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An Empirical and Consumer Psychology Analysis of Trademark Distinctiveness

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AN EMPIRICAL AND CONSUMER PSYCHOLOGY ANALYSIS OF TRADEMARK DISTINCTIVENESS

Abstract: This article analyzes the taxonomy of trademark distinctiveness that has long been endorsed in the courts and scholarly commentary. This distinctiveness scale is routinely justified on the basis of an assumption about consumer psychology: that consumers perceive suggestive, arbitrary, or fanciful marks as source-indicating, but see descriptive marks as “merely descriptive.” Although this core premise of trademark law is a fundamental matter of consumer psychology, it has never been subjected to scrutiny under the light of consumer psychology theory and empirical analysis.

We offer a consumer psychology model for questioning the law of distinctiveness (or “source indication”) and then test our theory in a series of empirical studies. Building on perceptual schema theory, we suggest that the non-lexical signs in a trademark may overwhelm the linguistic signs credited by the law. If a descriptive word mark is presented in a spatial placement, size, and style that matches the consumer’s schematic mental model of what product labels and brand names look like, the word may be perceived as a source indicator even if its semantic meaning may be “merely descriptive.” Our three empirical studies confirm this hypothesis. Study 1 shows that there is no statistically significant difference in source-indicating distinctiveness across the spectrum of descriptive, suggestive, arbitrary, and fanciful word marks when presented in an average trademark use context on a box of cookies. Study 2 confirms our hypotheses across a broader spectrum of products and word marks. Study 3 shows that when a descriptive word is not presented in a “trademark use” context, its descriptive semantic meaning will predominate and it will no longer be perceived as a source indicator.

Our theory and empirical results are employed in support of a proposal to abandon the longstanding taxonomy of trademark distinctiveness. We propose instead that trademark distinctiveness turn only on a threshold showing of “trademark use” (an existing doctrine that considers non-lexical signs of source-indication).

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I. INTRODUCTION

The touchstone of federal trademark protection is a threshold showing of distinctiveness. Under the Lanham Act, trademark protection is extended to words and symbols that “identify and distinguish” a producer’s goods “from those manufactured or sold by others” and that “indicate the source of the goods.” This statutory definition of a “trademark” is framed in “the broadest of terms,” encompassing “anything at all that is capable of carrying meaning” as an indicator of source. “It is the source distinguishing ability of a mark—not its ontological status as color, shape, fragrance, word, or sign—that permits it to serve these basic purposes.”

For word marks, the law has long embraced a taxonomy—established in Abercrombie & Fitch v. Hunting World—that determines protectability on the basis of a word’s classification as “(1) generic, (2) descriptive, (3) suggestive, (4) arbitrary[,] or (5) fanciful.” Words that fall in the last three categories are accorded presumptive protection ab initio. They are deemed “inherently distinctive”—and thus protectable—on the basis of an assumption about consumer perception of their distinctiveness: that they “almost automatically tell a customer that they refer to a brand.” To restate the example offered by Justice Breyer in his opinion for the Supreme Court in Qualitex v. Jacobson Products, “[t]he imaginary word ‘Suntost,’ or the words ‘Suntost

4 Abercrombie & Fitch Co. v. Hunting World, Inc., 537 F.2d 4, 9 – 10 (2d Cir. 1976). Judge Friendly’s opinion in Abercrombie has been embraced repeatedly by the Supreme Court as establishing the governing framework for trademark distinctiveness under federal law. See Two Pesos, Inc. v. Taco Cabana, Inc., 505 U.S. 763, 773 (1992) (approving of the “classic formulation set out by Judge Friendly” in Abercrombie); Qualitex, 514 U.S. at 162 – 63 (citing Abercrombie for the proposition that “‘fanciful,’ ‘arbitrary,’ or ‘suggestive’ words or designs … almost automatically tell a customer that they refer to a brand”); Wal-Mart Stores, Inc. v. Samara Bros., Inc., 529 U.S. 205, 210 (2000) (embracing “the now-classic test originally formulated by Judge Friendly”).
5 Qualitex, 514 U.S. at 162 – 63.
Marmalade,’ on a jar of orange jam immediately would signal a brand or a product ‘source.’”6 Such coined, “fanciful” terms are presumed by the law to be perceived by consumers as distinctive source indicators, and they accordingly qualify as trademarks without any further evaluation.

Words that fall in the second category (descriptive) are denied such presumptive protection. “Descriptive” marks are deemed non-inherently distinctive—and thus presumptively unprotectable ab initio—on the basis of a contrary assumption about consumer perception of their distinctiveness: that they describe a characteristic or quality of the product to which they are attached, and thus would not be perceived automatically as source indicators. The Qualitex Court’s examples of descriptive marks are the words “‘Trim’ on nail clippers [and] ‘Car Freshner’ on deodorizer.”7 As the Qualitex Court explains, the law assumes that descriptive marks would not be perceived by consumers as “signifying a brand” or “indicat[ing] a product’s origin.”8 The “primary meaning” of such words to consumers, rather, would be to describe the product (nail clipper) or one of its characteristics (the ability to freshen a car). Accordingly, descriptive words are not afforded protection ab initio; they can become protectable trademarks over time only when their primary meaning gains a “secondary meaning”—when they “come to indicate a product’s origin” through use, sales, and promotion of the mark.9

Thus, the taxonomy that dictates the protective coverage of the Lanham Act is built on premises of consumer perceptions of distinctiveness. Yet for all their practical and legal significance, these premises have rarely been questioned—much less subjected to careful theoretical and empirical evaluation. Judges, practitioners, and scholars reflexively and unquestioningly have embraced the Abercrombie formulation of trademark distinctiveness.

This is hardly a matter of judicial competence—of lawyerly interpretation or legal analysis. Instead, like many of the key issues in trademark law, questions of distinctiveness are matters that can and should be informed by the theoretical and empirical tools employed by those who undertake a careful, scholarly study of such issues.10 As we have noted elsewhere, “[t]rademark law is far too dependent on assumptions about consumer behavior to continue to evolve in ignorance of an entire body of scholarship devoted to that very subject.”11 Questions

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6 Id. at 163.
7 Id.
8 Id.
9 Id. (citing Inwood Laboratories v. Ives Laboratories, 456 U.S. 844, 851 n. 11 (1982) (“secondary meaning” is acquired when “in the minds of the public, the primary significance of a product feature . . . is to identify the source of the product, rather than the product itself.”).
10 See Ann Bartow, Likelihood of Confusion, 41 SAN DIEGO L. REV. 721, 723, 772 (2004) (lamenting that trademark law has evolved on the basis of “personal intuition and subjective, internalized stereotypes,” not on “specific and persuasive evidence about consumer behavior”).
11 Thomas R. Lee, Glenn L. Christensen & Eric D. DeRosia, Trademarks, Consumer Psychology, and the Sophisticated Consumer, 57 EMORY L. J. 575, 650 (2008). See also Rebecca Tushnet, Gone in Sixty Milliseconds: Trademark Law and Cognitive Science, 86 TEX. L. REV. 507, 508 (2008). Professor Tushnet acknowledges that “[c]ognitive science is especially attractive to trademark law because trademark protection is premised on a psychological assumption: exposure to a mark will trigger ideas and emotions in the mind of a consumer.” Id. Yet she also raises some reservations and concerns about “empirical and normative flaws in the cognitive theory” employed “to fill [trademark] dