Women’s Garden Club have boycotted businesses that do not display signs with only the colors black and white. [*FN48] In one instance, the Connecticut Bank & Trust Company erected a blue-and-white sign. The bank ignored the Garden Club’s request to change the sign to black and *1118 white. As a result, the Garden Club organized a boycott of the bank, which resulted in people withdrawing their funds. The bank, in turn, quickly changed the sign to black and white. [*FN49] As this incident illustrates, even if a particular commission does not strictly regulate the appearance of exterior signs, the people in the community have the ability to force businesses to comply with certain signage styles.

C. Survey and History of § 1121(b)

Section 1121(b) of the Lanham Act states:

No State or other jurisdiction of the United States or any political subdivision or any agency thereof may require alteration of a registered mark, or require that additional trademarks, service marks, trade names, or corporate names that may be associated with or incorporated into the registered mark be displayed in the mark in a manner differing from the display of such additional trademarks, service marks, trade names, or corporate names contemplated by the registered mark as exhibited in the certificate of registration issued by the United States Patent and Trademark Office. [*FN50] This provision thus provides that no state or jurisdiction in the United States may require the alteration of a federally registered mark, or the display of component features of a composite mark, so that the appearance differs from what is exhibited in the Certificate of Registration issued by the U.S. Patent and Trademark Office. [*FN51]

Congress enacted § 1121(b) in 1982 in response to Century 21 Real Estate Corporation’s difficulties with state regulation of its registered trademark. In Century 21 Real Estate Corp. v. Nevada Real Estate Advisory Commission, [*FN52] a federal district court upheld the defendant's regulation that required real estate brokers to display their names on no less than fifty percent of the surface area of all displays, with the remaining area available for the names of the franchisors. The plaintiff argued unsuccessfully that the restriction violated the First Amendment and was preempted by the Lanham Act’s system of national protection for registered marks. *1119 The court found that the regulation did not suppress speech and that it was consistent with the Lanham Act’s objective of preventing consumer deception. [*FN53] The Supreme Court ultimately affirmed the case, but did not issue an opinion. [*FN54]

The economic ramifications of the Century 21 decision for both franchisors and franchisees were significant. The opinion essentially approved the notion that owners of federally registered marks, which are the subject of national advertising and promotion, must endure the burden of divergent state regulations on the display of their marks. Moreover, local franchisees would have to bear the expense of changing all displays and advertising materials to comply with the varying state regulations. [*FN55] Section 1121(b), also known as the "Century 21 Amendment," was enacted to prohibit the states from
promulgating regulations that would require franchisees to display registered marks in a manner different from the nationally registered marks of their respective franchisors. [FN56] The amendment is applicable to any national manufacturer or service organization that sells through local outlets. [FN57]

On its face, § 1121(b) precludes a government entity from requiring alterations in the display of federally registered marks. Recent cases, however, have reached contradictory conclusions regarding whether § 1121(b) prevents local ordinances from regulating federally registered marks when they appear on signs and other exterior matter. [FN58] In these cases, local signage ordinances were applied to regulate the colors, lettering, and three-dimensional format of trademarks. Compliance with these ordinances by the trademark owners or their licensees resulted in alterations of federally registered marks, causing the marks to appear differently than in the forms readily recognizable by consumers.

*1120 D. The Litigation Under § 1121(b)

The first reported opinion involving § 1121(b) is Payless Shoesource, Inc. v. Town of Penfield. [FN59] In that case, a signage plan requiring all signs to be one specified color prevented the plaintiff from displaying its federally registered mark containing both yellow and orange. Ultimately, the district court concluded that the town's requirement neither attempted to alter the plaintiff's mark nor interfere with its use in any manner other than by prescribing the color in which it appeared on exterior signs. [FN60]

According to the facts of a subsequent decision, Blockbuster Videos, Inc. v. City of Tempe, [FN61] Tempe, Arizona, pursuant to existing signage plans governing the relevant shopping centers, [FN62] issued decisions affecting the signs of plaintiffs Blockbuster Videos and Video Update. The city allowed Blockbuster Videos' "torn ticket" logo with a blue background and yellow letters, but disallowed the installation of its federally registered "visual cue" that consisted of a blue awning with yellow lettering. [FN63] Instead, the city approved a sign with blue lettering. With respect to Video Update, the city requested that its exterior sign be white on turquoise, thus precluding the company from displaying the red lettering that was part of its lettering design from the outset. [FN64] Thus, the case involved not only an alteration of a mark's color and lettering, but also a request to delete a three-dimensional component of a mark.

*1121 A federal district court in Arizona granted both plaintiffs a preliminary injunction requiring the Tempe to issue permits for the display of the federally registered service marks on their buildings and exterior signs. [FN65] The Ninth Circuit affirmed the decision regarding Video Update's mark, holding that Tempe's action required an alteration of the mark in violation of the clear terms of § 1121(b). [FN66] Regarding Blockbuster Videos' awning, the court reversed on the ground that, since § 1121(b) only prohibits alterations but does not require municipalities to allow businesses to display their registered marks in the first place, a municipality can completely prohibit the use of a registered mark on exterior signage. [FN67] One judge dissented as to the decision regarding Video Update. In his view, the term "alter" as used in § 1121(b) "does not encompass local ordinances limiting the permissible size, color, construction, or other physical characteristics of exterior signage." [FN68] Instead, he believed the term "refers to state-mandated changes to federal marks themselves . . . reflected in every subsequent use of the affected marks within that jurisdiction." [FN69]

Neither Payless nor Blockbuster engaged in a comprehensive analysis of the pertinent legal issues. Neither decision explicitly attempted to distinguish between the application of § 1121(b) to mainstream trademarkable properties and to those less conventionally recognized. [FN70] Moreover, neither decision focused on any constitutional inquiries other than preemption, because economies of litigation necessitated a streamlining of the issues argued. [FN71] The balance of this Article attempts to fill this void. Before grappling with these legal issues, however, the Article will establish the strong interest that mark owners and their licensees have in ensuring that their federally registered marks be displayed in a uniform manner.

*1122 III. UNIFORM DISPLAY OF FEDERALLY REGISTERED MARKS ON EXTERIOR SIGNS--AN INTEGRAL ASPECT OF MARK OWNERSHIP

In Blockbuster, the Ninth Circuit recognized that "for a trademark to be a signal that customers will recognize, it must have a uniform appearance, not only in design but also in color." [FN72] In contrast, the Payless court simplistically concluded that "the town has not altered plaintiff's trademark; it simply has imposed a uniform sign restriction. All other uses of plaintiff's trademark remain unimpaired. Stated simply, plaintiff has confused its sign with its trademark." [FN73]

The Payless court failed to take into account the local outlet's interest in being visually associated with the national name, or the interests of consumers in connecting specific locations with national advertising and distinguishing between competing
businesses. This Part examines these concerns and argues that the uniform display of federally registered marks on exterior signs represents an important interest that should be considered in controversies over the interpretation of § 1121(b).

The discussion on the floor of the Senate accompanying the enactment of § 1121(b) contains many references to the importance that trademarks and service marks play in the free market. Senator Hatch observed that one reason trademarks are accorded legal protection is that they "represent[] a substantial advertising investment and [are] treated as a species of property." [FN74] The uniform use of trademarks in both the advertising and sale of goods and services is critical to conveying a message to consumers about the source of the items. In short, state laws that "require alterations of trademarks interfere with the rights of trademark owners to convey messages to the public and deprive consumers of the desired information." [FN75]

A trademark does not exist as an abstract property right, but rather is a "visible property right that exists every time it is used or displayed anywhere." [FN76] Even the recent Restatement of Unfair Competition explicitly recognizes that "a trademark is but a species of advertising," its purpose being to fix the identity of the article and the name of the producer *1123 in the minds of people who see the advertisement. [FN77] This advertising function of marks is undermined by displays on local exterior signs that visually depart from the manner in which the marks appear in national advertising. [FN78]

The Lanham Act uses the word "display" in three separate sections, including § 1121(b). The statute never explicitly states, however, that a mark owner's rights extend to uniform displays of the mark on exterior signs. [FN79] Nonetheless, the mark owner's interest in benefiting from the national*1124 goodwill generated by the mark, and the interest of consumers in connecting local outlets with national enterprises, is perfectly consistent with the Lanham Act's goals. The two primary objectives of the Lanham Act are securing for mark owners their investments in the goodwill of their businesses and protecting consumers in their ability to distinguish among competing producers. [FN80] Defining the scope of trademark rights to include their uniform display on exterior signage fosters both of these concerns.

The trade literature and empirical data confirm that trademark display has a critical impact on brand identification. Studies involving advertising and human memory show that people remember pictures better than words and that memory for words can be greatly increased through the presentation of an accompanying picture with the textual counterpart. [FN81] People remember information in units or "chunks" ranging from five to nine bits of information. [FN82] "Chunking" has been described as "the most important strategy . . . in advertising" especially in combination with visual strategies. [FN83] Moreover, the use of brand names and logos are "powerful chunks that communicate a great many 'bits' of information." [FN84] The brand name can summarize the main characteristics of the product that the advertiser wishes to communicate, and studies have shown that the use of a proper logo "can be the most effective way to chunk information and promote memory." [FN85] Additionally, studies demonstrate that the three primary variables affecting visual imagery recall are picture size, exposure duration, *1125 and the number of exposures. [FN86] This data confirms the vital importance of the uniform display of trademarks, because the absence of such uniform display would reduce the number of consumer exposures to a consistent visual image and adversely affect consumer product recognition.

Empirical studies also have demonstrated that uniformity of sign display is critical to the maintenance of a business' goodwill when that business is dependent on national or international advertising. Much research has been done regarding national manufacturers or service organizations that sell through local outlets, such as company-owned chain operations and dealerships, franchises, [FN87] and authorized agents. In every instance, the national organization mandated an approved design for the local outlet's on-premise sign. [FN88] Thus, the uniform signage "represents a major part of the total marketing and advertising effort of these national companies" in their attempt to develop brand loyalty. [FN89] To accomplish this objective, "it is essential that the wording, graphics, shape and size . . . of the brand in the form of the on-premise sign be absolutely uniform wherever it is seen." [FN90] Moreover, because national companies often hire the best graphic designers to produce the most effective graphics, the on-premise signs typically involve a great deal of intellectual effort and economic expenditures. [FN91]

Thus, mark owners and their licensees argue that when a federally registered mark is displayed on an exterior sign, it is vital that the mark *1126 comports visually with its appearance in other national promotions. The absence of such a uniform appearance diminishes the national goodwill and customer loyalty stimulated by national advertising. Therefore, local signage ordinances which preclude the uniform display of federally registered marks pose a substantial risk to the integrity of such marks. As argued by the attorney for Blockbuster Videos, "[s]cript lettering could be required in one shopping center, block lettering in another, Times Roman Bold in a third . . . . Businesses engaged in interstate commerce would easily lose
the ability to establish and maintain a national identity and to distinguish themselves visually from their competitors.” [FN92] Disparate requirements imposed at the local level have the potential for adversely affecting all color specific and stylized marks. [FN93]

Local regulations requiring alterations in the appearance of federally registered marks also harm the consuming public. Store signage is critical to consumer awareness, and it is the primary means by which consumers can "connect" specific locations to national advertising and promotions and distinguish between competing businesses." [FN94] If consumers are continually bombarded with national advertising campaigns in which a mark is featured in a certain way, and they see an exterior sign displaying that mark in an altered state, they may entertain doubts as to whether the establishment displaying the sign is a genuine outlet for the goods or services. [FN95] Indeed, the Lanham Act specifically makes actionable the application of reproductions, counterfeits, or colorable imitations of registered marks to various items including signs "intended to be used in . . . connection with *1127 the sale, offering for sale, . . . or advertising of goods or services," where such use is likely to cause confusion or mistake. [FN96]

The vital role on-premise signs play in attracting consumers to a particular store has been well-documented. [FN97] Public opinion data has demonstrated that a large percentage of consumers of particular services believe that on-premise signs are "very important" in making their selection. [FN98] On-premise signs are even more important in light of the mobile nature of our society. A study composed of four public opinion surveys on the importance of on-premise signs showed that 93.6% of the people surveyed stated that such signs are "very important" to them when they are in unfamiliar places on business or vacation trips. [FN99] Moreover, on-premise signs are especially critical for industries dependent on a heavy volume of impulse buying. [FN100] Thus, if the federally registered mark displayed on a sign differs visually from the way in which it is displayed nationally in other contexts, a serious question arises as to whether consumers will forge a connection with the national version of the federally registered mark. This connection is important both to consumers who may be in the market for an immediate purchase, as well as to those who are simply driving or walking by and may be a consumer of the goods or services at some point in the future.

In response, municipalities may argue that since the promotional materials inside the store will bear the federally registered mark in its typical form, consumers will be able to make the distinction once they enter the store. Moreover, they may dispute the probability of consumer confusion on the ground that if all of the signs in a particular area look alike, consumers will still be able to make the connection between the local establishment and the national chain. In other words, when consumers are confronted with the uniform appearance of the signage, they will realize the mark appears different from the norm because of a municipally mandated directive for uniformity.

*1128 These concerns, though perhaps valid in certain contexts, reflect a far too simplistic view of consumer behavior. First, the missed opportunity to identify the store with its nationally promoted goods or services is not rectified by the proper display of the federally registered marks inside the store, because potential customers who do not enter the store will never see them. Second, with respect to the municipally mandated uniformity argument, admittedly there are some parts of the country (such as Colonial Williamsburg) where the projected image of a municipality is so clear that consumers may fully realize that any altered mark displayed on exterior signage may have been changed intentionally to conform with certain requirements of uniformity. [FN101] Nevertheless, most municipal signage ordinances regulate exterior signs in subtle ways that the consumer may not attribute to local control. For example, the explicit requirements imposed by municipalities surveyed for this Article include regulations stating that signs should be limited to no more than two or three colors of choice, or five specified colors. [FN102] When shopping areas are regulated in this manner, the exterior signage arguably is not so visibly uniform that consumers will necessarily make the connection between an altered mark and the existence of uniformly imposed requirements. Moreover, as discussed earlier, the most common exercise of control over municipal signage exists by virtue of the commissions or design review boards that make decisions on an ad hoc basis. [FN103] The potential for arbitrary enforcement not only leaves mark owners vulnerable to inconsistent applications, but also substantially weakens the municipalities’ argument that uniformly imposed signage requirements alert consumers to an intentionally imposed scheme and thus negate consumer confusion.

In sum, if a particular mark or logo on an exterior sign does not appear to be consistent with the one familiar to the ordinary purchaser, the purchaser may refrain from entering the store. In describing the ordinary purchaser, whose judgment determines the likelihood of confusion, one court noted that this category "consists of a 'vast multitude which includes the ignorant, the unthinking and the credulous, who, in making purchases, do not stop to analyze, but are governed by appearances and general impressions.'” [FN104] Thus, mark owners and their licensees have strong interests *1129 in the uniform display of their federally registered marks on exterior signs and consumers benefit from such uniform display. Of
course, municipalities have strong incentives to protect countervailing interests, such as aesthetic values and public safety. [FN105] The remainder of this Article considers the interplay between these interests when local signage laws mandate alterations of federally registered marks on exterior signs.

IV. THE PREEMPTIVE IMPACT OF § 1121(b) ON LOCAL SIGNAGE LAWS

The critical issue in both Payless and Blockbuster was whether the local signage laws were preempted by § 1121(b). [FN106] As discussed below, the two courts reached different results regarding this issue using different theories of statutory interpretation. [FN107] In order to determine whether local signage laws should be preempted by § 1121(b), it is important to consider the principles of both statutory construction and preemption that have been applied to all areas of the law.

In Gade v. National Solid Wastes Management Ass'n, [FN108] a plurality of the Supreme Court provided a particularly succinct statement of express, implied field, and implied conflict preemption:

Pre-emption may be either expressed or implied, and "is compelled whether Congress' command is explicitly stated in the statute's language or implicitly contained in its structure and purpose." Absent explicit pre-emptive language, we have recognized at least two types of implied preemption: field pre-emption, where the scheme of federal regulation is "so pervasive as to make reasonable the inference that Congress left no room for the States to supplement it," and conflict pre-emption, where "compliance with both federal and state regulations is a physical impossibility," or where state law "stands as an obstacle to the accomplishment and execution of the full purposes and objectives of Congress." [FN109] *1130 Implied field preemption, which exists when the federal regulatory scheme within a given area is so pervasive that it precludes any sort of supplementation by the states, [FN110] is not implicated by the application of local signage laws to federally registered marks. The Lanham Act does not contain an explicit legislative directive regarding preemption of state laws. [FN111] Prior to the enactment of the Lanham Act, the federal trademark laws "reflected the view that protection of trademarks was a matter of state concern and that the right to a mark depended solely on the common law." [FN112] The legislative history of the Lanham Act reveals the view that "a sound public policy requires that trade-marks should receive nationally the greatest protection that can be given them." [FN113] Nevertheless, the legislative history also implicitly recognizes the legitimacy of state regulation of trademarks. [FN114] Moreover, federal courts routinely grant relief under state laws prohibiting infringement of state registered or common law marks. [FN115] Thus, federal law has not implicitly preempted the field of trademark protection. [FN116]

*1131 Having eliminated the prospect of implied field preemption, it is necessary to consider the possibilities of express and implied conflict preemption with respect to the operation of § 1121(b) on local signage laws. Express preemption looks to whether the express language of § 1121(b) prohibits the states from exercising their signage laws to require any alterations of federally registered marks. Implied conflict preemption exists if compliance with the signage laws and § 1121(b) is physically impossible, or if the signage laws stand as an obstacle to the accomplishment of the full purposes and objectives of § 1121(b) specifically and the Lanham Act generally. [FN117]

As a general matter, where an explicit preemptive provision exists, courts will not consider implied preemption. [FN118] The case law reveals, however, a general lack of distinct boundaries regarding express and implied preemption, [FN119] and specifically a lack of distinct boundaries with respect to the types of evidence to be considered in each category. For example, courts often look to legislative history and the statute as a whole to analyze express preemption, [FN120] just as they do in cases of implied conflict preemption. [FN121] When legislative history is invoked for express preemption purposes, it generally is used to confirm the meaning of the statute itself. [FN122] *1132 Also, legislative history often is invoked in express preemption cases to determine the scope of what is preempted or the manner in which particular situations should be handled. [FN123] With implied preemption, the legislative history is invoked to determine if there is a broad indication of Congressional intent. In other words, "implied preemption is often a function of both perceived Congressional intent and the language used in the statute . . . ." [FN124]

To complicate matters further, the various methods of statutory interpretation are also relevant to this analysis because § 1121(b) must be construed in order to determine whether preemption is appropriate. Various theories of statutory interpretation have been developed by both the courts and commentators. One such theory, whose most renowned proponent is Justice Scalia, [FN125] examines the plain meaning of the statute, with the aid of a dictionary or grammar book. [FN126] This new textualism also considers the "1133 entire statute at issue, analogous provisions in other statutes, and canons of construction based on "grammar and logic, proceduralism, and federalism." [FN127] Another theory, labeled "intentionalism," requires the interpreter to identify and follow the original intent of the statute's drafters. [FN128] A third theory, "purposivism," also attempts to ascertain the intent of the enacting legislature, but it accomplishes this goal by focusing on identifying the statute's broader purposes and resolving the interpretative issue in light of these purposes, rather
than by reconstructing how the enacting legislature would have solved the interpretative issue. [FN129] Both intentionalism and purposivism require a consideration of text as well as legislative history. [FN130] The current Supreme Court is divided as to which theory of statutory interpretation should prevail, a trend which also is reflected in the lower courts and among the commentators. [FN131]

*1134 In applying § 1121(b), Courts disagree as to whether the statute's legislative history is necessary to guide their analysis. [FN132] In Blockbuster, the Ninth Circuit stated it was unnecessary to consult the legislative history, because it found the meaning of the statutory term "alter" unambiguous and applicable to Tempe's request to require coloring changes of Video Update's mark. [FN133] In Payless, the plaintiff acknowledged that the town had the authority pursuant to its police power to regulate signs for aesthetic purposes, but alleged that its restrictions violated the plain language of § 1121(b). Although the court noted that "[t]he plain language of § 1121(b) arguably supports plaintiff's position that the Town may not require *1135 any alteration of its mark," it also observed that "the precise meaning of the term 'alteration' and whether aesthetic zoning constitutes such an alteration are not entirely clear from the language of the statute." [FN134] The court then resorted to the legislative history and concluded that it is "unequivocal that aesthetic zoning does not constitute an 'alteration' of a registered mark within the meaning of the statute." [FN135]

A textualist interpretation of § 1121(b) strongly supports an express preemption argument. By its express terms, § 1121(b) explicitly precludes states and any political subdivisions from requiring alterations of federally registered marks. [FN136] On its face then, this provision provides a strong indication that any state or local ordinance that would result in an alteration of the display of a federally registered mark should be preempted. The word "alteration" is commonly understood to mean a change or modification. [FN137] Therefore, if a municipality requires a change in color or lettering of a federally registered trademark on an exterior sign, the municipality is clearly requiring an alteration of a federally registered trademark. Presumably, the statute should also prevent a municipality from requesting a mark owner to change any other trademarkable feature. [FN138] According to this analysis, a textualist would conclude that express preemption is appropriate.

Moreover, in interpreting the scope of an express preemption provision, the Supreme Court has indicated that the interpretation of the language should be informed by two presumptions about preemption generally. First, there is a presumption against the usurpation of the historic police powers of the states, which supports a narrow interpretation of an express preemptive command. This presumption is especially compelling *1136 when Congress has legislated in a field traditionally occupied by the states. [FN139] Second, any understanding of the scope of a preemptive provision rests on a fair understanding of Congress' intent, as discerned not only from the statute's language, but also its structure and purpose. [FN140] Thus, if preemption is found, the state law is invalidated only to the extent necessary to render it in compliance with federal law. [FN141]

Courts must consider these presumptions to determine whether § 1121(b) expressly preempts the application of local signage laws to federally registered marks displayed on exterior signs. The first presumption is difficult to apply because, although trademark law cannot legitimately be viewed as an area traditionally occupied by the states, [FN142] the opposite is true of zoning. [FN143] Thus, from a policy standpoint, the question is whether the states' interest in zoning should prevail over federal trademark law. As to the second presumption, it is important to recognize that a finding of express preemption in this context will not invalidate the local signage laws in their entirety. Instead, it will simply limit their application in the narrow context of displays of federally registered marks on exterior signs and other exterior matter.

As discussed earlier, even in cases involving express preemption, where the language of the statute is the focus of the court's inquiry, courts often resort to legislative history to construe the scope of the statute and to determine its appropriate application. [FN144] Despite the revival of textualism since the appointment of Justice Scalia, the Supreme Court has not completely accepted new textualism to the point where legislative history is irrelevant. [FN145] In the context of interpreting § 1121(b), legislative history *1137 may be especially appropriate because courts have applied the phrase "require alteration" in different ways. This issue surfaced in the Blockbuster case, where Tempe required Blockbuster Videos to delete its internally illuminated awning. [FN146] The district court construed this action as an alteration banned by the statute, stating that it "is not confronted with the issue of whether the City can completely prevent businesses from displaying a registered mark on their buildings or exterior signage." [FN147] The Ninth Circuit reversed the district court's opinion on this point, holding that, because Tempe decided that Blockbuster Videos could not display its awning service mark at all, it ordered a complete prohibition rather than an alteration. [FN148] These different interpretations of § 1121(b)'s language illustrate that the phrase "require alteration" is potentially ambiguous in this context. [FN149]

Once a court decides to invoke the legislative history, it becomes less necessary to distinguish between express and implied
conflict preemption. As discussed above, the line between express preemption and implied conflict preemption is blurry, especially if the same type of evidence is invoked regarding both issues. [FN150] Indeed, once the legislative history is considered with respect to either express or implied conflict preemption, the *1138 important inquiry becomes how the statute should be interpreted in light of the legislative history.

The need for uniformity of trademark use in the advertising and sale of goods and services was a key concern in both the House and Senate debates. [FN151] Nevertheless, an examination of the legislative history of § 1121(b) reveals that, although members of both the House and Senate believed that states should remain free to require alterations of sizes of signs, they did not reach a similar consensus with respect to other alterations such as color, lettering, illumination, and mark sizes when such components are parts of federally registered marks. Moreover, some of the legislative history suggests that states should remain free to impose uniform zoning requirements, which contradicts the explicit language of the statute. In light of this confusion, interpreting § 1121(b) based on the legislative history becomes a daunting task.

The House Report contains numerous indications that local authorities should remain free to regulate the appearance of federally registered marks on aesthetic grounds. Early in the discussion in the House Report, Gerald Mossinghoff, the Commissioner of Patents and Trademarks, observed that the bill "would not interfere with the power of States . . . to regulate the display of advertising of any kind." [FN152] Subsequently, the following exchange between Commissioner Mossinghoff, Congressman Kastenmeier (the Chairman of the House Judiciary Committee) and Congressman Barney Frank (co-sponsor of the bill) ensued:

*1139 Mr. Kastenmeier. I just wondered whether you were aware of any significant opposition to the bill.

Mr. Mossinghoff. No, I am not, Mr. Chairman. I think . . . it makes clear that the states can control the placement of signs. For example, if the zoning ordinance required signs not to be any larger than 3 feet high, that is still the prerogative of the State and a very legitimate prerogative. This does not in any way change that, it merely says that once you display the sign you cannot change the mark as it was registered in the U.S. Patent and Trademark Office.

Mr. Kastenmeier. Can you think of any situation--hypothetically--other than those situations where one would be concerned about, let me say, the authority of the State to regulate a trademark--apart from this--where a clash might ensue. Is it just a zoning question? Are there any other questions one could contemplate?

Mr. Mossinghoff. Clearly, a State would retain a right . . . to insure safety or other aesthetic values. Perhaps public health or welfare. . . . Colonial Williamsburg sometimes comes up, the fact that you may not want this or that kind of logo prominently displayed within Colonial Williamsburg. We do not see any conflict at all between this legislation and the desire to keep Colonial Williamsburg looking very colonial.

Mr. Kastenmeier. Actually the question is, can the State alter, use State power to alter the trademark itself, rather than whether it can zone advertising of any character.

Mr. Mossinghoff. That is correct.

Mr. Frank. I just have one question . . . . I am very much in support of the bill, with one understanding that I would like to get clear and that is that nothing in this would be meant to interfere with local aesthetic or histric-type [sic] zoning, so that if there was a uniform requirement in a particular locality--we have many in Massachusetts--which required that any sign had to conform to a certain type, that nothing in this would be preemptive of that.

I am wondering whether you think we need any language to do that. That would be something I would feel very strongly about, and I would think it would be noncontroversial. I do not think we would say that any one trademark would have an override of an otherwise uniform aesthetic or historic zoning that had been established by valid local procedures.

Mr. Mossinghoff. We share that concern also and indeed have proposed an amendment to make sure that the main thrust of the bill is not to require the altering of a registered trademark.

*1140 As we discussed with the chairman, I think it will be clear that those kinds of zoning would not be adversely affected by the legislation.

. . . .
Mr. Kastenmeier. Does the gentleman from Massachusetts conceive of a situation where a historical entity, authority, would for aesthetic purposes seek to cause the alteration of the mark itself?

Mr. Frank. It might. I know there are areas, I believe there are areas where they require that all signs be of a certain type of lettering. I would not want there to be an override for one particular group here. That is, if everything had to be in gothic lettering it would seem to me that we would not want an outdoor sign that would not include that. I would not think that would be the purpose. I would not want to support legislation that would do that.

I am trying to think of those I am familiar with in Massachusetts. I do not think they would require an alteration of the mark itself, they would have to do with where it was placed, how large it could be.

. . . .

I mean, if there was a uniform zoning requirement . . . I would not want this to be preemptive.

Mr. Mossinghoff. I do not believe it would be. Certainly, that would not be the intent. I think the whole key goes to requiring actual alteration of the mark itself . . . .

Mr. Frank. There are some restricted commercial districts in particular areas that would say, "The only sign you may have must be in such and such lettering, and it must be this color."

Mr. Mossinghoff. Right.

Mr. Frank. If that is uniform, I would think that anybody would have to abide by it. Nothing would stop the people here from displaying that inside. They could say, "real estate" outside; inside the protected registered trademark would be allowed.

Mr. Mossinghoff. And it is more than just the advertising. I think it has to do with the name badges that people wear, the material that is mailed out, the business cards, all of those.

Mr. Frank. Nowhere in Massachusetts have we gotten sufficiently aesthetic to regulate what people wear. So, I think that one would be OK. [Laughter]. [FN153] *1141 Additionally, Congressman Jerry Patterson, the author of the bill, introduced a statement expressly recognizing that the bill is "narrowly written" in that it expressly prohibits only State regulations that directly interfere with the use of a trademark or service mark as registered. The language does not interfere with nor question the validity of other State regulations that only indirectly affect the use of a trademark—for example, municipal ordinances that ban neon signs, some of which may contain registered marks, from certain neighborhoods. The legislation is not intended to limit the right of States to regulate signs or agreements merely because they may involve registered trademarks. [FN154]

The House Judiciary Committee Report issued subsequent to this exchange concluded that "the bill in no way affects the powers of state and local governments in areas of concern raised" by Congressman Frank. [FN155] Specifically, the Report states that the bill was not intended to restrict local zoning or historic site protection laws. [FN156]

Thus, the basic premise of § 1121(b) is called into question by the debate in the House regarding whether a local ordinance can require aesthetic changes to material components of federally registered marks displayed on exterior signs. In the exchange reprinted above, Congressman Frank expressed concerns about ensuring lettering and color regulation by municipalities. [FN157] Yet, the language in the legislative history concerning changing the display of a mark from its appearance in the Certificate of Registration [FN158] is inconsistent with several of these observations by Congressman Frank. Moreover, the House Report fails to contain express recognition that the application of certain signage laws might force a change of the composite features of a mark so that it appears differently from its exhibition in the Certificate of Registration.

*1142 The Senate debate, which post-dates the House Report, weakens the argument that the legislative history sanctions the application of local signage laws to require changes in aesthetic features of federally registered marks. In the Senate, the bill was presented as limited only by local regulation on the size of signs. [FN159] Senator Hatch explicitly recognized that communities would remain free to adopt ordinances "limiting the size of signs on which trademarks or business names may be displayed," but "the relative sizes of components or elements of federally registered marks are protected features." [FN160]
In sum, on its face, § 1121(b) prohibits state and locally mandated "alteration[s] of a registered mark." [FN161] The legislative history suggests that such alterations pertain only to trademarkable properties. However, it fails to consider explicitly what constitutes a trademarkable property.

Intentionalists use both the text of the statute and its legislative history to give meaning to the intent of the legislature. [FN162] Purposivists are even more inclined to depart from the language of the statute when they are convinced that there is a particular reading that is at odds with the text of the statute or its legislative history. [FN163] A model based on purposivism is more distanced from both the text of the statute and the intent of the enacting legislature, and thus allows for more judicial discretion than intentionalism. [FN164] The question, then, is what would an intentionalist and a purposivist conclude regarding whether § 1121(b) either expressly or implicitly preempts the application of local signage laws to require alterations of federally registered marks on exterior signs.

*1143 If the legislative history is considered in interpreting § 1121(b) for an express preemption analysis, intentionalists probably would argue that the intent of the legislators is not sufficiently clear to override the preemptive impact of the statute's language. If Congress had intended that local ordinances could be applied to require changes of a mark's color, stylized lettering, size, or any other material component, presumably this intention would have been reflected more explicitly in the language of § 1121(b) and more generally in the debate surrounding the provision's enactment. Absent an explicit recognition of this intention, the statute's express bar should preempt local laws which require alteration of registered marks. Purposivists might reach the same conclusion, since Congress enacted § 1121(b) to maintain uniformity in the display of federally registered marks. [FN165]

As discussed earlier, the express preemption analysis begins to blend into an implied conflict preemption analysis, where an express preemption analysis considers the legislative history as a means of informing the judiciary about either the specific intent behind or the general purposes of the statute. [FN166] A conflict preemption inquiry in this context requires a court to determine whether local signage laws, which require alterations of federally registered marks on exterior signs, interfere with Congress' intent under § 1121(b) to promote uniformity in the appearance and display of federally registered marks. [FN167] This inquiry also asks whether the application of such ordinances conflicts with the objectives of the Lanham Act generally, which include the protection of trademark owners' property interests and the prevention of consumer confusion. [FN168]

The first strand of the conflict preemption analysis focuses on uniformity in the display of federally registered marks. Intentionalists and purposivists would emphasize that trademark protection is useless unless mark owners and their licensees can be assured that their marks always will appear in a uniform and consistent fashion nationally. If local signage laws alter federally registered marks as they appear on exterior signs, then the goal of uniformity is seriously threatened.

In Bonito Boats, Inc. v. Thunder Craft Boats, Inc., [FN169] the Supreme Court affirmed that national uniformity is an important value in preemption analysis. The Court held that federal patent law preempted a Florida *1144 statute that protected boat hull designs. In so holding, the Court repeatedly emphasized that one of the objectives of the Copyright Clause [FN170] in the Constitution was the promotion "of national uniformity in the realm of intellectual property." [FN171] Further, the Court was concerned that absent preemption, the states would be able to insulate their local industries from out-of-state competition and thus thwart the flow of interstate commerce. [FN172]

The Court's invocation of national uniformity as a basis for preemption evokes the history of the Commerce Clause, which manifests a concern for promoting interstate business. [FN173] It also evokes the theory of the Lanham Act generally, which is grounded in the Commerce Clause, [FN174] and § 1121(b) specifically, which was enacted to promote uniformity of trademark use with respect to the advertising and sale of goods and services. [FN175] Therefore, the rationale of Bonito Boats supports the preemption argument that local signage ordinances which alter registered trademarks on exterior signs damage the interest in nationally uniform display of these marks.

The second strand of conflict preemption examines whether local signage laws, which prevent uniform display of federally registered marks, undermine the Lanham Act's two major objectives of protecting mark owners' goodwill and preventing consumer confusion. [FN176] When state laws afford less protection for federally registered marks than does the Lanham Act, the state involvement must be carefully scrutinized. [FN177] Such is the *1145 situation when local signage laws are applied to compel the alteration of federally registered marks on exterior signs in violation of the explicit language of § 1121(b). [FN178]
Part II of this Article demonstrated that both color and lettering were mainstream trademarkable properties in 1982 when § 1121(b) was enacted. [FN180] With respect to such components of a trademark, therefore, a strong argument exists that the terms of § 1121(b) should be broadly construed to preempt local signage requirements. Specifically, in enacting § 1121(b), Congress should have been aware of the established case law recognizing color and lettering as trademarkable properties. If Congress had wanted to make an exception to § 1121(b)'s outright prohibition on alterations of registered marks by states and political subdivisions with respect to color and lettering, it should have done so explicitly. Absent such an express exception, § 1121(b) should be interpreted to mean what it says when well-established trademark components are at issue.

With respect to less established trademarkable properties such as lighting or neon, size, particular shapes like the awning in the Blockbuster case, and even sound, a different application of § 1121(b) is in order. At the time § 1121(b) was enacted, Congress may not have recognized that such elements are, or could potentially be, trademarkable elements. Even today no registration has been granted for neon or illumination as part of a trademark. [FN181] With respect to sound, some registrations recognize a trademark right to such subject matter, but there is no developed body of law on this topic. [FN182] As for size and shape, these characteristics are features of product configuration trademarks, which are three-dimensional. [FN183] Although product configuration trademarks were recognized at the time § 1121(b) was enacted, [FN184] Congress legitimately may have failed to consider their application in the context of the statute since such three-dimensional marks are not displayed on exterior signage as often as trademarkable properties such as color and lettering. Even the district court in the Blockbuster case, which involved such a mark, seemed more concerned with the color and lettering changes, and did not explicitly consider whether the city could regulate the awning. [FN185]

Moreover, these less recognized components of marks require a different analysis because they are more likely to present safety issues. A municipality can make a legitimate argument that flashing lights, blaring sounds, or unusual three-dimensional structures are public nuisances because they will easily distract motorists. [FN186] Thus, a municipality's interest in prohibiting these types of marks on exterior signage is more compelling than is its interest in prohibiting certain color schemes or lettering styles. [FN187]

The appropriate interpretation of § 1121(b) with respect to mandated alterations of less established components of federally registered marks can be formulated with assistance from recent applications of copyright and patent law, the other primary areas of intellectual property. Both copyrights and patents grapple with the scope of rights accorded non-traditional subject matter. In copyright law, for example, courts have concluded that particular arrangements and selections of noncopyrightable data are considered appropriate subject matter for protection, but have emphasized that the scope of their protection should be determined by courts during infringement litigation. [FN188] Similarly, an analogy may be drawn to the patentability of cDNA, which is an artificially created copy of a naturally occurring molecule. On the one hand, the isolation of DNA using genetic engineering techniques can be viewed as a product--a purified version of a naturally occurring substance and thus patentable. On the other hand, there is concern that granting a patent on such subject matter privatizes the building blocks of nature. [FN189] As with arrangements of noncopyrightable data, this patent dilemma may be resolved by recognizing the subject matter as patentable and determining the scope of protection at the infringement stage. [FN190]

The main point of both the copyright and patent analogies is that once something qualifies as appropriate subject matter capable of protection, the variables involving the scope of protection should be dealt with at the infringement stage. Similarly, if municipalities need to regulate lighting, shape, size or sound as components of particular federally registered marks appearing on exterior signs, the local justifications for a particular mandated alteration should be weighed against the mark owner's interests at the time of litigation in a concrete factual setting. In other words, with respect to these less well-established trademarkable components, the preemptive effect of § 1121(b) should be construed less rigidly so that courts will have the freedom to balance the relevant considerations.

Landmark and historic districts also represent a special case, in light of the important role that aesthetics play in these areas. [FN191] Recall that in the House Report, Congressman Frank specifically indicated that he believed historic districts...
should be exempt from the statute, but this understanding is not reflected in the language of § 1121(b). However, the flexible approach advocated in this Article for unconventional trademarkable components easily could be invoked when municipalities require alterations of federally registered marks on exterior signs in historic districts.

Lastly, with respect to decisions at the municipal level, arbitrary enforcement of undefined standards for exterior signs is very problematic regarding all components of federally registered marks. As discussed in Part II.B, some local ordinances apply across the board to every exterior sign in a uniform manner, while others allow enforcement decisions to be made by design review boards under vague standards. Such boards have the power to determine subjectively what colors, types of lettering, shapes, and illumination they wish to allow. Although this Article advocates judicial discretion regarding the preemptive effect of § 1121(b) in certain instances, unbridled municipal discretion in the context of zoning decisions can be dangerous to the extent that such decisions are made in response to parochial interests. Additionally, a lack of evenhandedness in the enforcement of local signage laws thwarts the legislative intent of § 1121(b), which reflects a concern for uniformity in the application of these local signage laws. At several points during the House debate over § 1121(b), Congressman Frank expressed a concern about the preemptive effect of that statute on zoning laws that are applied in a uniform manner. His concerns were not aimed at those jurisdictions in which the local signage laws are enforced in an arbitrary or selective manner.

Arbitrary enforcement of local signage laws can also foster consumer confusion if some businesses are allowed to retain all aspects of their federally registered marks while others are forced to make certain changes. For example, consider an art deco mall that allows McDonald's to retain its nationally renowned golden arches but requires every other business in the mall to change the colors of their nationally advertised registered marks. Under such circumstances, consumers may doubt whether the businesses with altered marks are affiliated with the corresponding national enterprises.

In sum, when municipal regulations are challenged in court based on § 1121(b), courts should recognize a distinction between mainstream trademarkable properties and those that are less well-established. As argued above, § 1121(b) should preempt local signage laws that require alterations of mainstream trademarkable elements of federally registered marks. However, where local signage laws require alterations of less conventional trademarkable properties, courts must engage in a balancing test, weighing the mark owner's interest in preserving their marks against the municipality's interest in regulating exterior signs for safety and aesthetic concerns. Regardless of the ultimate preemption determination, municipalities must eschew arbitrary enforcement practices and strive to develop well-defined criteria for implementing their local signage laws when they impact on the display of federally registered marks.

V. THE COMMERCE CLAUSE AND FIRST AMENDMENT AS ADDITIONAL CONSTITUTIONAL RESTRAINTS

In addition to possible preemption under the Lanham Act, local signage laws that alter federally registered marks on exterior signs may violate the Constitution. This Part focuses on the Commerce Clause and the First Amendment, because they provide mark owners with the most viable constitutional protection against local signage laws that mandate changes to federally registered marks.

*1151 A. Commerce Clause Violations

In the Senate debate over § 1121(b), Senator Hatch recognized that local regulation of federally registered trademarks might violate the Commerce Clause. He remarked that the trademark regulations existing at that time in the various states "constitute an unwarranted interference with federally registered trademarks by prohibiting uniform use of the marks in interstate commerce." He further observed that, while such regulations "are directed primarily at real estate brokers, they set a dangerous precedent for interference with other marks." Prior to the enactment of § 1121(b), the district court in Century 21 Real Estate Corp. v. Nevada Real Estate Commission rejected the claim that the state regulation at issue imposed an impermissible interference with interstate commerce. The court failed to appreciate the burden on interstate commerce deriving from the regulation, since it was primarily directed at the local level and affected only advertisements within Nevada. The Century 21 court did not consider the need for national uniformity in the display of federally registered marks, which was a failure that ultimately caused Congress to reverse the decision through its enactment of § 1121(b).

Of course, Century 21 involved an extensive ban on the advertising of the affected parties, whereas the situation considered here involves isolated displays of federally registered marks. The question, then, is whether such interference with
the uniform display of federally registered marks sufficiently burdens interstate commerce to trigger a violation of the Commerce Clause. In this regard, mark owners and their licensees could attempt a "dormant" Commerce Clause argument, which begins with the premise that the Commerce Clause not only expressly empowers Congress to regulate commerce among the states, but also implicitly confines the states' power to burden interstate commerce. [FN208]

According to one theory of the dormant Commerce Clause, state and local laws that "regulate[] evenlyhandedly to effectuate a legitimate local public interest" are prohibited if such laws impose a burden on inter-state commerce that is "clearly excessive in relation to the putative local *1153 benefits." [FN209] In Pike v. Bruce Church, Inc., [FN210] the Supreme Court developed a balancing test to facilitate dormant Commerce Clause challenges not involving interstate discrimination. According to the Pike balancing test, "[i]f a legitimate local purpose is found, then the question becomes one of degree." [FN211] The extent to which local law may burden interstate commerce depends on "the nature of the local interest involved, and on whether it could be promoted as well with a lesser impact on interstate activities." [FN212]

Under Pike, courts that evaluate local signage laws must weigh the burden these laws place on interstate commerce against the benefits that inure to municipalities from such regulations. Part III of this Article discussed the burdens to mark owners and their licensees, demonstrating their significant interest in the uniform display of federally registered marks on exterior signs. [FN213] That Part also discussed the potential for consumer confusion resulting from the application of local signage laws to the displays of federally registered marks on exterior signs. [FN214] On the benefit side, municipalities have an interest in regulating aesthetics, but the regulation of aesthetics is not as compelling as regulations that more directly relate to health and safety. For example, one court observed that although it recognized "the legitimate interest of [a] Township to advance its aesthetic goals as part of its protection of the general welfare, purely aesthetic judgments [were] far too subjective to alone carry the burden of showing detriment to the public interest." [FN215] Thus, a court might well conclude that, with respect to mandated alterations that are justified by purely aesthetic concerns, the burdens imposed by such an application are "clearly excessive in relation to" the local benefits. [FN216] Alterations of federally registered marks involving *1154 color and lettering changes would seem to fall under the aesthetically motivated category, and therefore should be frowned upon under this aspect of the dormant Commerce Clause. In contrast, requested alterations of trademark components such as size, three-dimensional shape, and illumination might be more readily tolerated to the extent they are based on public safety concerns. [FN217]

The dormant Commerce Clause also prohibits states from regulating subjects that "are in their nature national, or admit only of one uniform system, or plan of regulation." [FN218] The Supreme Court has held that a state statute will be invalidated if it "subject[s] activities to inconsistent regulations." [FN219] Thus, in Bibb v. Navajo Freight Lines, Inc., [FN220] the Court invalidated an Illinois law requiring trucks to be equipped with a certain type of mudguard which was different from the kind of mudguards required in other states. [FN221] Truck companies could not comply with the different standards without changing the mudguards on their trucks from state to state. [FN222] The Court found this to be a substantial burden on interstate commerce and an interference with the need for uniformity. [FN223]

Bibb stressed that the regulation of mudguards "is not one of those matters 'admitting of diversity of treatment, according to the special requirements of local conditions.'" [FN224] In this respect, mudguard regulation bears some resemblance to displays of federally registered trademarks. Both the Lanham Act generally, and § 1121(b) specifically, were very much concerned with the need for uniformity in the display of federally registered marks. [FN225] Compliance with local regulations results in federally *1155 registered marks being subjected to an infinite variety of aesthetic regulations when such marks are displayed on exterior signs. [FN226] This inconsistency is compounded by the prevalence of arbitrary enforcement practices. [FN227] Overall, then, the application of local signage laws requiring aesthetically motivated alterations of federally registered marks appears to involve the very type of inconsistency precluded by this aspect of the dormant Commerce Clause. [FN228]

In sum, this analysis suggests that the application of local signage laws requiring alterations of federally registered marks may violate two *1156 dormant Commerce Clause theories. [FN229] When such local laws are applied to mandate certain aesthetic alterations, they are likely to be invalidated because they not only impose burdens that outweigh local benefits, but they also potentially subject federally registered marks to inconsistent regulations. [FN230]

*1158 B. The First Amendment Challenge

Serious First Amendment issues [FN231] also arise when municipalities require color and lettering alterations of federally registered marks. Specifically, local authorities' reliance on aesthetic justifications for such alterations may be insufficient
when municipalities can impose alternate sign regulations with a more visible impact on the area. In contrast, sign regulations involving less conventional trademarkable properties are more tolerable under the First Amendment if based on legitimate public safety concerns.

The Supreme Court has developed a multilevel system of judicial review for adjudicating First Amendment challenges. Matters of public interest, such as political speech, are considered "high-value" speech and receive substantial protection by virtue of the Court's invocation of strict judicial scrutiny. Strict scrutiny requires the government action "to be justified by a compelling state interest achieved through the least restrictive means possible." [FN232] Intermediate scrutiny is applied to commercial speech. It affords a lesser degree of protection than strict scrutiny, requiring the government action "to be justified by an important state interest achieved through carefully selected, although not necessarily perfect, means." [FN233] *1159 Minimal scrutiny, or rational basis review, is applied to "low-value" speech, such as nonobscene sexually explicit material. [FN234] This level of scrutiny is extremely deferential to government action, requiring only that it be justified "by a valid or legitimate state interest achieved through reasonable means." [FN235] In practice, however, the lines separating these three analytical modes are far from crisp, and the Court's applications of these levels of scrutiny are extremely complicated. [FN236]

*1160 Therefore, in order to assess whether the First Amendment is violated by the application of local signage laws to mandate changes in the displays of federally registered marks on exterior signs, it is necessary to determine where trademarks fit in the Supreme Court's hierarchy of speech. The Supreme Court has defined commercial speech as "expression related solely to the economic interests of the speaker and its audience." [FN237] Trademarks by definition "identify" the source of the owner's goods or services and distinguish them from those sold by others. [FN238] Thus, the function and purpose of trademarks, their raison d'être, is commercial in nature. [FN239] Although many trademarks include some artistic or highly expressive elements, [FN240] even these marks are intended to sell products or services. Thus, the extent to which trademarks as speech are protected under the First Amendment should be analyzed according to the rules the Court has developed for commercial speech.

In Central Hudson Gas & Electric Corp. v. Public Service Commission, [FN241] the Supreme Court noted that "[c]ommercial expression not only serves the economic interest of the speaker, but also assists consumers and furthers the societal interest in the fullest possible dissemination of information." [FN242] Thus, the protection of commercial speech is warranted to foster accurate product and price data. Commercial speech is afforded a degree of constitutional protection, but to a lesser extent than political or even entertainment speech. [FN243] Most likely, the Court would evaluate the *1161 application of local signage laws to federally registered marks under the multipart test developed in Central Hudson, which regulates non-misleading commercial speech [FN244] under the First Amendment. This test asks "whether the asserted governmental interest is substantial," whether "the regulation directly advances the governmental interest asserted, and whether it is not more extensive than is necessary to serve that interest." [FN245]

In assessing the substantiality of the governmental interest under this test, a court should critically assess the aesthetic motivations articulated by local governments. Some courts have hesitated to accept aesthetic motivations alone as a justification for zoning. [FN246] Moreover, individual Justices of the Supreme Court have shown some degree of caution regarding purely aesthetic justifications in cases explicitly involving the First Amendment. In Metromedia, Inc. v. City of San Diego, [FN247] the Court grappled with the constitutionality of a city ordinance that imposed restrictions on the erection of outdoor advertising displays. The city justified its ordinance on the grounds of traffic safety and the appearance of the city. In evaluating the aesthetic considerations, the Court observed that "[s]uch esthetic [sic] judgments are necessarily subjective, defying objective evaluation, and for that reason must be carefully scrutinized to determine if they are only a public rationalization of an impermissible purpose." [FN248] Finding that the city did not have any ulterior motives with respect to the suppression of speech, the Court sustained the constitutionality of the ordinance under the criteria in Central Hudson. [FN249] Notably, the concurring opinion of two Justices in Metromedia concluded that the city "failed to show that its asserted *1162 interest in aesthetics is sufficiently substantial in the commercial and industrial areas of San Diego." [FN250]

Subsequently, in City Council of Los Angeles v. Taxpayers for Vincent, [FN251] the Court was faced with a municipal ordinance prohibiting the posting of signs on public property. Although the Court sustained the constitutionality of the ordinance, the opinion of the Court stated some caveats in dealing with aesthetically-based provisions. Noting that "[i]t is well settled that the state may legitimately exercise its police powers to advance esthetic [sic] values," the Court still required an assessment of "whether that interest is sufficiently substantial to justify the effect of the ordinance on appellees' expression." [FN252] Moreover, the dissenting opinion of three Justices argued for stricter scrutiny in cases involving
aesthetic justifications due to their inherent subjectivity and potential operation as "facade[s] for content-based suppression." [FN253]

Even in cases involving aesthetic interests, such as Metromedia and Vincent, the Court faced a very different type of situation than the application of local signage laws to compel alterations of federally registered marks. The ordinances in those cases relied on aesthetic justifications, such as avoiding visual pollution, to effectively preclude the type of commercial advertising at issue. The Court thus saw these cases as involving "a significant substantive evil within the City's power to prohibit." [FN254] In contrast, the trademark owners do not complain about not being able to erect any signs at all. Their complaint is simply that once the city allows the erection of on-premises advertising, it is questionable whether the city should be allowed to rely on aesthetic justifications to impose a restriction that affects the visual integrity of their federally registered marks on exterior signs. Indeed, such "government imposed conformity treats on a cherished First Amendment value; the freedom of the speaker to clothe his message in the style and form he deems most satisfying and effective." [FN255]

*1163* Further, neither of the ordinances in Metromedia or Vincent involved the private property of the advertisers. In fact, the ordinance in Metromedia specifically allowed on-site commercial advertising, and the Court approved the city's decision that its concern for aesthetics should yield to the interests of a commercial enterprise and the public "in identifying its place of business and advertising the products or services available there." [FN256] In Vincent, the Court also concluded that "the validity of the esthetic [sic] interest in the elimination of signs on public property is not compromised by failing to extend the ban to private property," because "[t]he private citizen's interest in controlling the use of his own property justifies the disparate treatment." [FN257] In contrast, the cases that have involved alterations of federally registered marks resulting from the application of local signage laws typically have involved the affixation of these signs to private property. [FN258]

These considerations also bear upon whether the application of local signage laws directly advances the government interest in aesthetics and whether these laws are more extensive than necessary to serve this interest. Once a decision is made to allow the signs themselves, it is questionable whether simply regulating elements of a trademark such as the color or lettering style displayed on the exterior signs will make a significant difference in the overall appearance of a given area. [FN259] Recently, the Court has shown an inclination to scrutinize more carefully the means by which local ordinances accomplish their stated objectives in cases involving commercial speech. For example, in Cincinnati v. Discovery Network, Inc., [FN260] the Court invalidated a city ordinance banning news racks dispensing commercial handbills on public property. The city justified this measure on aesthetic grounds. The Court held, however, that the distinction drawn by the city between the prohibited commercial news racks and the permitted news racks containing noncommercial speech could not be supported by the First Amendment under the facts of the case. Specifically, the court observed that the commercial news racks "are no greater an eyesore than the news racks permitted to remain . . . ." [FN261]

Discovery Network is a significant case for trademark owners because the Court's reasoning evidenced its desire to perform *1164* more than a perfunctory assessment of whether the asserted means fit the city's stated objectives. [FN262] Under Discovery Network, a court must carefully consider whether the means of requiring alterations of federally registered marks on exterior signs are more extensive than necessary to serve the local interest in aesthetics, given the existence of other types of exterior sign regulations that can have a far greater impact on the overall visual appearance of a given area. Thus, if the government's interest in regulating aesthetics could be satisfied by sign regulations restricting size, height, location, and illumination, then any limitations on the color or lettering components of federally registered marks on exterior signs are more extensive than necessary to serve that interest. [FN263]

In contrast, municipal regulations governing less conventional trademark components, such as size, three-dimensional shape, illumination, and sound, are more likely to be justified on public safety grounds in addition to aesthetic considerations. Municipal regulation of such trademark components is more likely to be perceived as directly related to the municipality's legitimate ends. [FN264] Although municipalities may be able to regulate the aesthetics of exterior signage through more direct means than by requiring color and lettering alterations of federally registered marks, [FN265] it is difficult to conceive of other means through which the less conventional trademark components could be regulated on exterior signs. Thus, by distinguishing municipal regulations that are justified by public safety concerns from those supported only on aesthetic grounds, the First Amendment analysis proposed herein parallels the preemption and Commerce Clause inquiries. [FN266]

*1166* The foregoing discussion suggests that mark owners might employ certain provisions of the Constitution to protect their marks from state and municipal regulation. Specifically, the Commerce Clause affords a viable constitutional argument for protecting federally registered marks against ordinances which require aesthetic alterations. Similarly, the First
Amendment may protect mark owners from ordinances which require alterations of the color and lettering style of marks on exterior signs. However, mark owners will probably not prevail under these two theories where municipalities regulate the sound, size, three-dimensional shape, or illumination of marks for legitimate public safety reasons.

VI. CONCLUSION

The emergence of new legal problems demands creativity and innovation for their solution. The approach advocated in this Article calls for the invocation of a different analytical mode for governmentally imposed alterations of conventional components of federally registered marks than for alterations of less well-recognized trademarkable properties. Specifically, this Article argues that § 1121(b) should be broadly construed to preempt local signage laws from being applied to mandate alterations of the most conventional trademarkable properties, such as color and lettering style. In contrast, courts should have more latitude to balance the relevant interests when municipalities apply their signage laws to require alterations of less mainstream trademarkable properties such as size, three-dimensional shape, illumination, and sound. By developing both a trademark and a constitutional analysis, this Article provides an analytical framework to assist courts and litigants with the legal issues triggered by the impact of local signage regulations on federally registered marks.

*1167 APPENDIX


Specific Regulation/Restrictions:

-- Requires a drawing of the sign with permit applications.

-- Regulates face area, height, illumination, mobility, and all on-premise signs.

-- Allows for on/off illumination and change in brightness as long as it does not produce any apparent change in motion of the visual image.

Atlanta, Ga., Code ch. 28A (1977 & Supps. 1994)

Purpose of Sign Regulation:

-- Promote the general welfare of the community.

-- Maintain an aesthetically attractive city.

-- Balance legitimate business and development needs with attractive environment.

Specific Regulation/Restrictions:

-- Regulates height of business identification signs.

-- Provides for the Urban Design Commission to consider special features of signs in historic/landmark areas, including how comparable the sign is to the size/design of the property, the sign's compatibility to the period/style of the property/building, and other similar interests.

-- Regulates height, sign area, illumination, neon, location, and number of signs.

-- Does not restrict actual copy.


Specific Regulations/Restrictions:

-- Requires permit applicants to include the size, form, content, and proposed location of the sign.

-- Regulates size, lighting, and location on the building.
-- Provides specific mandates for signs in multiple family districts east of Collins Avenue. For flat signs, lettering size is restricted according to location on the building. Also, the content may not include letters and numbers only. Decorative material is allowed. Lettering is limited to twelve inches.

*B1168 Bal Harbour, Fla., Code, part II, ch. 15 (continued)

-- Requires signs in business districts to conform to the same letter-size regulations as signs in multiple family districts east of Collins Avenue.

-- Places special restrictions on awning signs in business districts. Limits contents to only the owner or trade name of the business and the street number of the building. Prohibits lettering from exceeding four inches. Permits marks/insignias constituting a decorative motif above the valance, but only if the decorative motif does not include trademarks, lettering, printing, or signs of any kind.


Purpose of Sign Regulation:

-- Promote the general welfare of the community.

-- Balance aesthetics and the need for business identification.

Specific Regulations/Restrictions:

-- Regulates size, location on building, and lighting.

-- Prohibits signs with lights or illuminations that flash, move, rotate, scintillate, blink, flicker, or vary in intensity or color.


Specific Regulations/Restrictions:

-- Requires a plot plan drawn to scale showing location, size, copy area, type, and illumination of sign with permit applications.

-- Regulates size, location, lighting, and copy area.


Purpose of Sign Regulation:

-- Promote the general welfare of the community.

-- Balance aesthetics (compatibility with architecture) and the need for business identification.

-- Limits the aggregate area of signs to no more than 1.6 square feet of gross surface area for each foot of street frontage.

*B1169 Belmont, Cal., Zoning Ordinance, No. 360, § 23 (continued)

Specific Regulations/Restrictions:

-- Requires permit applicants to include a scaled site plan of the building, affected landscape, dimensions, height, materials, illumination, and color. Also, requires written consent of the building owner.
-- Requires master sign programs for all new multiple-tenant projects and for all buildings where the entire facade is being remodeled. The master sign program regulates color scheme, lettering and graphic style, lighting, materials, and sign dimensions. Once a master sign program is approved, all signs must conform with the master plan, and the master program must be attached to lease agreements for all leasable space within the project.

Bethel, Me., Sign Ordinance §§ I, IX (1995)

Purpose of Sign Regulation:

-- Promote the general welfare of the community.

-- Protect aesthetics of the town.

-- Encourage effective use of signs.

Specific Regulations/Restrictions:

-- Regulates size according to speed limits in the area. For example, where the speed limit is less than thirty-five miles per hour, any sign shall not exceed twelve square feet in area.

-- Prohibits the use of opaque letters against an illuminated white or light-colored background. Limits illuminated white or light-colored lettering or logos to no more than twenty-five percent of the total sign area.


Specific Regulations/Restrictions:

-- Limits color of signs to no more than three, however, the Architectural Commission may grant a sign accommodation to authorize more than three colors. The color of illumination is counted as one color.

-- Regulates location and size of business identification signs.

*1170 Bozeman, Mont., Ordinance No. 1442, ch. 18.65 (1997)

Purpose of Sign Regulation:

-- Promote the general welfare of the community.

-- Preserve the natural scenic beauty while giving businesses an equal opportunity to show their services.

Specific Regulations/Restrictions:

-- Requires a comprehensive sign plan for all commercial, office, industrial, and civic uses consisting of two or more tenant or occupant spaces on a lot, or two or more lots subject to a common development permit or plan. The purpose of the plan is to coordinate graphics and signs with building design. Tenants must use the same mounting devices, color elements, and illumination for all signs.

Cambridge, Mass., §§ 7.11.1, 7.15(A), (B) (1991)

Purpose of Sign Regulation:

-- Improve the city's aesthetics and physical appearance.

Specific Regulations/Restrictions:
-- Regulates area, number, height, location, and illumination.

-- Prohibits visible moving or moveable parts. Requires all lighting to be direct and continuous, with no flashing, moving, changing, or animated graphics.

Canton, Conn., Zoning Regulations ch. 63 (last modified March 27, 1997) <http://www.state.ct.us/munic/canton/guide.htm>

Purpose of Sign Regulation:

-- Reduce visual clutter and preserve the character of the town.

-- Provide flexible and streamlined sign regulations.

Specific Regulations/Restrictions:

-- Regulates size and illumination.

-- Requires signs in the Canton Center and Collinsville historic districts to be approved with Certificates of Appropriateness from respective historic district commissions.

*1171* Chicago, Ill., Zoning Ordinance § § 7.10-1(C)(1), (2), 8.9-6(1) (1997)

Specific Regulations/Restrictions:

-- Regulates flashing, illumination, height, projection, and size.

-- Mandates special limitations for commercial signs in residential districts. Restricts commercial signs to no more than eighteen inches in length and height. Limits lettering to no more than two colors, including background and considering white as a color.

-- Regulates location and area of signs in business districts.

-- Limits lettering in signs in B6-6 and B6-7 Restricted Central Business Districts to include only the name and kind of business conducted in the building or structure, such as "mens clothing," "drugs," or "jeweler." Prohibits sign advertisements of any particular article.

Deerfield, Ill., Appearance Code § 7 (1990); Deerfield, Ill., Commons Sign Criteria (Nov. 16, 1988)

Purpose of Sign Regulation:

-- Reduce visual confusion and protect the general welfare of the community.

Specific Regulations/Restrictions:

-- Requires signs and graphics to have a harmonious relationship to the building to which they relate and to the architectural and historical character of the surrounding area/village in terms of size, shape, materials, color, texture, lettering, arrangement, and lighting. In deciding compatibility with surrounding signage, a variety of styles can be utilized so long as letter size and mounting height are uniform.

-- Requires an overall plan demonstrating continuity for projects that include a number of signs and graphics.

-- Encourages restraint in the use of colors and strongly urges avoidance of excessive brightness.

-- Suggests use of only the minimum number of colors and graphic elements to convey the sign's major message. Expresses that multiple logos are generally unacceptable.
-- Provides photo examples of architecturally acceptable signs in the Appearance Code.

*1172 Denver, Colo., Code art. IV, § 59.549(h) (1997)

Purpose of Sign Regulation:
-- Promote the general welfare of the community.

Specific Regulations/Restrictions:
-- Requires review of location and size, site plan, form, lettering, illumination, color, and dimensions of each sign on the premises in permit applications.

-- Regulates area, height, animation, location, and illumination. Prohibits flashing, blinking, or fluctuating lights.

-- Requires signs in the Civic Area to be reviewed according to lettering, color, area, and height of graphics. Also, requires consent of managers of properties within the face block.

Downers Grove, Ill., art. IX (1988)

Purpose of Sign Regulation:
-- Promote the general welfare of the community.

-- Encourage aesthetic appreciation for the visual environment.

Specific Regulations/Restrictions:
-- Regulates signs according to district by height, area, and location.

-- Limits copy to the business, product, and activity available or conducted on the zoned lot.

-- Provides general prescriptions for illumination. Prohibits flashing or moving lights and moving parts, even if not illuminated.


Purpose of Sign Regulation:
-- Promote the general welfare of the community.

-- Encourage aesthetic appearance along street frontages.

Specific Regulations/Restrictions:
-- Requires approval of signs in historic districts from the historic district commission. Discourages the use of trademarks and product names on signs in historic districts, but encourages the display of proprietors' or business names. If trademarks are desired, the commission will review the sign to ensure it is consistent with the goals and standards of the district, and will review design, size, colors, materials, and visual impact.

*1173 Exeter, N.H. Code §§ 5.71, 5.73 (1)(e) (continued)

-- Regulates height, location, and illumination.

-- Prohibits flashing or intermittent illumination and all animation.

Purpose of Sign Regulation:

-- Coordinate signs with the different zoning districts.

-- Recognize commercial communication requirements.

-- Encourage innovative use of design.

Specific Regulations/Restrictions:

-- Requires permit applications to include size, copy, design, color, and location of sign, as well as Certificates of Appropriateness by the Design Review Board.

-- Requires a comprehensive on-site graphics plan that consists of graphic design criteria to control all future signage design requests at all new or existing shopping centers or enclosed shopping malls. The comprehensive graphic design criteria should include models and drawings as to the permissible size range, colors, materials, illumination, typeface, and graphic emblem sizes and locations. The plan, once approved, will be incorporated in all contracts with tenants or other parties desiring signage at the center.

-- Prohibits flashing, moving, rotating, or intermittently lighted signs.

Greenwich, Conn., §§ 6-163(a), 6-169 (1996)

Purpose of Sign Regulation:

-- Promote the general welfare of the community.

-- Aid and preserve the aesthetic, environmental, and historical values of the community.

Specific Regulations/Restrictions:

-- Mandates all store units in the same building or in separate buildings in an integrated shopping center to have a uniform design and placement of signs. No more than three different colors, including black and white, may be used in a sign and no more than two colors in lettering. Lettering may be no larger than eighteen inches (four feet in the BEX-50 Zone) in height.

*1174 Greenwich, Conn., §§ 6-163(a), 6-169 (continued)

-- Requires signs to be in harmony with the building and established development in accordance with recommendations of the Architectural Review Committee.

-- Limits size, location, illumination, and number of signs in each district.

Itasca, Ill., Code § 12 (1997) (on file with author)

Specific Regulations/Restrictions:

-- Regulates signs according to district and limits illumination, height, surface area, and projections.

-- Prohibits flashing and moving parts.


Specific Regulations/Restrictions:
-- Regulates illumination, height, location, and area.


Purpose of Sign Regulation:

-- Provide an orderly, effective, and reasonable control of signs.

-- Halt indiscriminate sign proliferation and enhance the visual environment of the city.

Specific Regulations/Restrictions:

-- Regulates illumination, height, location, and area.

Lake Bluff, Ill., Ordinances of Sign Regulations ch. 12 (July 22, 1996)

Purpose of Sign Regulation:

-- Create a more attractive economic and business climate within nonresidential districts.

-- Reduce the depreciation of property values by ensuring that all signs are architecturally compatible with existing land uses and buildings with regard to size, location, color, construction, materials, and manner of display.

-- Enhance and protect the physical appearance of all areas of the village by prohibiting unsightly, dissimilar, inappropriate, and excessive numbers of signs.

*1175 Lake Bluff, Ill., Ordinances of Sign Regulations ch. 12 (continued)

Specific Regulations/Restrictions:

-- Regulates surface area, placement, and illumination of all signs in the village. Exempts certain signs from the permit requirement.

-- Requires permit applications to include scaled drawings showing location, exact placement, and construction details, including size, letter sizes and styles, materials and colors of all construction components, and details regarding illumination.

-- Regulates signs in local business districts.

-- Regulates surface area, shape, color, letter size, and placement of awning signs. The shape should relate to the building facade and to the awning signs on adjacent buildings. The coloring must be consistent throughout the awning, utilizing complementary tones and shades.

-- Limits the lettering on door signs to no more than five inches in height and placement on the upper half of the door. Door signs are only permitted if the door is the only available signage location for the premises.

-- Regulates the number, surface area, height, and length of ground signs, on-site informational signs, wall or fascia signs, and window signs.

-- Prohibits portable signs, but small "auxiliary" signs may be placed in windows or on doors.


Purpose of Sign Regulation:

-- Preserve and enhance the appearance of the city.
-- Ensure that all signs are compatible with regard to size, location, color, message, construction, and other elements.

-- Discourage aesthetically displeasing or dissimilar signs.

Specific Regulations/Restrictions:

-- Requires permit applications to include a scaled drawing of the building and position of the sign, a scaled blueprint for construction, and a sample of the construction materials and color of the sign.

-- Regulates size, location, method of attachment, illumination and color (in some areas).

-- Prohibits changes in intensity, brightness, and color.

*1176 Lake Forest, Ill., ch. 36, arts. I, III, IV (continued)

-- Requires each real estate firm within the city to have its general sign program reviewed and approved by the Building Review Board as to color, lettering, size, general design, and appearance prior to installing real estate signs.

-- Requires approval of tract signs as to color, lettering, size, general design, and appearance.

-- Expressly regulates color for signs in the office research and business districts, but requires review of such signs by the Building Review Board.

-- Limits the description of the product or service (other than the name of the business) on signs office research and business districts to three words on wall or window signs.


Purpose of Sign Regulation:

-- Promote the general welfare of the community.

-- Encourage graphic continuity and aesthetics.

Specific Regulations/Restrictions:

-- Regulates size, location, method of attachment, placement (ground versus building signs), duration, and lighting.

-- Prohibits copy, graphics, or displays that change by electronic or mechanical means if the display does not remain fixed, motionless, and non-flashing for two or more seconds.

Oakbrook Terrace, Ill., ch. 4, §§ 9, 11 (Nov. 15, 1983)

Specific Regulations/Restrictions:

-- Regulates total surface area and height of signs. The total area for all signs for a single building may not be more than twice the area in square feet of the total frontage of the building (as measured in linear feet).

-- Prohibits flashing, rotating, moving, or animated signs, or signs "creating the illusion of movement."

Omaha, Neb., Zoning Code art. XVIII (1996)

Purpose of Sign Regulation:

-- Protect the general welfare and maintain the attractive appearance of the community.
-- Provide for adequate business identification.

*1177 Omaha, Neb., Zoning Code art. XVIII (continued)

Specific Regulations/Restrictions:

-- Regulates location, height, lighting, number, and area of signs in each district.

Oxford, Conn., Zoning Regulations art. 18 (Apr. 30, 1993)

Purpose of Sign Regulation:

-- Control the location, number, size, manner or lighting, and character of signs to protect the character of each zone.
-- Prohibit any flashing or moving illumination, or illumination that varies in intensity or color, or visible moving parts.

Specific Regulations/Restrictions:

-- Restricts signs in residential and nonresidential districts that direct the public to a lawfully approved public facility, business or industry not seen from the roadway. Such signs may be no wider than six inches and no longer than forty-eight inches, and must conform to the coloring of the Oxford street signs.

-- Limits attached signs to no greater than twenty square feet or ten percent of the area of the walls to which they are attached (whichever is less). Provides that detached signs may not exceed eight feet in height or thirty square feet in surface area.


Purpose of Sign Regulation:

-- Promote the general welfare and safety of the community.
-- Provide for positive sign communication while avoiding nuisances and promoting an attractive environment.

Specific Regulations/Restrictions:

-- Limits the number, size, placement, and physical characteristics of signs. Does not regulate content.
-- Prohibits strobe lights and outdoor portable electric signs.

Redondo Beach, Cal., art. 6 (January 2, 1997)

Purpose of Sign Regulation:

-- Protect and enhance the city's character, and avoid excessive or obtrusive signs.
-- Maintain the general welfare, quality of community life, and beauty of the city's natural features.

*1178 Redondo Beach, Cal., art. 6 (continued)

Specific Regulations/Restrictions:

-- Requires the size, shape, color, materials, illumination, and placement to be compatible to, in scale with, and harmonious with the building they are associated with and the visual character of the area.
-- Limits copy on canopy and awning signs in commercial districts to no more than twelve inches. Also, restricts identification emblem, insignia or other similar features to no more than four square feet in area.

-- Prohibits animated signs.


Specific Regulations/Restrictions:
-- Prohibits advertising signs, flashing signs, mobile signs, roof signs, and rotating signs in all zones.
-- Regulates location and area.

Salt Lake City, Utah, Code ch. IV, § 21A.46.30-.38 (1997)

Specific Regulations/Restrictions:
-- Regulates types, area, minimum setback, height, and number of signs in commercial districts.


Purpose of Sign Regulation:
-- Encourage the design of signs that attract rather than demand the public's attention.
-- Protect the public interest and safety.

Specific Regulations/Restrictions:
-- Regulates size, height, number, and location.

Tempe, Ariz., Ordinance No. 808, § 7 (Feb.14, 1987)

Purpose of Sign Regulation:
-- Promote the general welfare of the community.
-- Encourage the creation of an aesthetic appearance throughout the city through the use of attractive signage.

*1179 Tempe, Ariz., Ordinance No. 808, § 7 (continued)

Specific Regulations/Restrictions:
-- Regulates height, area, and illumination.
-- Limits copy, including logo, to no more than twelve square feet or fifty percent of the face of an awning or canopy.
-- Restricts business signs to less than or equal to fifty square feet, and all wall or fascia-mounted signs for individual businesses must be uniform in color, shape, and maximum vertical dimensions with all other such signs in the center.
-- Requires sign dimensions, materials, colors, and a site plan of the location with permit applications.


Specific Regulations/Restrictions:
-- Restricts content to the business name, type of service rendered, and the principal brand names or classification of merchandise sold. Brand names are limited to twenty-five percent of the area. Phone numbers, phrases, and slogans are not permitted.

-- Limits the maximum letter height on awnings to eighteen inches. Logos and emblems are limited to eight square feet.

-- Limits the number of freestanding signs to one per lot frontage and to no greater than twenty-five square feet in surface area.

-- Prohibits flashing signs and animated signs, and sets forth specific requirements for neon signs.


Purpose of Sign Regulation:

-- Provide a reasonable balance between the right of an individual to identify his business and the right of the public to be protected against the visual discord resulting from an unrestricted proliferation of signs.

-- Encourage signs that are well-designed and compatible with the surrounding buildings.

Specific Regulations/Restrictions:

-- Regulates height, area, setbacks, and number.

-- Requires identification signs for nonretail business centers or office/industrial/technical parks or centers to contain the name, address, and logo or trademark of the office park or center.

*1180 Westminster, Colo., Code § 11-11-1 to -11-5 (continued)

-- Provides for submission of overall sign program performance standards when shopping centers, business centers, and office/industrial/technical parks or centers are to be developed or redeveloped. The standards must address size, height, design, lighting, color, materials, and type of construction to ensure all signage within the center is harmonious, consistent, and compatible.

-- Regulates signs on bus benches. Background colors for covering no less than fifty percent of the visible area of the whole sign must be beige, cream, tan, green or white so that the background color is identical on all bus bench signs in the city. Lettering may be any single color or any single color in combination with black. Multicolored logos are permitted provided they do not exceed fifteen percent of the total area and are not closer than four inches from the edge of the sign. No fluorescent, dayglow, or other reflective or brilliant colors are permitted anywhere on the sign.

-- Requires temporary outside signs to have cream, tan or beige posts or backing. Sign panels may be any color except fluorescent, dayglow, or other brilliant colors.

[FNai1]. (c) Copyright 1998 by Roberta Rosenthal Kwall.

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In some municipalities, sign regulations appear as part of the zoning codes, although not as a separate chapter. See, e.g., Belmont, Cal., Zoning Ordinance, No. 360, § 23 (visited May 27, 1997) <ftp://ftp.aimnet.com/pub/users/belmont/bzo/bzo23toc.txt>. In others, they are grouped separately under a chapter governing only signs. See, e.g., Lake Forest, Ill., ch. 36, arts. I, III, IV (1995); Gahanna, Ohio, Code ch. 1165 (1996). Even when they appear as a separate chapter, these regulations are still regarded as part of the municipality's zoning laws. See Telephone Interview with David K. Jones, attorney for plaintiffs Blockbuster Videos, Inc. and Video Update, Inc. in Blockbuster Videos, Inc. v. City of Tempe, Civ. 96-2814, Civ. 96-2815 (D. Ariz. Feb. 25, 1997), (July 21, 1997) [hereinafter Telephone Interview with David K. Jones]. See also infra notes 61-71 and accompanying text. The balance of this Article refers to local zoning ordinances regulating the appearance of signs as "signage laws" or ordinances.


See id. § 1051-1127.

Unless otherwise noted, this Article uses the term "trademark" generically to encompass both trademarks and service marks.


In Qualitex, the plaintiff was attempting to protect a particular green-gold color on the press pads that it had manufactured and sold to dry cleaners since the 1950s. See id. at 161. The defendant began to make and sell press pads to dry cleaners that were the same color. See id. The plaintiff obtained a federal registration on the color for press pads and sued the defendant for both trademark infringement and unfair competition under 15 U.S.C. § 1125(a) (1994). See id. Reversing the Ninth Circuit decision, 13 F.3d 1297 (9th Cir. 1994), the Supreme Court held that color alone can be registered as a trademark. See Qualitex, 514 U.S. at 162.

See, e.g., Campbell Soup Co. v. Armour & Co., 175 F.2d 795, 798 (3d Cir. 1949) (observing that it is well recognized that "[c]olor is a perfectly satisfactory element of a trade-mark if it is used in combination with a design," but denying protection for red-and-white labels on food products since the colors were unconnected with other matter in a distinctive design); In re AFA Corp., 196 U.S.P.Q. (BNA) 772 (T.T.A.B. 1977) (holding that gold and black on a mist-making machine is registrable on the Principal Register); In re Ritchie Mfg. Co., 170 U.S.P.Q. (BNA) 291 (T.T.A.B. 1971) (holding that yellow and red applied to selected portions of livestock and poultry waterers are registrable on the Principal Register). But see Life Savers Corp. v. Curtiss Candy Co., 182 F.2d 4 (7th Cir. 1950) (denying Life Savers trademark protection for its multicolored-striped candy wrapper because the color pattern served the functional purpose of indicating the flavors contained in the package).

Qualitex observed that "[s]ince human beings might use as a 'symbol' or 'device' almost anything at all that is capable of carrying meaning, this language, read literally, is not restrictive." 514 U.S. at 162.

See id. at 162-63.

The Supreme Court summarized the rules regarding distinctiveness in Two Pesos, Inc. v. Taco Cabana, Inc., 505 U.S. 763 (1992):

Marks which are merely descriptive of a product are not inherently distinctive. When used to describe a product, they do not inherently identify a particular source, and hence cannot be protected. However, descriptive marks may acquire the distinctiveness which will allow them to be protected under the Act. Section 2 of the Lanham Act provides that a descriptive mark that otherwise could not be registered under the Act may be registered if it "has become distinctive of the applicant's goods in commerce." This acquired distinctiveness is generally called "secondary meaning." Id. at 769 (quoting the Lanham Act § 2(e), (f), 15 U.S.C. § 1052(e), (f)) (citations omitted).

See Qualitex, 514 U.S. at 162. One of the major objections to the registration of color alone as a trademark has been the functionality doctrine, which prevents producers from stifling competition by monopolizing useful product features. In Qualitex, the court ruled that this doctrine does not automatically preclude registrability of colors as trademarks because
"sometimes color is not essential to a product's use or purpose and does not affect cost or quality." Id. at 165. Cf. Fabrication Enter., Inc. v. Hygenic Corp., 64 F.3d 53 (2d Cir. 1995) (reversing and remanding, in light of Qualitex, for consideration of functionality of color coding system for elastic exercise bands).

[FN12]. See, e.g., Application of Wella Corp., 565 F.2d 143 (C.C.P.A. 1977) (holding that stylized lettering of "balsam" for hair products was source indicative and registrable on the Supplemental Register). Of course, such a registration only entitles the trademark owner to prevent other uses of the identical words in the same stylized lettering. The words themselves must be disclaimed, and the registration does not afford its owner the exclusive right to use the generic words themselves. See, e.g., In re K-T Zoe Furniture, Inc., 16 F.3d 390, 394 (Fed. Cir. 1994) (holding that words and stylized script of "the sofa & chair company" are separable, and that the applicant was required to disclaim the phrase for approval of service mark registration on the Principal Register since only the script design had acquired secondary meaning); Tonawanda St. Corp. v. Fay's Drug Co., 842 F.2d 643, 650 (2d Cir. 1988) (holding that if a descriptive term is displayed in distinctive lettering style, the logo itself can be registered but the registrant cannot preclude use of the descriptive term in different lettering style). But see In re Carolyn's Candies, Inc., 206 U.S.P.Q. (BNA) 356, 361 (T.T.A.B. 1980) (criticizing the practice of registering stylized versions of highly descriptive or generic words, even on the Supplemental Register and with a disclaimer). See also infra note 18.


[FN14]. Id. at 1186.

[FN15]. See id.

[FN16]. Id. at 1187.

[FN17]. See Telephone Interview with Sharon Marsh, Administrator for Policy and Procedure, United States Trademark Office (June 27 and June 30, 1997) [hereinafter Telephone Interview with Sharon Marsh].

[FN18]. See id. Marks can be registered on the Supplemental Register if they currently are not distinctive but are capable of becoming distinctive if people become accustomed to thinking of them as source indicative. Marks on the Supplemental Register do not enjoy the full benefit of federal law. See Rochelle Cooper Dreyfuss & Roberta Rosenthal Kwall, Intellectual Property Cases And Materials On Trademark, Copyright And Patent Law 17 (1996).

[FN19]. See Telephone Interview with Sharon Marsh, supra note 17. This figure includes active registrations, dead registrations, and pending applications, and may overstate the number of marks at issue.

[FN20]. For the fiscal year 1996, there were 784,667 live registrations listed on the Principal and Supplemental Registers. See id.

[FN21]. See Telephone Interview with Sharon Marsh, supra note 17. See, e.g., Kohler Co. v. Moen Inc., 12 F.3d 632 (7th Cir. 1993) (denying Kohler's opposition to Moen's registration of a faucet design and faucet handle design as trademarks, and concluding that trademark protection for product configurations does not conflict with patent law).

The registrations for two-dimensional marks do not restrict the size of the marks themselves. See Telephone Interview with Sharon Marsh, supra note 17. Typically, mark owners do not want to trademark the size of their marks because they want to be able to display them in a variety of advertising venues.

It should also be noted that buildings may now be trademarked. See David D. Kirkpatrick, No T-Shirts! Landmark Buildings Trademark Images, Wall St. J., June 10, 1998, at B1. See also Rock and Roll Hall of Fame and Museum, Inc. v. Gentile Prods., 134 F.3d 749, 751 (6th Cir. 1998) (noting that Ohio approved the trademark/service mark registrations of the Museum's building design and that the Museum has similar federal applications pending).


[FN23]. See Telephone Interview with Sharon Marsh, supra note 17.

[FN24]. See Blockbuster Videos, Inc. v. City of Tempe, Civ. 96-2814, Civ. 96-2815 (D. Ariz. Feb. 25, 1997), aff'd in part, rev'd in part, and remanded, 141 F.3d 1295 (9th Cir. 1998). For further discussion, see infra notes 61-71, 135-36, 150-52.
and accompanying text.

[FN25]. See Telephone Interview with Sharon Marsh, supra note 17.


[FN27]. According to the court, the mark was “a distinctive trade dress composed of a cool bluish, clean and salubrious newsstand shopping environment...created and enhanced by blue neon lighting associated with the store name and publication(s) displays, blue carpeting, blue accents, and blue employee uniforms.” Id. at 1916.

[FN28]. See id. at 1921-25. See also supra note 10 and accompanying text.

[FN29]. See Telephone Interview with Sharon Marsh, supra note 17.

[FN30]. Other pending applications involve issues even more unusual than neon lighting. For example, companies have filed applications to register the distinctive noises made by their motorcycles, but no final decisions have yet been rendered. See Kawasaki Motors Corp. v. H-D Michigan, Inc., 43 U.S.P.Q. 2d (BNA) 1521 (T.T.A.B. 1997) (denying opposition to motion for summary judgment); Honda Giken Kogyo Kabushiki Daisha v. H-D Michigan, 43 U.S.P.Q. 2d (BNA) 1526 (T.T.A.B. 1997) (denying applicant's motion for consolidation of oppositions); Polaris Indus., Inc. v. H-D Michigan, Inc., 43 U.S.P.Q. 2d (BNA) 1528 (T.T.A.B. 1997) (allowing registration applicant to proceed with a deposition). See also NBC, Inc., Reg. No. 523,616 (Apr. 4, 1950) (granting NBC the rights to its signature three chimes sound).

[FN31]. There is no provision in the Constitution that grants the power to regulate land use to the states. As discussed, this power is inherent in the police power reserved by implication to the states through the Tenth Amendment. See U.S. Const. amend. X (stating that “[t]he powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people”). See also Keller v. United States, 213 U.S. 138, 144 (1909) (stating that “[police power] is reserved to the States, for there is in the Constitution no grant thereof to Congress”); Lincoln Fed. Labor Union v. N.W. Iron & Metal Co., 31 N.W.2d 477, 486-87 (Neb. 1948), aff'd 335 U.S. 525 (Neb. 1949) (emphasizing that police power, reserved to the states through the Tenth Amendment, is the exercise of a “sovereign right of a government to promote order, safety, health, morals, and general welfare of society within Constitutional limits”). See generally 16A Am. Jur. 2d. § 375 (1979) (providing a general overview of the scope of states’ police power).

[FN32]. State constitutions, legislation, and enabling acts empower local governments to enact land use regulations, but the degree to which local governments are allowed to exercise this authority varies from state to state. See Edward H. Rabin & Roberta Rosenthal Kwall, Fundamentals Of Modern Real Property Law 570 (3d ed. 1992).


[FN34]. Id. at 395. The signage regulations discussed in this Article are considered under the rubric of zoning laws. See supra note 1 and accompanying text.


[FN36]. Some jurisdictions regard the regulation of aesthetics alone as a sufficient justification for the exercise of the police power, see, e.g., Georgia Outdoor Adver., Inc. v. City of Waynesville, 690 F. Supp. 452, 455 (W.D.N.C. 1988), whereas other courts conclude that aesthetics can be considered by a municipality in the exercise of its zoning powers, but alone cannot justify zoning decisions, see, e.g., Berman v. Board of Commrs, 608 A.2d 585, 590 (Pa. 1992).

[FN37]. The following municipalities are represented in the survey: Albuquerque, New Mexico; Atlanta, Georgia; Bal Harbour, Florida; Belleaire, Florida; Belle Isle, Florida; Belmont, California; Bethel, Maine; Beverly Hills, California; Bozeman, Montana; Cambridge, Massachusetts; Canton, Connecticut; Chicago, Illinois; Deerfield, Illinois; Denver, Colorado; Downer’s Grove, Illinois; Exeter, New Hampshire; Gahanna, Ohio; Greenwich, Connecticut; Itasca, Illinois; Johnstown, Pennsylvania; Kansas City, Missouri; Lake Bluff, Illinois; Lake Forest, Illinois; Nashville, Tennessee; Oakbrook Terrace, Illinois; Omaha, Nebraska; Oxford, Connecticut; Portland, Oregon; Redondo Beach, California; Roseville, Minnesota; Salt Lake City, Utah; Seattle, Washington; Tempe, Arizona; Walnut Creek, California; and Westminster,
Colorado. See infra Appendix for a summary of these regulations.

[FN38]. The American Planning Association (APA) is preparing to distribute a survey to approximately 1,300 city and county planning agencies. These agencies will be asked to provide specific information about their sign-related policies and to submit a copy of current sign ordinances. The purposes of the survey are threefold: (1) to facilitate research into the area of current standard practice of sign evaluation and regulation by planning departments; (2) to illustrate which communities have a more modern approach to sign regulation; and (3) to disclose the extent to which up-to-date graphic design principles are being used by communities to evaluate and regulate signs. The APA will establish a special area on its World Wide Web site for public access to the information from the survey. See Telephone Interview with Project Director Marya Morris, American Institute of Certified Planners, American Planning Association (June 23, 1997); American Planning Ass’n, Context-Sensitive Signage Design (visited July 1998) <http://www.planning.org/plnginfo/signs/signs.html>.

[FN39]. Thirty-four of the ordinances prescribe limitations on total sign area absolutely, in relationship to total footage of lot frontage on which the sign is located, or in relationship to square footage of the area on which the sign is affixed. For example, Walnut Creek, California, limits freestanding signs to one per lot frontage and prohibits signs from being greater than 25 square feet in surface area. See Walnut Creek, Cal., Municipal Code § 10-8.105.1a (visited May 27, 1997) <http://www.ci.walnut-creek.ca.us/signord.html>. Alternately, Downers Grove, Illinois, specifies that the total amount of sign surface area permitted on a zoning lot cannot exceed one square foot per foot of lot frontage. See Downers Grove, Ill., art. IX, § 5.1-3 (1988). A third approach, specific to attached signs, is utilized by Oxford, Connecticut, which prohibits the size of attached signs from being any greater than 20 square feet or 10% of the area of the wall to which it is to be attached. See Oxford, Conn., Zoning Regulations art. 18, § 5.3 (Apr. 30, 1993). Detached signs in Oxford are regulated in an absolute manner and limited to eight feet high or an area of 30 square feet. See id. Bethel, Maine, is the only one of the 35 municipalities in the survey that departs from one of the approaches described above. Instead, the city regulates sign size according to speed limit. For example, in areas where the speed limit is less than 35 miles per hour, signs may not exceed a surface area of 12 square feet. See Bethel, Me., Sign Ordinance § IX(A) (1995). See infra Appendix for a summary of these regulations.


[FN41]. The 15 ordinances that explicitly prohibit flashing and/or moving signs include Albuquerque, New Mexico; Belleaire, Florida; Cambridge, Massachusetts; Denver, Colorado; Downers Grove, Illinois; Exeter, New Hampshire; Gahanna, Ohio; Itasca, Illinois; Johnstown, Pennsylvania; Nashville, Tennessee; Oakbrook Terrace, Illinois; Oxford, Connecticut; Redondo Beach, California; Roseville, Minnesota; Walnut Creek, California. See infra Appendix for specific provisions.

[FN42]. Walnut Creek, California, has specific requirements for the use of neon in signs. See Walnut Creek, Cal., Municipal Code § 10-8.105.1.d.

[FN43]. Municipalities with explicit regulations include Bal Harbour, Florida; Bethel, Maine; Beverly Hills, California; Chicago, Illinois; Deerfield, Illinois; Greenwich, Connecticut; and Lake Forest, Illinois. The ordinance in Bal Harbour, Florida, provides that the size of letters on flat signs can be regulated in multiple family districts. See Bal Harbour, Fla., Code § 15-36 (b)(4) (1974). The ordinance in Bethel, Maine, prohibits opaque lettering against an illuminated white or light-colored background. See Bethel, Me., Sign Ordinance § IX(J). The Beverly Hills, California, ordinance provides that signs shall be limited to no more than three colors, excluding black and white. See Beverly Hills, Cal., § 10-4.313 (visited May 27, 1997) <http://www.ci.beverly-hills.ca.us/municode/title10/chapter4/article3>. Chicago's ordinance regulates, in residential areas, the size of lettering on commercial advertising signs for real estate companies, and provides that the lettering on "all such commercial signs" cannot display more than two colors, including background with white considered as a color. See Chicago, Ill., Zoning Ordinance § 7.10C(1), (2) (1997). In Deerfield, Illinois, an amendment to the zoning ordinance provides that the size and style of lettering on signs can be regulated in a location known as the Commons Shopping Center. See Deerfield, Ill., Commons Sign Criteria § 7, 8 (Nov. 16, 1988). In addition, the colors to be used for Plexiglas sign faces are limited to red, orange, blue, yellow, green, and one additional color at the landlord's discretion. See id. Although these sign criteria were initiated by private agreement between the landlords and tenants in the shopping area, the enforcement of the regulations now rests in the hands of the municipality. The municipal code in Greenwich,
Connecticut, regulates the size of letters, and provides that no more than three colors (including black and white) shall be used in a sign, and restricts lettering to no more than two colors. See Greenwich, Conn., § 6-169 (1996). Despite the Connecticut Supreme Court's ruling that the state zoning enabling statute does not afford any municipality the power to regulate the color of signs, see Capalbo v. Planning and Zoning Bd. of Appeals, 547 A.2d 528 (Conn. 1988), the Greenwich ordinance remains a part of the code. The Lake Forest, Illinois, ordinance does not specify permissible colors, but emphasizes its purpose is to "insure that all signs within the City are compatible...with regard to size, location, color, and message...and to discourage unsightly, dissimilar signs." Lake Forest, Ill., ch. 36, art. IB (1995). Prior approval of signs is required, and this approval may hinge on color, lettering, size, and general design for some signs. See id. at arts. III(A)(1), IV(A)(1)(2).

[FN44]. For example, in Redondo Beach, California, a permit application requires that a sign's color, shape and size be harmonious with the building and surrounding property. See Redondo Beach, Cal., art. 6, § 10-2.1802A (January 2, 1997). Vague requirements, such as "harmonious" give planning commissions a greater leeway in regulating signs. Similarly, Lake Bluff, Illinois, does not regulate color and lettering per se, but a review board examines all applications and indirectly exercises control over the appearance of signs through an ad hoc process. See Telephone Interview with Chris Martin, Assistant to the Village of Lake Bluff Administrator and Deputy Building Commissioner (June 26, 1997) [hereinafter Telephone Interview with Chris Martin]. In Blockbuster Videos, Inc. v. City of Tempe, Tempe's denial of the plaintiffs' color schemes was prompted by the decision of the city's Design Review Board. See Civ. 96-2814, Civ. 96-2815 (D. Ariz. Feb. 25, 1997), aff'd in part, rev'd in part, and remanded, 141 F.3d 1295 (9th Cir. 1998). The city ordinance did not regulate color per se, but the denial was the result of the Board's exercise of discretion over the application of the city's comprehensive signage package. See also infra notes 61-71 and accompanying text.

Clinton E. Case, Code Enforcement Supervisor for Deerfield, Illinois, for 22 years, told the author in an interview that he believed many municipalities regulate color and lettering in signs. See Telephone Interview with Clinton E. Case, Deerfield Code Enforcement Supervisor (June 1997). He also provided some anecdotal evidence of enforcement of Deerfield's ordinance that maintains the "harmonious relationship" requirement and further provides that "colors shall be used with restraint and excessive brightness shall be avoided." Id.; Deerfield, Ill., Appearance Code § 7 (1990). Specifically, Best Buy once wanted to put up a sign in Deerfield in a particular shade of blue consistent with their signs elsewhere. The Village of Deerfield forced Best Buy to use a more subdued shade. This sign, however, was not part of the Commons Shopping Center sign criteria discussed supra note 43. See Telephone Interview with Clinton E. Case, supra.

Similar to the application process are the additional requirements for historic district commission approvals. For example, in Exeter, New Hampshire, the ordinance provides that in the town's historic districts, trademarks and product names "shall be discouraged in favor of names of proprietors" but "[i]f trademarks and product names are desired, the Historic District Commission shall review them carefully to insure that said signs in design, size, colors, materials and visual impact are consistent with the goals and standards of the Historic District." Exeter, N.H. Code § 5.76(IV) (1990) (regulating Exeter's historic districts). See also Atlanta, Ga., Code § 16-28A.007(v) (1977 & Supp. No. 57, 1994) (requiring the Urban Design Commission to consider the compatibility of signs in landmark or historic areas to the size and design of the property, and the period and styling of the building); Canton, Conn., Zoning Regulations ch. 63 (requiring signs in the historic district to be approved by a Certificate of Appropriateness from the Historic District Commission). These requirements are more strict than most city sign regulations.

[FN45]. See Telephone Interview with David K. Jones, supra note 1.


[FN47]. See, e.g., Belmont, Cal. § 23.9.6 (noting that once the signage plan is approved, "[t]he master sign program shall be attached to the lease agreements made for all leasable space within the project").

[FN48]. See Telephone Interview with Margus Laan, Greenwich Zoning Department (June 15, 1997), by Sue Zabloudil.

[FN49]. See id.
Most practitioners refer to specific provisions of the Lanham Act by the numbering system of the bill that led to its final enactment. Under this numbering system, 15 U.S.C. § 1121 is known as section 39.

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preliminary injunction, the court accepted the plaintiffs' argument that they would face the irreparable harm of damage to their goodwill by complying with Tempe's request and displaying their signs in a manner inconsistent with "the image they are trying to associate with their stores," particularly when they "are striving to establish goodwill and a customer base in a new part of the community."

[FN66]. See Blockbuster, 141 F.3d at 1295.

[FN67]. See id. at 1300.

[FN68]. Id. at 1301.

[FN69]. Id.

[FN70]. In Blockbuster, the Ninth Circuit's ultimate differentiation between Blockbuster Videos' awning and Video Update's lettering color implicitly recognizes differences in trademarkable properties, but the court's rationale is predicated exclusively on the language of § 1121(b) rather than broader-based distinctions.

[FN71]. See Telephone Interview with David K. Jones, supra note 1.

[FN72]. Blockbuster, 141 F.3d at 1300.


[FN75]. Id. at 25,866.

[FN76]. Plaintiff's Brief in Support of Motion to Amend Findings and Judgment at 5 (September 6, 1996), Payless Shoesource, 934 F. Supp. at 540.


[FN78]. Recent studies of consumer behavior indicate that advertised brands command a larger average market share than unadvertised brands, and that advertised brands enjoy a greater market penetration and command higher prices. See John Philip Jones, When Ads Work 30-32 (1995).

[FN79]. Section 1111 of the Lanham Act provides that "a registrant of a mark... may give notice that his mark is registered by displaying with the mark the words 'Registered in U.S. Patent and Trademark Office.'” 15 U.S.C. § 1111 (1994) (emphasis added).

The display of a mark is closely tied to its "use in commerce," a prerequisite for protection under the Lanham Act and defined in § 1127. See id. § 1127. A subsection of § 1127 defines such use as "the bona fide use of a mark in the ordinary course of trade.” Id. With respect to goods, a mark is used in commerce when:

(A) it is placed in any manner on the goods or their containers or the displays associated therewith or on the tags or labels affixed thereto, or if the nature of the goods makes such placement impracticable, then on documents associated with the goods or their sale, and

(B) the goods are sold or transported in commerce....

Id. (emphasis added). With respect to services, the statute provides that "use in commerce" is satisfied when the mark "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.” Id. (emphasis added).

As the above definitions illustrate, the Lanham Act treats the use or display of the mark in the sale or advertising of services as the equivalent of the requirement for trademarks to be affixed to the goods themselves, unless such affixation is impractical. Moreover, even with respect to trademarks, the older rule requiring strict affixation of the trademark to the goods has been superseded by a more fluid approach. Compare In re Castleton China, Inc. 157 U.S.P.Q. (BNA) 713 (T.T.A.B. 1968) (holding that a mark appearing on brochures available at counters where samples of applicant's dinnerware were displayed for retail sale did not constitute "displays associated with the goods" for purposes of satisfying the "use in
commerce” requirement), with Roux Labs., Inc. v. Clairol Inc., 166 U.S.P.Q. (BNA) 34 (C.C.P.A. 1970) (concluding that the use of slogans on large counter or stand-up window display cards in close association with the goods satisfies the requirement) and In re Shipley Co., Inc., 230 U.S.P.Q. (BNA) 691 (T.T.A.B. 1986) (concluding that prominent display of a trademark on a trade show booth where product literature is distributed and sales orders are taken satisfies the requirement). Additionally, the new Restatement of Unfair Competition recognizes “any manner of [trademark] use that is sufficient to create an association between the designation and the user's goods or services.” Restatement (Third) of Unfair Competition, § 18, cmt. d (1995) (“A designation is used as a trademark...when the designation is displayed or otherwise made known to prospective purchasers in the ordinary course of business in a manner that associates the designation with the goods, services, or business of the user...”).

Of course, the use of the term "display" in § 1127 and these interpretative cases differs from the issue examined in this Article, since the law interpreting § 1127 is concerned with allowing the acquisition of rights in a marketing device that is not affixed to the goods in a conventional manner. In contrast, the issue explored in this part of the Article is whether trademark rights extend to the uniform display of an already registered mark on exterior signs. To date, most of the cases involving this issue have involved service marks rather than trademarks, since the exterior signs displaying the federally registered marks tend to advertise stores providing particular services rather than goods.

[FN80]. See S. Rep. No. 79-1333, at 6 (1946), reprinted in 1946 U.S.C.C.A.N. 1274, 1277 (detailing protection of the public and protection of the trademark owner in her investment as the two major purposes of the Lanham Act). See also Park ‘N Fly, Inc. v. Dollar Park and Fly, Inc., 469 U.S. 189, 198 (1985) (stating that "[t]he Lanham Act provides national protection of trademarks in order to secure to the owner of the mark the goodwill of his business and to protect the ability of consumers to distinguish among competing producers") (citing S. Rep. No. 79-1333, supra, at 3, 5).

[FN81]. See Alesandrini, Strategies that Influence Memory for Advertising Communications, in Information Processing Research In Advertising 66-67, 70 (Richard J. Harris ed., 1983) [hereinafter Information Processing] (discussing in depth the literature in this area). According to a 1981 study comparing the effectiveness of pictorial and verbal strategies to communicate the attribute of "softness" in hypothetical brands of facial tissue, the pictorial associate strategy was proven more effective than verbal repetition, even when the verbal message was repeated two and three times more often than the visual message. See id. at 68.

[FN82]. See id. at 75.

[FN83]. Id. at 76.

[FN84]. Id.

[FN85]. Id.


[FN87]. According to the International Franchise Association, there are currently more than eight million people in the United States employed in franchise-related businesses, and 1 out of 12 businesses is a franchise. Franchised businesses account for over 40% of all retail sales. By the year 2000, it is expected that total sales generated by franchised businesses could reach $1 trillion per year. See International Franchise Association, Franchise Fact Sheet (rev. Aug. 15, 1994). These statistics have been corroborated by other sources. See David J. Kaufmann, Franchising: Statistics Refute Franchising Abuses, N.Y.L.J., July 22, 1993, at 3 (citing a 1993 Small Business Administration report that notes that the percentage of retail sales through franchised outlets increased between 1975 and 1990 from 28% to 34% of total sales, and predicting that as many as 10 million people will be employed in franchises by the year 2000).


[FN89]. Id. Signs on a business' premises have been found to be three times as effective (less than one-third the monthly cost) as newspaper advertisements. See Raymond T. Anderson, The Advertising Value of the On-Premise Sign, in Signs Of The Times 36 (March 1977) (analyzing the value of such signs based on a study in Kalamazoo, Michigan, conducted by 3M National).

[FN90]. Anderson, supra note 88, at 11. This study concluded: "If a local outlet is affiliated in any way with a national
company, it must use that particular on-premise sign; it cannot compromise in any way and expect to gain the public recognition developed through expensive advertising campaigns.” Id. at 12.

[FN91]. See id.

[FN92]. Appellees’ Brief, supra note 46, at 24-25.


[FN94]. Appellees’ Brief, supra note 46, at 34.

[FN95]. See Blockbuster Videos, Inc. v. City of Tempe, 141 F.3d 1295, 1300 (9th Cir. 1998) (“If Video Update and Blockbuster are required to change their service marks to a turquoise and white sign in one shopping center and a pink and white sign in another, then there would be no uniform mark for customers to identify.”). Often, courts find trademark infringement when the defendant's confusingly similar use erroneously suggests that the defendant's and plaintiff's goods or services are associated, or that the plaintiff is a sponsor of the defendant's goods. See, e.g., Lois Sportswear, U.S.A., Inc. v. Levi Strauss & Co., 799 F.2d 867, 871-72 (2d Cir. 1986) (affirming grant of summary judgment for trademark infringement and unfair competition based on a jean company's use of its rival's registered back pocket stitching pattern trademark, noting that the case involved confusion as to sponsorship of the goods). Therefore, municipalities may argue that even if consumers are confused by the appearance of an altered federally registered mark on an exterior sign, at worst they will consider the establishment somehow associated with the genuine enterprise. This view is too simplistic, however, for it is equally plausible that consumers will believe the establishment displaying the sign with the altered trademark is a knockoff enterprise having no real connection to the national enterprise.


[FN98]. Public opinion data related to on-premise signs demonstrated that 82.7% of customers surveyed found on-premise signs “very important” in shopping for motels, and 95% of customers surveyed found on-premise signs “very important” in shopping for gas stations while away from home. See Anderson, supra note 88, at 4-5. Studies of the lodging industry indicate that signs attract anywhere from 40% to 60% of motel business. See Claus & Claus, supra note 97, at 11.

[FN99]. See Anderson, supra note 88, at 5, 12.

[FN100]. See Anderson, supra note 89, at 34.

[FN101]. This may also be true for certain areas designated as historic districts.

[FN102]. See supra note 43 and accompanying text (identifying ordinances with explicit regulations regarding color). See also infra Appendix.

[FN103]. See supra note 44 and accompanying text.

[FN104]. Coca-Cola Co. v. Gemini Rising, Inc., 346 F. Supp. 1183, 1190 (E.D.N.Y. 1972) (quoting Florence Mfg. v. J.C. Dowd & Co., 178 F. 73, 75 (2d Cir. 1910)). The argument advanced in the text is also compelling in the case of prospective consumers who do not speak English or who are illiterate, because they are even more likely to rely on the appearance of exterior signs before determining whether to enter an establishment.

[FN105]. See supra notes 35-43 and accompanying text.

[FN106]. Pursuant to the Supremacy Clause, U.S. Const. art. VI, cl. 2, Congress can preempt an area from governance by state law by either an express statutory command or by an implicit legislative design. See generally Malone v. White Motor
Corp., 435 U.S. 497, 504 (1978) (discussing whether the National Labor Relations Act preempted a Minnesota statute which established minimum standards for employee pensions).

[FN107]. See infra notes 132-41 and accompanying text.


[FN109]. Id. at 98 (citations omitted). In Gade, the preemption question was whether state laws which required the licensing of workers at hazardous waste facilities were preempted by the federal Occupational Safety and Health Act of 1970. See id. at 91. The plurality found preemption on the basis of implied conflict preemption. See id. at 104 n.2.


[FN114]. See id. See also Milton W. Handler, Are the State Antidilution Laws Compatible With the National Protection of Trademarks?, 75 Trademark Rep. 269, 283 n.65 (1985) (advocating preemption of state dilution statutes). Moreover, two years after the Lanham Act was enacted, Congress explicitly granted federal district courts subject matter jurisdiction over "any civil action asserting a claim of unfair competition when joined with a substantial and related claim under the...trademark laws." 28 U.S.C. § 1338(b) (1994). Courts have interpreted this provision as including claims for trademark infringement under state law. See Wham-O-Mfg. Co. v. Paradise Mfg. Co., 327 F.2d 748, 752-53 (9th Cir. 1964); Strey v. Devine's, Inc., 217 F.2d 187, 189 (7th Cir. 1954); DCA Food Indus. Inc. v. Hawthorn Mellody, Inc., 470 F. Supp. 574, 582 (S.D.N.Y. 1979); Golden Door, Inc. v. Odisho, 437 F. Supp. 956, 962 (N.D. Cal. 1977), aff'd 646 F.2d 347 (9th Cir. 1980).

[FN115]. See Smith Fiberglass Prods., Inc. v. Ameron, Inc., 7 F.3d 1327 (7th Cir. 1993); Perini Corp. v. Perini Constr., Inc., 915 F.2d 121 (4th Cir. 1990); Tally-Ho, Inc. v. Coast Community College Dist., 889 F.2d 1018 (11th Cir. 1989). In light of these considerations, Congress could not have intended the Lanham Act to preempt all state trademark laws. See also Plasticolor Molded Prods. v. Ford Motor Co., 713 F. Supp. 1329, 1346 (C.D. Cal. 1989) (recognizing that state trademark protection does not represent any "delicate balance" in the Lanham Act); Richard A. De Sevo, Antidilution Laws: The Unresolved Dilemma of Preemption Under the Lanham Act, 84 Trademark Rep. 300 (1994) (arguing for federal preemption of state antidilution laws).

[FN116]. See also Mariniello v. Shell Oil Co., 511 F.2d 853, 857 (3d Cir. 1975) (explicitly rejecting the argument that the Lanham Act occupies the field of trademark law to the exclusion of local law); discussion infra note 177 and accompanying text.

[FN117]. See supra note 109 and accompanying text.


[FN120]. See, e.g., Medtronic, 518 U.S. at 484-86 (analyzing the language of the Medical Device Amendments (MDA) in conjunction with its legislative history to determine that the MDA does not preempt state or local requirements that are the same as, or substantially similar to, requirements imposed under federal law); Gade, 505 U.S. at 109-14 (Kennedy, J.,
alter the federal deregulation of airlines).  

United States v. Marshall, 908 F.2d 1312 (7th Cir. 1990) 

promulgating laws concerning occupational safety or health issues already addressed in the federal Act).  

FN121. See, e.g., Livadas v. Bradshaw, 512 U.S. 107, 120 (1994) (reiterating that in labor preemption cases, the Court's duty is to decide whether "a state rule conflicts with or otherwise 'stands as an obstacle to the accomplishment and execution of the full purposes and objections' of the federal law") (citations omitted); Schneidewind v. ANR Pipeline Co., 485 U.S. 293, 299-300 (1988) (holding that the state commission's regulation of natural gas companies impinged upon the federal regulatory scheme currently occupied by the Natural Gas Act, thus preempting action by the state law which sought to regulate issuance of securities).

FN122. See, e.g., Morales v. Trans World Airlines, Inc., 504 U.S. 374, 378-80 (1992). In determining whether price advertising guidelines promulgated by the National Association of Attorneys General could be applied to airlines, the Court interpreted the language of the Airline Deregulation Act by looking to Congress' purpose of ensuring that States would not alter the federal deregulation of airlines).

FN123. See Medtronic, 518 U.S. at 484-85 (reflecting upon legislative history to determine Congress' intent for the MDA and examining its impact on business and consumers to determine whether a provision of the MDA precluded an individual from bringing common law claims for negligent design and failure to warn); Cipollone, 505 U.S. at 516-17 (invoking legislative history to determine whether Congress considered the issue of preemption in an analysis of whether federal law requiring a warning of health hazards attributable to smoking preempted a state from awarding damages on claims for torts based on failure to warn). See also Gade, 505 U.S. at 110-12 (Kennedy, J., concurring) (noting that the Court should analyze the language, structure, and purposes of the statute as a whole to determine Congress' intent, and concurring with the plurality's determination that OSHA preempts a state from enforcing its own state law as to training, testing, and licensing of hazardous waste site workers).

FN124. Chemerinsky, supra note 119, at 285. See also Amalgamated Ass'n of Street, Elec. Ry. & Motor Coach Employees of Am. v. Lockridge, 403 U.S. 274, 286-89 (1971) (invoking Congressional intent to determine whether the state's wrongful discharge actions, which required interpretation of the labor contract's union security clause, was preempted by the National Labor Relations Act).


FN126. See Martin H. Redish & Theodore T. Chung, Democratic Theory and the Legislative Process: Mourning the Death Of Originalism in Statutory Interpretation, 68 Tul. L. Rev. 803, 819-20 (1994). New textualism is a more rigid version of the "plain meaning" rule. See William N. Eskridge, Jr. & Philip P. Frickey, Cases And Materials On Legislation, Statutes And The Creation Of Public Policy 577-78 (2d ed. 1995). According to the plain meaning rule, statutes should be interpreted according to their terms, although some variability exists as to when and if legislative history and the purposes of the statute should be considered. See, e.g., id. at 576; Redish & Chung, supra, at 817-18 n.54. This variability is catalogued in In re Sinclair, 870 F.2d 1340 (7th Cir. 1989). The court quoted from a variety of Supreme Court cases representing the following three views as to whether it is appropriate to resort to legislative history when the terms of a statute are clear: The plain meaning governs when the terms of a statute are unambiguous; no rule of law prohibits the use of aids in interpreting the words of a statute, even though they may appear clear on "superficial examination"; and the plain meaning of a statute can be qualified by "only the most extraordinary showing of contrary intentions from the legislative history." Id. at 1342 (citations omitted) (alteration in the original). The court further observed that "[t]hese lines of cases have coexisted for a century, and many cases contain statements associated with two or even all three of them, not recognizing the tension." Id. Thus, under the plain meaning rule, the court takes a "soft" approach in which it will examine legislative history in order to determine whether the plain meaning of the statute as read by the court (and the parties) was equally plain to Congress. See Eskridge & Frickey, supra, at 586-87. 

New textualism uses a "harder" version of the plain meaning rule. See id. Under new textualism, the court is not interested in the expectations of the enacting Congress and completely avoids looking at any legislative history. See id. See also United States v. Marshall, 908 F.2d 1312 (7th Cir. 1990) (providing a good example of the operation of the plain meaning rule through Judge Easterbrook's majority opinion with a contrasting dissent by Judge Posner grounded in new textualism).

FN127. William N. Eskridge, Jr., The New Textualism, 37 U.C.L.A. L. Rev. 621, 663 (1990). An example of a canon of construction, invoked by Justice Scalia, is "inclusio unius est exclusio alterius," or "the inclusion of one thing implies the exclusion of all others." Id. at 164. See, e.g., Chan v. Korean Air Lines, Ltd., 490 U.S. 122, 133-34 (1989) (explaining that,
because a statute did not explicitly provide for negation of liability limits for failure to notify, the statute clearly meant to deny a remedy for that right).


[FN130]. See Redish & Chung, supra note 126, at 813-17.

[FN131]. Justice Scalia is the main proponent of the textualist position, see supra note 125 and accompanying text, and is often joined by Chief Justice Rehnquist. See Chisom v. Roemer, 501 U.S. 380 (1991) (Scalia, J., joined by Rehnquist, C.J., dissenting). While Justices Scalia and Rehnquist are textualists, Justices Stevens, Souter, and Breyer typically want to consider legislative history. See, e.g., Landgraf v. USI Film Prods., 511 U.S. 244 (1994) (writing for majority, Stevens used legislative intent to interpret the statute, while Justice Scalia, joined by Justices Kennedy and Thomas, concurred only in judgment); American Nat'l Red Cross v. S.G., 505 U.S. 247 (1992) (writing for the majority, Justice Souter relied on legislative history, with Justices Kennedy, O'Connor, Rehnquist and Scalia dissenting). Prior to his appointment to the Supreme Court, Justice Breyer wrote a law review article in which he argued the importance of using legislative history in statutory interpretation. See Stephen Breyer, On the Uses of Legislative History in Interpreting Statutes, 65 S. Cal. L. Rev. 845 (1992). Justice O'Connor leans toward textualism, although she is not as firm as Justice Scalia. See Gregory v. Ashcroft, 501 U.S. 452, 467 (1991) (writing for the majority, Justice O'Connor relied solely on a plain reading of the statute and disregarded legislative history when determining whether the age requirement of the Federal Age Discrimination in Employment Act applied to state judges).

Commentators are also divided on whether resort to legislative history is desirable. New textualism has been criticized on the ground that it is too rigid and leaves the interpreter with insufficient guidance in those cases where the application of text to a specific fact situation is unclear. See Eskridge & Frickey, supra note 126, at 515; Practical Reasoning, supra note 128, at 343-44; Redish & Chung, supra note 126, at 806, 818-19. New textualism also has been criticized because it fails to account for the problem of linguistic ambiguity. See Practical Reasoning, supra note 128, at 341-43; Redish & Chung, supra note 126, at 829-31. In contrast, intentionalism has been attacked on the ground that it is implausible to ascertain the collective intent of the legislature. See Practical Reasoning, supra note 128, at 325-32; James M. Landis, Statutory Interpretation, 43 Harv. L. Rev. 863, 870-71 (1930); Redish & Chung, supra note 126, at 874. Purposivism has been questioned because it focuses on purposes that might be culled out of a statute at the expense of a basic understanding of the practical consequences of varying interpretations. See Eskridge & Frickey, supra note 126, at 563-64; Practical Reasoning, supra note 128, at 332-38.

Another approach to statutory interpretation, dynamic interpretation, has been propounded by many academic theorists, including two of the most noted authorities on statutory construction, William Eskridge and Philip Frickey. See Eskridge & Frickey, supra note 126, at 629; Practical Reasoning, supra note 128, at 345-54. Essentially, this method urges practical reasoning in interpreting a statute in the social context in which the interpreter finds herself. Theoretically, this approach is grounded in postmodern thought in that the interpreter is more like a "partner" rather than a subordinate "agent" in the reasoning in interpreting a statute in the social context in which the interpreter finds herself. Practically, this approach is grounded in postmodern thought in that the interpreter is more like a "partner" rather than a subordinate "agent" in the reasoning in interpreting a statute in the social context in which the interpreter finds herself.

[FN132]. See supra notes 59-71 and accompanying text.

[FN133]. See 141 F.3d 1295, 1298 (9th Cir. 1998). The court noted that if it were to consider § 1121(b)'s legislative history,
it would conclude that it was not "demonstrably at odds with the intent of the drafters."" Id. (quoting United States v. Ron Pair Enters., 489 U.S. 235, 242 (1989)). See also infra notes 151-60 and accompanying text.


[FN135]. Id. See also Blockbuster, 141 F.3d at 1303-05 (Browning, J., dissenting) (discussing the legislative history of § 1121(b)).

[FN136]. See supra note 50 and accompanying text.


[FN138]. An examination of the language of the rest of the Lanham Act would not yield a contradictory conclusion since the other uses of the term "display" have no bearing on the issue examined here. Also, the word "alter" only appears in one other provision, § 1057(e), which sanctions amendments or disclaimers of registrations, provided they do not "alter materially the character of the mark." 15 U.S.C. § 1057(e) (1994). Thus, § 1057(e) is clearly using the term "alter" in the conventional sense as discussed in the text.

Interestingly, a 1996 amendment to the Patent Code suggests that Congress understood that the term "alter" means change, and knew how to differentiate this word from others with somewhat different meanings, such as "inhibit, eliminate, augment." 35 U.S.C. § 103(b)(3) (defining a "biotechnological process" as "a process of genetically altering or otherwise inducing a single-or multi-celled organism to...inhibit, eliminate, augment, or alter expression of an endogenous nucleotide sequence") (emphasis added).


[FN140]. See id. at 2250-51.

[FN141]. See, e.g., Dalton v. Little Rock Family Planning Serv., 516 U.S. 475-76 (1996) (enjoining the enforcement of an amendment to the Arkansas constitution, which prohibited the use of state funds to pay for any abortion "except to save the mother's life," only to the extent to which it imposed obligations inconsistent with the federal Hyde Amendment, which prohibits the use of state funds for abortions except to save the life of the mother when the pregnancy was the result of an act of rape or incest).

[FN142]. See supra notes 114-16 and accompanying text.

[FN143]. See infra notes 150-58 and accompanying text.

[FN144]. See supra notes 120-23 and accompanying text. See also Toy Mfrs. of Am., Inc. v. Blumenthal, 806 F. Supp. 336, 345 (D. Conn. 1992) (ruling that the plaintiff was not likely to prevail on the merits of a claim that the Federal Hazardous Substances Act preempted the toy labeling requirements of a state child protection act); Mowery v. Mercury Marine, Div. of Brunswick Corp., 773 F. Supp. 1012 (N.D. Ohio 1991) (finding preemption based on a Coast Guard decision not to require propeller guards on recreational powerboats).

[FN145]. See supra note 131. See also Wisconsin Pub. Intervenor v. Mortier, 501 U.S. 597, 610 n.4 (1991) (rejecting Justice Scalia's insistence that legislative history is irrelevant to property statutory interpretation); Eskridge & Frickey, supra note 126, at 626 (urging students "to research and brief" the legislative history thoroughly because the Supreme Court may consider it when a statute seems to require an unusual result or when the Justices are divided as to the "plain meaning" of a statute); Nicholas S. Zeppos, Legislative History and the Interpretation of Statutes: Toward a Fact-Finding Model of Statutory Interpretation, 76 Va. L. Rev. 1295, 1336 (1990) (affirming that the Court still regards legislative intent "as its interpretive guide").

[FN146]. See supra note 63 and accompanying text.

[FN148]. See supra note 67 and accompanying text.

[FN149]. On appeal, Blockbuster Videos argued that a complete prohibition was not at issue because Tempe did not maintain a uniform regulation preventing the display of service marks for signage, or signage on awnings. Instead, Blockbuster argued that Tempe was attempting to enforce an ad hoc regulatory scheme on a completely discretionary basis. Thus, no "complete" prohibition was at issue. Appellees' Brief, supra note 46, at 32-33. Additionally, Blockbuster contended that Tempe did more than simply say that Blockbuster could not have an awning. Instead, Tempe required an alteration of the display of Blockbuster's mark as it appeared in the federal registration because Blockbuster had to make three changes: first, delete the awning; second, change the display to individual letters; and third, change the color of the lettering from yellow to blue. See Blockbuster Videos, Inc. v. City of Tempe, 141 F.3d 1295, 1297 (9th Cir. 1998); Telephone Interview with David K. Jones, supra note 1.

Another possible linguistic ambiguity is illustrated in Blockbuster, where the district court preliminarily enjoined Tempe from requiring a change in the color of Video Update's red lettering. Video Update had a registration for the design of its lettering, but had only applied for a registration for the coloring at the time the lawsuit was filed. See supra note 64 and accompanying text. On appeal, Tempe argued that the phrase "require alteration of a registered mark" should not be interpreted to mean an application to amend an existing registration. Appellant's Brief, supra note 46, at 26. The Ninth Circuit ruled against Tempe on this issue. See Blockbuster, 141 F.3d at 1297-98.

[FN150]. See supra note 119 and accompanying text.

[FN151]. The International Franchise Association introduced a statement into the House Report emphasizing the need for national uniformity in the display of federally registered trademarks. This organization represents more than 300 franchising companies around the world, and is regarded as the spokesperson for all legal and legislative matters relating to franchising. See Hearings, supra note 51, at 6-7. In addition, Senator Hatch made the following observation regarding the need for uniformity in the display of trademarks:

To the extent that trademark owners use their marks in a uniform manner, trademark rights are enhanced and public awareness as to the source and quality of the goods or services is increased. Regulations interfering with the uniform use of federally registered marks deprive registrants of a property right and interfere with the public's right to receive source and quality indicating information.


The legislative history of § 1121(b) also shows that the provision's main thrust was to benefit the franchising industry by preempting the states from requiring alterations of federally registered marks. See Hearings, supra note 51, at 5, 10 (statements of Commissioner of Patents and Trademarks, and Hon. Gerald J. Mossinghoff); id. at 13 (statement of Mr. Jerry M. Patterson, author of the bill). Still, the legislative history does contain an explicit recognition that even though the regulations prompting the enactment were primarily directed toward franchises, "the implication of the regulations is that States may prevent the uniform use of all trademarks." 128 Cong. Rec. 25,866, 25,867 (1982) (enacted).

[FN152]. Hearings, supra note 51, at 5.

[FN153]. Hearings, supra note 51, at 9-11 (bolding and emphasis added).


[FN156]. See id.

[FN157]. It should be pointed out that his follow-up comment is illustrative of a regulation that would only allow a generic sign outside that said "real estate," with the protected registered trademark displayed inside. See supra text accompanying note 153. Therefore, his illustration is not directly on point with his expressed concerns. See Blockbuster Videos, Inc. v. City of Tempe, 141 F.3d 1295, 1299 (9th Cir. 1998).

[FN158]. See supra note 153 and accompanying text; Hearings, supra note 51, at 14 (statement by Iris Reeves) (asserting that the purpose of the legislation is to prevent states or local jurisdictions from requiring the alteration of a federally registered mark or mandating that "component features of a composite mark be displayed in a manner different from that exhibited in the certificate of registration issued by the U.S. Patent and Trademark Office").
Senator Hatch remarked as follows:

Many states and local communities have laws or ordinances designed to promote scenic beauty, historical preservation and environmental protection. The legislation was carefully drafted so as to avoid any conflict with the traditional state right to regulate such matters. Some communities have adopted ordinances limiting the size of signs on which trademarks or business names may be displayed. Such regulations would not fall within the scope of the legislation since total size dimensions are not claimed as features of federally registered marks.

On the other hand, the relative sizes of components or elements of federally registered marks are protected features. Thus, regulations requiring alteration in the relative size of trademark components are prohibited by the legislation.

Nothing in this bill is intended to preclude the states from adopting legislation to promote the health, welfare and safety of citizens. For example, nothing in this bill prevents the states from enacting legislation to promote scenic beauty, historical preservation or environmental protection.


[FN159]. Id.


[FN161]. See Redish & Chung, supra note 126, at 813.

[FN162]. See id. at 816.

[FN163]. See id. at 817.

[FN164]. See supra notes 52-57, 154 and accompanying text.

[FN165]. See supra notes 118-24 and accompanying text.

[FN166]. See supra note 110 and accompanying text.

[FN167]. See id.


[FN170]. Article I, Section 8, Clause 8 of the U.S. Constitution, though usually called the "Copyright Clause," expressly grants Congress authority to regulate both copyrights and patents.

[FN171]. Bonito Boats, 489 U.S. at 162.

[FN172]. See id. at 163.

[FN173]. See infra Part V.B.

[FN174]. Although the Copyright Clause initially was invoked by Congress as the basis for enacting a federal trademark statute, the Supreme Court held that this clause is not an appropriate basis for federal trademark legislation. See The Trademark Cases, 100 U.S. (1 Black) 82 (1879). Subsequently, Congress invoked the Commerce Clause, U.S. Const. art. I, § 8, cl. 3, as authority for federal trademark protection.

[FN175]. See supra notes 52-57 and 154, and accompanying text. Notably, a concern for promoting interstate business is absent in the history of the Copyright Clause, which was motivated by the Framers' instincts about the ineffectiveness of state-by-state protection for intellectual property. See Bruce W. Bugbee, Genesis of American Patent and Copyright Law 130 (1967).

[FN176]. See supra note 80 and accompanying text.
uses the word butter, but the product contains less than 40% total butterfat” in contravention of the state regulation.  Id. at 76.  

After Shell, other Lanham Act preemption cases were decided which involved the application of local ordinances not dealing with trademarks generally. In Kiwanis International v. Ridgewood Kiwanis Club, 627 F. Supp. 1381 (D.N.J. 1986), Kiwanis International sought to enjoin a local chapter from using the Kiwanis name and logo because it had admitted a woman into its membership. The plaintiff argued that the New Jersey Law Against Discrimination was preempted by the Lanham Act, because if the state law was applied to mandate that the local chapter be allowed to use the Kiwanis name and logo, the policies underlying trademark law would be thwarted by the use of a confusing service mark. The court rejected this argument, finding that no confusion would likely result from the use of the Kiwanis name and logo by a chapter that admitted women. Specifically, such a use by the local chapter would not alter the "service" element for which Kiwanis is known. Moreover, the court clearly was disturbed by the discriminatory nature of the plaintiff’s actions and held that "the federal interest in uniformity of trademarks...is tempered in this case by the fact that the private ends being sought are invidiously discriminatory.”  Id. at 1391-92. The Third Circuit reversed on the ground that the local chapter was not subject to the state antidiscrimination law since it was not a “place of public accommodation,” but the court indicated that it agreed with the district court's Lanham Act preemption analysis.  Kiwanis Int'l v. Ridgewood Kiwanis Club, 806 F.2d 468, 472 n.8 (3d Cir. 1986).  

In Storer Cable Communications v. City of Montgomery, 806 F. Supp. 1518 (M.D. Ala. 1992), the court also rejected the argument that the application of local cable television ordinances requiring the mark owner to license its programs bearing its federally registered trademarks was preempted by the Lanham Act. Relying on the Shell and the Kiwanis cases, the court concluded that state laws are "not preempted even if they operate to compel a mark owner to license its mark, so long as the mark continues to be associated with the owner's product or endorsement.”  Id. at 1541. The court found no potential for consumer confusion as a result of its holding. See id. at 1542.  

[FN177]. Prior to the Century 21 case, at least one court had grappled with a conflict preemption inquiry in the context of state law versus federal trademark protection. In Marienello v. Shell Oil Co., 511 F.2d 853 (3d Cir. 1975), the plaintiff filed an action in federal district court seeking reinstatement of his gas station franchise based on a ruling by the New Jersey Supreme Court that, under the state common law, franchisees are protected from termination without cause. The district court denied relief, stating that the state court decision curtailed the power of the franchisor to reserve a contractual right to terminate a dealership and lease, and thus "destroy[ed] the right of an owner of a federally registered trademark to grant a license of that mark for a specific, definite term.”  Marienello v. Shell Oil Co., 368 F. Supp. 1401, 1406 (D.N.J. 1974). The Third Circuit reversed, based on its application of the conflict preemption doctrine. Similar to the approach taken by the court in Century 21, the Shell court determined that "no dilution of Shell's investment in its trademark is alleged to have occurred through the New Jersey common law rule that permits franchisors to terminate a franchise only where good cause exists for such termination.”  Marienello, 511 F.2d. at 858.  

Of course, Beatrice Foods can be distinguished from the application of local signage laws to federally registered marks on the ground that the state regulation in Beatrice Foods was far more intrusive with respect to the plaintiff’s overall operations, since it banned completely the plaintiff’s use of the BUTTERMATCH mark in Wisconsin. In contrast, local signage laws do not attempt to regulate all avenues of trademark use, but only the display of marks on exterior signs. See also Blockbuster Videos, Inc. v. City of Tempe, 141 F.3d 1295, 1306 (9th Cir. 1998) (Browning, J., dissenting) (observing that “alteration” is used to describe mandated changes that are “reflected in every subsequent display of that mark within the relevant jurisdiction,” as opposed to “regulation that defines permissible aesthetic characteristics for signage in specific shopping centers”).  

[FN178]. In Beatrice Foods Co. v. Wisconsin, 223 U.S.P.Q. (BNA) 75 (W.D. Wis. 1983), the state attempted to apply its state labeling law to prevent the plaintiff from using its federally registered trademark "BUTTERMATCH" for its margarine and spread. The state objected to the mark on the ground that the "product name is BUTTERMATCH Blend Spread which uses the word butter, but the product contains less than 40% total butterfat" in contravention of the state regulation.  Id. at 76.  

As a result of the state's application of its regulation to the plaintiff's mark, the plaintiff was unable to sell its product in Wisconsin and lost a substantial amount of money.  Id. at 77. In granting the plaintiff's motion for a preliminary injunction against state interference with the distribution and marketing of BUTTERMATCH products in Wisconsin, the court noted that the plaintiff had a reasonably good chance to prevail on its claim that the defendant was unduly burdening interstate commerce by banning the sale of the plaintiff's products, particularly "if defendants persist in their demand that plaintiff rename BUTTERMATCH so as to comply” with the relevant state statute.  Id. at 79.  

Under § 1121(b), the court further observed that "[f]ederal trademarks are preemptive in nature. Defendants cannot require plaintiff to change its registered trademark in order to comply with state law." Id.  

Of course, Beatrice Foods can be distinguished from the application of local signage laws to federally registered marks on the ground that the state regulation in Beatrice Foods was far more intrusive with respect to the plaintiff’s overall operations, since it banned completely the plaintiff’s use of the BUTTERMATCH mark in Wisconsin. In contrast, local signage laws do not attempt to regulate all avenues of trademark use, but only the display of marks on exterior signs. See also Blockbuster Videos, Inc. v. City of Tempe, 141 F.3d 1295, 1306 (9th Cir. 1998) (Browning, J., dissenting) (observing that “alteration” is used to describe mandated changes that are “reflected in every subsequent display of that mark within the relevant jurisdiction,” as opposed to “regulation that defines permissible aesthetic characteristics for signage in specific shopping centers”).  

[FN179]. See supra note 114 and accompanying text.  

[FN180]. Although color alone was not officially recognized as a trademark by the Supreme Court until 1995, color as part of
a combination or pattern was viewed within the mainstream of trademark protection long before that time. See supra notes 6-7 and accompanying text.

[FN181]. See Telephone Interview with Sharon Marsh, supra note 17.

[FN182]. See supra note 30.

[FN183]. See supra notes 21-22 and accompanying text.

[FN184]. See The Coca-Cola Corp., Reg. No. 697,147 (Apr. 12, 1960) (granting trademark registration for the shape of the Coke bottle to Coca-Cola Corp.); Mogen David Wine Corp., Reg. No. 73,406 (May 11, 1959). See also Application of Mogen David Wine Corp., 328 F.2d 925 (C.C.P.A. 1964) (holding that use of bottle configuration trademark during the life of a design patent could constitute trademark use, but remanding the case to determine sufficiency of evidence).


[FN186]. A public nuisance is an unreasonable interference with a right common to the general public, including activities injurious to the health, safety, morals or comfort of the public. See Rabin & Kwall, supra note 32, at 517. See also Metromedia, Inc. v. San Diego, 453 U.S. 490, 503-12 (1981) (sustaining the constitutionality of an ordinance that imposed restrictions on the erection of outdoor advertising displays on grounds of traffic safety and city appearance); discussion infra text accompanying notes 247-50.

[FN187]. Some municipalities ban internal illumination at least to some degree. See T&S Signs, Inc. v. Wadsworth, 634 N.E. 2d 306, 309 (Ill. 1994) (upholding an ordinance that prohibits off-premises advertising and illumination of signs in order to "protect the public investment in...highways, to promote the recreational value of public travel, to preserve natural beauty and to promote reasonable, orderly and effective display of such signs, displays and devices").

[FN188]. See, e.g., Apple Computer, Inc. v. Microsoft Corp., 35 F.3d 1435, 1446-47 (9th Cir. 1994) (affirming a district court's holding that when the range of protectable and unauthorized expression is narrow with respect to a particular work, illicit copying should be determined by the "virtual identity" rather than the "substantial similarity" standard).


[FN190]. Under this approach, the patent would be granted, but at the infringement stage the claims would be read narrowly and the inquiry would revolve around whether the application at issue was enabled by the patent. Transferring the inquiry to a stage at which the defendant's application of the idea is known makes the inquiry more concrete and manageable. See Robert Patrick Merges, Patent Law & Policy 51-163 (1997); Rebecca S. Eisenberg & Robert Patrick Merges, Opinion Letter as to the Patentability of Certain Inventions Associated with the Identification of Partial cDNA Sequences, 23 A.I.P.A.Q.J. 1 (1995).

[FN191]. See supra note 44 and accompanying text. See generally Patty Gerstenblith, Architect as Artist: Artists' Rights and Historic Preservation, 12 Cardozo Arts & Ent. L.J. 431, 456 (1994) (explaining that the purpose of landmark and historic preservation ordinances is to "protect, enhance, and perpetuate architectural features").

[FN192]. See supra text following note 152 (initial comment of Congressman Frank).

[FN193]. See supra notes 39-43 and accompanying text.

[FN194]. See Appellees' Brief, supra note 46, at 20.

[FN195]. The most obvious example of questionable municipal decision making in the realm of zoning involves low-income housing. In response to an increasing awareness of the need for reform in this regard, many states have adopted legislation that changes the local land use decision-making process. See, e.g., Board of County Comm'r s v. Snyder, 627 So.2d 469, 473 (Fla. 1993) (discussing Florida's Growth Management Act). It should also be noted that some courts have even distinguished

[FN196]. See supra note 152 and accompanying text.

[FN197]. Inconsistent enforcement practices also are problematic under the theory of the dormant Commerce Clause, which prohibits states from regulating subject matter that requires uniformity. See infra notes 213-23 and accompanying text. Moreover, in the First Amendment arena, selective enforcement may strengthen trademark owners’ case for the application of strict scrutiny due to the increased likelihood that decisions antithetical to their interests will be based on subjective factors involving the mark’s content rather than on legitimate governmental criteria. See infra note 263.

[FN198]. Mark owners might also argue a theory of substantive due process, but this will not be particularly helpful because of the lenient “fairly debatable” principle in the realm of zoning. See Village of Euclid v. Ambler Realty Co., 272 U.S. 365, 388 (1926) (holding that an ordinance will be sustained if it can be shown that the “validity of the legislative classification for zoning purposes [is] fairly debatable”).

In contrast, procedural due process is a possible ground for invalidation of local signage laws, particularly with respect to those municipal ordinances vesting design review boards with the ultimate enforcement decisions where adequate standards and guidelines are lacking. See supra notes 44-45 and accompanying text. However, the ultimate success of a procedural due process claim will depend upon the particulars of the ordinance at issue. See, e.g., Sign Supplies of Texas, Inc. v. McConn, 517 F. Supp. 778, 783 (S.D. Tex. 1980), summarily aff'd in unpublished decision (5th Cir. 1981) (“Regulations which fail to include the requisite narrowly drawn, reasonable, and definite standards to guide officials in the exercise of their discretion are void for vagueness.”).

[FN199]. See U.S. Const. art. I, § 8, cl. 3. This clause provides Congress with the power “[t]o regulate Commerce with foreign Nations, and among the several States, and with the Indian Tribes.” Id.

[FN200]. 128 Cong. Rec. 25,866, 25,869 (1982). Senator Hatch further observed that this type of regulation “hampers efforts to strengthen the mark through uniform use.” Id.

[FN201]. Id. Senator Hatch also suggested that the application of local signage laws to federally registered marks precludes licensees from displaying federally registered marks in accordance with the terms of their agreements with mark owners, and thus violates the Constitution’s prohibition of state laws impairing the obligation of contracts. See id. at 25,868.

However, the jurisprudence under the Contracts Clause sanctions state laws that interfere even substantially with private contracts as long as the state laws do not represent illegitimate attacks on private contractual relationships for the benefit of special interests. In this regard, the Supreme Court has observed that “[t]he Contract Clause does not deprive the States of their ‘broad power to adopt general regulatory measures without being concerned that private contracts will be impaired, or even destroyed, as a result.’” Exxon Corp. v. Eagerton, 462 U.S. 176, 190 (1983) (quoting United States Trust Co. v. New Jersey, 431 U.S. 1, 22 (1977)).

The Supreme Court has devised a three-part test for adjudicating the validity of state or local laws under the Contracts Clause. First, the plaintiff must identify the contractual right that has allegedly been impaired and establish the degree of impairment. See Keystone Bituminous Coal Ass’n v. DeBenedictis, 480 U.S. 470, 504 (1987). Second, the state must establish the law’s purpose. See Energy Reserves Group, Inc. v. Kansas Power & Light Co., 459 U.S. 400, 411-12 (1983). Third, the court must evaluate whether the “adjustment of the rights and responsibilities of contracting parties [ ] is based upon reasonable conditions and [is] of a character appropriate to the public purpose justifying” the legislation. Id. at 412 (quoting United States Trust Co., 431 U.S. at 22). Courts invoke a higher level of scrutiny to those measures which pose a “substantial impairment.” See Energy Reserves Group, 459 U.S. at 412.

Mark owners and their licensees will have difficulty challenging the application of local signage laws in this context. Initially, the level of impairment is fairly low. Franchising agreements, for example, are quite complex and contain many provisions in addition to those governing the use and display of the marks. See Telephone Interview with Matthew R. Shay, Vice President and Chief Counsel, International Franchise Association (July 21, 1997). Moreover, in light of this relatively slight level of impairment, courts will be inclined to accept local governments’ proffered objectives for the ordinances. See Storer Cable Communications v. City of Montgomery, 806 F. Supp. 1518, 1563 (M.D. Ala. 1992). Even though some courts question whether the regulation of aesthetics alone is sufficient to justify zoning legislation, see supra notes 134-35 and accompanying text, zoning decisions based solely on aesthetic grounds may easily be approved under the Contracts Clause if the degree of impairment is not viewed as substantially high.

The third part of the test, the legislature’s judgment as to the need for, and reasonableness of, a particular measure, is always
given a fair degree of deference. See Keystone, 480 U.S. at 505. Further, the potential consumer confusion, a strong factor for mark owners under the preemption and Commerce Clause analyses, see supra Part IV, notes 198-200 and accompanying text, and infra notes 202-23 and accompanying text, appears irrelevant to a Contracts Clause analysis, because the focus is not on society's interests generally, but rather on the specific interests of the contracting parties.


[FN203]. See supra notes 52-53 and accompanying text.

[FN204]. See 448 F. Supp. at 1241.

[FN205]. See id. The court concluded that "[w]hatever incidental burden on interstate commerce may exist, we conclude that it is slight in comparison with the weighty state interest Nevada has in ensuring that its citizens realize that they must look to the local broker and not the franchisors for recompense in the event they are defrauded in a real estate transaction." Id. at 1242.

[FN206]. See supra notes 52-57 and accompanying text.

[FN207]. See supra note 178.

[FN208]. See Oregon Waste Sys., Inc. v. Department of Envtl. Quality, 511 U.S. 93, 98 (1994). The Supreme Court has explicitly recognized that the dormant Commerce Clause applies to both state and local action when the regulation discriminates against, or places burdens upon, interstate commerce. See Fort gratiot Sanitary Landfill, Inc. v. Michigan Dep't of Natural Resources, 504 U.S. 353, 361 (1992).

[FN209]. Pike v. Bruce Church, Inc., 397 U.S. 137, 142 (1970). "Evenhandedness," as it is used here, looks to whether the regulation differentiates between "in-state and out-of-state interests in a way that benefits the former and burdens the latter." Oregon Waste Sys., 511 U.S. at 99. Therefore, the fact that many local zoning ordinances do not operate evenhandedly between local businesses does not preclude these ordinances from being "evenhanded" under the dormant Commerce Clause. See also Old Bridge Chemicals, Inc. v. New Jersey Dept' of Envtl. Protection, 965 F.2d 1287, 1294-95 (3d Cir. 1992) (applying Pike to state hazardous waste transportation regulations applied "evenhandedly to in-state and out-of-state companies"); Dorrance v. McCarthy, 957 F.2d 761, 763 (10th Cir. 1992) (applying the Pike test to determine the constitutionality of the state's ban on private ownership of trophy game animals that applied to both in-state and out-of-state residents).


[FN211]. Id. at 142.

[FN212]. Id.

[FN213]. See supra notes 87-93 and accompanying text.

[FN214]. See supra notes 94-96 and accompanying text.


[FN216]. See Pike, 397 U.S. at 141.

[FN217]. See supra notes 186-87 and accompanying text.


[FN219]. CTS Corp. v. Dynamics Corp. of Am., 481 U.S. 69, 88-89 (1987) (upholding a state corporate statute where each corporation was subjected to the law of only one state).

[FN221]. See id. at 529-30.

[FN222]. See id. at 527.

[FN223]. See id. at 526-30. Cf. Toy Mfrs., 806 F. Supp. at 336, 348 (holding that the Connecticut Child Protection Act did not violate the Commerce Clause by imposing more rigorous labeling requirements for toys with small parts than those imposed by the Federal Hazardous Substances Act, noting that since no state other than Connecticut has so far "regulated the risk of choking on small parts from toys intended for children over three, there is no uniformity to be disrupted").

[FN224]. 359 U.S. at 529 (quoting Sproles v. Binford, 286 U.S. 374, 390 (1932)). The Court observed that, although a state requirement extremely different from the requirements of other states may be justified by a showing that it satisfies a compelling state interest in safety, the clear burden on commerce in this case was too great when balanced against the inconclusiveness of the safety showing. See id. at 530.

[FN225]. See supra note 151 and accompanying text.

[FN226]. See supra notes 37-43 and accompanying text.

[FN227]. See supra notes 44-45 and accompanying text. Moreover, it is conceivable that some trademark owners and their licensees would refrain from opening a shop within a particular area rather than comply with local regulations mandating changes in the displays of federally registered marks. Cf. Storer Cable Communications v. City of Montgomery, 806 F. Supp. 1518, 1557 (M.D. Ala. 1992) (noting that an excessive burden on interstate commerce could result if the effect of the cable television ordinance that allegedly prohibited exclusive licenses dissuaded programmers from doing business in the city).

[FN228]. There is a third theory of the dormant Commerce Clause that prohibits direct burdens on interstate commerce stemming from discrimination between local and interstate commerce. Where the state legislation effectuates economic protectionism, "such facial discrimination invokes the strictest scrutiny of any purported legitimate local purpose and of the absence of nondiscriminatory alternatives." Chemical Waste Management, Inc. v. Hunt, 504 U.S. 334, 342-43 (1992) (quoting Hughes v. Oklahoma, 441 U.S. 322, 337 (1979)). This "virtually per se rule of invalidity" means that the measure must be invalidated unless it can be shown "that it advances a legitimate local purpose that cannot be adequately served by reasonable nondiscriminatory alternatives." Oregon Waste Sys., Inc. v. Department of Envtl. Quality, 511 U.S. 93, 100-01 (1994) (quoting New Energy Co. v. Limbach, 486 U.S. 269, 278 (1988)). Just recently, the Supreme Court invoked this aspect of the dormant Commerce Clause in striking down a state statute that imposed a higher tax on a camp serving primarily nonresidents than on a camp serving primarily residents. Camps Newfound/Owatonna, Inc. v. Town of Harrison, 117 S. Ct. 1590, 1607-08 (1997).

Applying this theory to local signage laws compelling alterations of federally registered marks on exterior signs, the issue is whether such ordinances constitute facial discrimination against interstate commerce. Given that the operation of these ordinances does not Effectuate a ban on the interstate sale, transportation, or advertising of any goods or services, it seems fairly clear that no economic protectionism is at issue. The rationale underlying this theory of the dormant Commerce Clause is that local commerce will be favored over interstate commerce. Regarding the issue examined in this Article, the local signage laws are neutral; that is, they favor neither local nor interstate commerce. Local signage ordinances apply equally to all establishments whose signs bear a federally registered mark, whether owned by in-staters or out-of-staters. Thus, consumers may refrain from patronizing a local establishment just as readily as an interstate one whose sign bears a federally registered mark in an altered form.

In contrast, an argument could be made that the law at issue in Century 21 did involve such protectionism because the regulations were seeking to ensure that the local franchisees had 50% of the surface area in any given display rather than 20%, which was available to the local franchisee in the Century 21 service mark. In the Century 21 case, the court did not consider this argument specifically, but instead stated that the state regulation neither impeded "the interstate transportation of goods through particular states," nor discriminated "against interstate commerce, requiring the national franchisors to forebear advertising in Nevada or otherwise lose the advantages that inure to a franchised broker." F. Supp. 1237, 1242 (1978) (citation omitted).

[FN229]. Some might argue that the Supreme Court's recent decision in Printz v. United States, 117 S. Ct. 2365 (1997), is
indicative of the Court's view that state and local governments have a strong interest in controlling the physical territory within their domain. In Printz, the Court considered certain interim provisions of the Brady Handgun Violence Prevention Act, which imposed on state and local enforcement officers requirements mandating a background check on prospective handgun purchasers. See id. at 2368-69. The key to the Court's holding in that case, however, was that the federal government cannot force the states to enact or administer a federal regulatory program. See id. at 2383. This situation is quite distinguishable from that of the local governments voluntarily requiring an alteration of a federally registered mark. Moreover, the Court sustained a dormant Commerce Clause violation in Camps Newfound/Owatonna, which was decided the same term as Printz. See 117 S.Ct. at 1607-08; supra note 228.


Initially, it is possible to explore whether local signage laws requiring alterations of federally registered marks on exterior signs result in a physical taking. In Loretto v. Teleprompter Manhattan CATV Corp., 458 U.S. 419 (1982), the Supreme Court endorsed a per se rule that governmental uses resulting in permanent, physical invasions of property constitute takings. See id. at 434-38. Since Loretto, however, the Court has been reluctant to classify certain governmental actions as physical invasions. For example, in Yee v. City of Escondido, 503 U.S. 519 (1992), the Court held that a municipal rent control ordinance which, when combined with state-law restrictions, allowed a mobile home owner to occupy the pad indefinitely at a submarket rent, did not constitute a physical taking. According to the Court, "[t]he government effects a physical taking only where it requires the landowner to submit to the physical occupation of his land." Id. at 527 (emphasis in original). In Yee, the park owners voluntarily rented their land to the mobile home owners, and a mobile park owner could evict the mobile home owner if the park owner wanted to change the use of his land. See id. at 524. Therefore, Yee can be interpreted as holding that no physical taking exists with respect to a scheme in which the property owner has a choice. Owners of federally registered marks are not compelled to display their marks on exterior signs even though such display is an integral aspect of mark ownership. See supra Part III. Therefore, this voluntary element would probably weigh against finding a physical taking.

The application of signage laws to compel alterations of federally registered marks may also be analyzed as a regulatory taking. The takings framework consists of a multifactor balancing analysis derived from the seminal Supreme Court decision, Penn Central Transportation Co. v. New York City., 438 U.S. 104 (1978). This analysis considers the following factors: (1) whether the measure entails reciprocal benefits to the burdened party; (2) whether the property owners are unfairly singled out as a result of the regulation's application; (3) the extent to which the legislation interferes with the property owner's distinct investment-backed expectations; and (4) the extent to which the property is diminished in value by virtue of the measure. See id.

With respect to the first takings factor, mark owners and their licensees can plausibly assert that they are not receiving any benefit which approximates the burdens they are being asked to bear in light of the significant damage to their investments. Such damage derives from their reduced ability to benefit from the national goodwill generated by their marks, and the increased potential for consumer confusion. See supra Part III. Regarding the second factor, selective enforcement of local signage ordinances raises problems from a takings perspective, because such practices increase the potential for arbitrary and unfair decisions. The third factor also favors mark owners, given that the policies underlying the Lanham Act clearly support reasonable investment-backed expectations, since uniformity of trademark display prevents consumer confusion and protects mark owners' investment interests. See supra Part III.

However, the fourth takings factor presents the most compelling reason against finding a taking based on the application of signage laws in this context. The takings jurisprudence suggests that a taking is more likely where a particular regulation interferes with every strand of a property owner's "bundle of rights" rather than one strand. See Penn Cent. Transp. Co., 438
U.S. at 130-31 (stating that "[t]akings jurisprudence does not divide a single parcel into discrete segments and attempt to determine whether rights in a particular segment have been entirely abrogated" but instead "focuses...both on the character of the action and on the nature and extent of the interference with rights in the parcel as a whole"). For example, the Supreme Court has concluded that a prohibition on the sale of lawfully acquired property, resulting in a deprivation of the most profitable use of the property, is not a taking. See Andrus v. Allard, 444 U.S. 51 (1979) (upholding a regulation prohibiting the sale of protected Indian artifacts acquired by plaintiffs prior to statute's passage); Keystone Bituminous Coal Ass'n v. DeBenedictis, 480 U.S. 470, 497 (1987) (examining the impact of the challenged mining regulations on the entirety of the plaintiffs' mining operations rather than considering the effect of the measures on discrete segments of plaintiffs' property).

However, there is some inconsistency reflected in the Supreme Court's takings jurisprudence regarding the extent to which a successful takings plaintiff must show interference with his or her bundle of rights. Compare Andrus, 444 U.S. at 51, with Hodel v. Irving, 481 U.S. 704 (1987) (holding that a statute providing that minute fractional shares of land ownership passing to the Indian tribe rather than to an individual Native American constituted a taking) and Babbitt v. Youpee, 117 S. Ct. 727 (1997) (confirming the result in Hodel under an amended version of the statute). On a narrow level, Andrus, Hodel, and Babbitt show that the right to inherit relatively valueless land cannot be abolished, unlike the right to sell valuable items made with eagle feathers. More globally, these cases emphasize the current ad hoc nature of much of the takings law. See Rabin & Kwall, supra note 32, at 599; Andrea L. Peterson, The Takings Clause: In Search of Underlying Principles Part I--A Critique of Current Takings Clause Doctrine, 77 Cal. L. Rev. 1301 (1989).

Despite this inconsistency, Courts will not likely find a taking based on a local law’s interference with a federally registered mark to the extent that the right to display that mark on exterior signs is the only ownership element compromised. But see Florida Rock Indus., Inc. v. United States, 18 F.3d 1560, 1565-67 (Fed. Cir. 1994) (approving the notion of a partial taking of a severable property interest in holding that the Army Corps of Engineers' denial of a Clean Water Act permit for limestone mining under wetlands amounted to a compensable taking). Some commentators also have endorsed the notion of a partial taking. See Margaret Jane Radin, The Liberal Conception of Property: Cross Currents in the Jurisprudence of Takings, 88 Colum. L. Rev. 1667, 1676 (1988) (coining the term "conceptual severance," which "consists of delineating a property interest consisting of just what the government action has removed from the owner, and then asserting that the particular whole thing has been permanently taken"). See, e.g., Richard A. Epstein, Takings: Private Property And The Power Of Eminent Domain 57-62 (1985) (asserting that the loss of a particular incident of ownership need not be complete, as partial losses of even single incidents of property ownership effect takings that mandate compensation); Kwall, supra, at 749 (advocating Epstein’s approach in assessing governmental uses of copyrighted property).

[FN231]. U.S. Const. amend. I ("Congress shall make no law...abridging the freedom of speech"). The First Amendment applies to the states pursuant to the Fourteenth Amendment as well as certain state constitutional provisions. See Los Angeles v. Preferred Communications, Inc., 476 U.S. 488, 491-92 (1986).

[FN232]. Jeffrey M. Shaman, The Theory of Low-Value Speech, 48 SMU L. Rev. 297, 329 (1995). See also infra notes 262-65 and accompanying text. See, e.g., Simon & Schuster, Inc. v. New York State Crime Victims Bd., 502 U.S. 105, 118 (1991). Political speech is considered the most highly valued speech, lying at the core of the First Amendment. See Shaman, supra, at 331. The value of political speech is closely followed by expression concerning the arts and sciences, and the Supreme Court has recognized that works of entertainment can be a highly valuable form of speech. See Burstyn v. Wilson, 343 U.S. 495, 501 (1952) (emphasizing that “the importance of motion pictures as an organ of public opinion is not lessened by the fact that they are designed to entertain as well as to inform” in the Court’s reversal of the determination to rescind a license for public exhibition of a motion picture).


[FN234]. See Young v. American Mini Theatres, Inc., 427 U.S. 50 (1976) (plurality opinion) (upholding Detroit's zoning ordinance prohibiting the location of adult theaters within 1,000 feet of any other two "regulated uses," or within 500 feet of any residential zone). In contrast, obscene material is not within the scope of the First Amendment's protection at all. See Miller v. California, 413 U.S. 15, 23-25 (1973) (setting out the test for defining "obscene" material, and holding that such material was not protected by the First Amendment and thus could not limit state police power); Roth v. United States, 354 U.S. 476 (1957).

minimal scrutiny with some "bite." See id. (noting that "it is nearly impossible to predict when this will occur). Although government. See id. at 330. Theoretically, however, the Court could upgrade minimal scrutiny for low-value speech into a

Although the Court does purport to balance when evaluating low-value speech, it is extremely deferential to the instance of speech in that particular case is harmful." Shaman, supra note 232, at 331. Compare, e.g., Ohralik v. Ohio State Bar Ass'n, 436 U.S. 447 (1978) (upholding regulation of lawyer solicitation in a commercial setting), with In re Primus, 436 U.S. 412 (1978) (striking down regulation of lawyer solicitation in a political setting). If speech within a certain category is sufficiently harmful on a general basis, the Court will allow the regulation without requiring a showing that "the individual instance of speech in that particular case is harmful." Shaman, supra note 232, at 331.

Although the Court does purport to balance when evaluating low-value speech, it is extremely deferential to the government. See id. at 330. Theoretically, however, the Court could upgrade minimal scrutiny for low-value speech into a minimal scrutiny with some "bite." See id. (noting that "it is nearly impossible to predict when this will occur). Although there have not been any speech cases in which this type of scrutiny has been applied, there are examples from other areas of constitutional law. See, e.g., United States Dept' t of Agric. v. Moreno, 413 U.S. 528 (1973) (applying minimal judicial scrutiny to strike down an amendment to the Food Stamp Act because legislative history indicated that the amendment was motivated by a desire to prevent so-called hippies from participating). See also Jeffrey M. Shaman, Cracks in the Structure: The Coming Breakdown of the Levels of Scrutiny, 45 Ohio St. L.J. 161, 166-68 (1984). In addition to these three evaluative approaches, the Court also employs a number of special rules, such as the overbreadth doctrine, which provides that an overly broad regulation of high-value speech is unconstitutional on its face. See Shaman, supra note 232, at 331. See, e.g., Board of Airport Comm'nrs v. Jews for Jesus, Inc., 482 U.S. 569 (1987) (invalidating a rule that proscribed all "First Amendment activities in airport terminal"); Thornhill v. Alabama, 310 U.S. 88, 97 (1940) (voiding a statute that prohibited all picketing because it banned peaceful picketing protected by the First Amendment).


See supra note 4 and accompanying text.

Cf. Friedman v. Rogers, 440 U.S. 11, 11 (1979) (categorizing as commercial speech the use of a trade name to identify an optometrical practice and to convey information about the type, price, and quality of services offered in that practice).

See, e.g., Ex parte Checker Cab Mfg. Corp., 99 U.S.P.Q. (BNA) 480 (Comm'r Pat. 1953) (granting registration for the checkered band around the taxi cab body); Roux Laboratories, Inc. v. Clairol, Inc., 427 F.2d 823 (C.C.P.A. 1970) (granting registration for the slogan "Hair Color So Natural Only Her Hairdresser Knows For Sure").


Id. at 561-62.

See, e.g., Virginia State Bd. of Pharmacy v. Virginia Citizens Consumer Council, Inc., 425 U.S. 748, 762 (1976) (holding that even speech that is wholly commercial is afforded some First Amendment protection); Ohralik v. Ohio State Bar Ass'n, 436 U.S. 447, 455-56 (1978) (noting that although commercial speech is now given constitutional protection, it is more limited than the protection afforded other forms of speech and is subject to more regulation). See also Shaman, supra note 232, at 319 (noting that the Supreme Court has placed "commercial speech at the bottom of a middle level of the
The first part of the test in Central Hudson asks whether the commercial speech in question concerns lawful activity and is not misleading. 447 U.S. at 566.

The Central Hudson test represents intermediate scrutiny. Professor Shaman has noted that, subsequent to Central Hudson, the Supreme Court was inclined to afford commercial speech even more limited protection by using intermediate scrutiny only in reviewing the ends of a particular regulation, while subjecting the means to minimal scrutiny. See Shaman, supra note 232, at 329-330 (citing Board of Trustees v. Fox, 492 U.S. 469 (1989) and Posadas De Puerto Rico Ass'n v. Tourism Co., 478 U.S. 328 (1986)). More recently, however, the Court has invoked a stronger degree of scrutiny with respect to the means. See, e.g., City of Cincinnati v. Discovery Network, Inc., 507 U.S. 410 (1993); discussion infra notes 260-63 and accompanying text.

See supra notes 36, 142, and 143, and accompanying text.


Id. at 510.

See supra notes 241-45 and accompanying text. The Court struck down, however, the ordinance's restrictions on noncommercial advertising. See Metromedia, 453 U.S. at 513-16.

Metromedia, 453 U.S. at 530 (Brennan, J., and Blackmun, J., concurring).


Id. at 805 (emphasis added).

Id. at 822 (Brennan, J., Marshall, J., and Blackmun, J., dissenting).

Id. at 807. See also Suffolk Outdoor Adver. Co. v. Hulse, 373 N.E.2d 263, 265 (N.Y. 1977), summarily dismissed, 439 U.S. 808 (1978) (upholding an ordinance prohibiting nonaccessory billboards throughout the town against a First Amendment challenge on the ground that the regulation of aesthetics constitutes "a significant governmental interest"). The court in Suffolk Outdoor Advertising also emphasized that its holding was premised on the view that the ordinance "makes no attempt to regulate the content of the commercial speech appearing on billboards. . . ." Id.

Donnelly & Sons v. Campbell, 639 F.2d 6, 23 (1st Cir. 1980) (Pettine, J., concurring).


466 U.S. at 811.

See Telephone Interview with David K. Jones, supra note 1.

See Donnelly & Sons, 639 F.2d at 13 (noting that on-premise signs are the least aesthetically offensive because the advertised structure itself already violates the landscape).


Id. at 425.

In fact, the Court supported its reasoning that the city's means were impermissible by citing Simon & Schuster, Inc. v. New York State Crime Victims Board, 502 U.S. 105 (1991), a case that had clearly invoked strict scrutiny. See infra note 266. See also Discovery Network, 507 U.S. at 438 (Blackmun, J., concurring) (advocating that "truthful, noncoercive commercial speech concerning lawful activities is entitled to full First Amendment protection," and expressing optimism regarding the Court's holding as a step toward this direction).

If the government can require an entity to display its trademark differently than the way it typically appears, the government arguably is attempting to regulate the content of the speech. The First Amendment usually affords more protection to the message than to the medium. See Donnelly & Sons v. Campbell, 639 F.2d 6, 19 (1st Cir. 1980) (concurring opinion). A trademark is not the medium in which a message is contained. A trademark is the message itself. See generally Marshall Macluhan, The Medium Is the Message: An Inventory of Effects (reprinted, Touchstone Books 1989) (asserting that messages are not isolated from their contextual grounds, and the audience's perception changes in response to that context). Trademark ownership entails control over a message that flows from producer to consumer. This message is short, but nonetheless rich with information. See Dreyfuss & Kwall, supra note 18, at 24. Since the objective of trademark law is to make it possible to send these signals in an unambiguous way, a trademark is protected only when it is being used to communicate. See id.

Moreover, by requiring that trademarks appear in certain colors or lettering styles, the government is attempting to substitute its own aesthetic judgment or viewpoint for that of the mark owner. For example, if McDonald's had wanted to convey to consumers the message of bright blue arches, it would have made its arches that color rather than gold. If a local signage law is applied so that McDonald's is required to change its arches to bright blue at a certain location, the municipality clearly is attempting to substitute its aesthetic viewpoint for that of the mark owner. Although the Supreme Court never has faced with a viewpoint discrimination case involving commercial speech, it is an open question as to whether it would apply strict scrutiny discrimination under such circumstances. Cf. Sambo's of Ohio, Inc. v. Toledo City Council, 466 F. Supp. 177 (N.D. Ohio 1979) (ruling for plaintiff Sambo's in an action against the city council based on denial of the ability to use plaintiff's registered name, because such was deemed racially offensive). In Sambo's, the court noted that the defendant's actions were impermissible because plaintiff was effectively precluded from all uses of its federally registered mark. See id.

One case which might be of some utility to mark owners in facilitating the adoption of strict scrutiny is Simon & Schuster v. New York State Crime Victims Board, 502 U.S. 105 (1991). In that case, the Supreme Court employed strict scrutiny in invalidating what it perceived to be a content-based statute requiring people accused or convicted of crimes to deposit their income from works describing their crimes into an escrow account. The funds in the escrow account were to be available to their victims and other creditors for a five-year period. In so holding, the Court emphasized that "[a] statute is presumptively inconsistent with the First Amendment if it imposes a financial burden on speakers because of the content of their speech." Id. at 115. The fact that the New York law was not motivated by a desire to suppress certain ideas was irrelevant since "[i]licit legislative intent is not the sine qua non of a violation of the First Amendment." Id. at 117 (quoting Minneapolis Star & Tribune Co. v. Minnesota Comm'r of Revenue, 460 U.S. 575, 592 (1983)).

Extending the reasoning of Simon & Schuster, mark owners could argue that the application of local signage laws to require alterations of their federally registered marks on exterior signs places upon them a financial burden simply because the local authorities are concerned with the content of their marks in a particular context. Also, under Simon & Schuster, it is irrelevant that the local authorities may not have the intention of suppressing particular ideas by virtue of their enforcement of the ordinances to require alterations of federally registered marks. See also Discovery Network, 507 U.S. at 429 (reaffirming the aspect similar to Schuster which disregards the absence of illicit motives on the part of the city in enacting an ordinance that otherwise is suspect under the First Amendment). The case for strict scrutiny arguably is even stronger with respect to those ordinances where the potential exists for arbitrary enforcement on the part of design review boards. In such instances, there is an increased likelihood that decisions will be made by local authorities based on subjective factors regarding the content of the marks rather than on any legitimate government criteria.

Of course, Simon & Schuster did not involve commercial speech, and whether the Court would so extend the reasoning in that case to cover a situation involving purely commercial speech is difficult to predict. If mark owners were successful in persuading a court to invoke strict scrutiny, they could then argue that a municipality's interest in promoting aesthetics is not
a compelling state interest which justifies impinging on important First Amendment values. See supra notes 247-58 and accompanying text. See also Turner Broadcasting Sys., Inc. v. Federal Communications Comm'n, 512 U.S. 622, 680 (1994) (stating that "[i]t is not enough that the goals of the law be legitimate, or reasonable, or even praiseworthy," but that "[t]here must be some pressing public necessity, some essential value that has to be preserved"). Moreover, as discussed earlier, the government's interest in regulating aesthetics could be satisfied by other types of sign regulations. See supra note 263 and accompanying text.

Admittedly, mark owners will have a more difficult time satisfying the strict scrutiny test with respect to those municipal regulations governing less conventional trademark components such as size, three-dimensional shape, lighting, and sound, since regulations of such elements are more likely to be justified on public safety grounds in addition to aesthetic considerations. See supra note 234 and accompanying text. The legitimate public safety justification undoubtedly will qualify as a compelling state interest, which ultimately will support the regulation even under strict scrutiny. See, e.g., Barnes v. Glen Theaters, Inc., 501 U.S. 560 (1991) (holding that, although speech and nonspeech elements were combined, interest in public health, safety, and morals was compelling enough to enforce public indecency law).

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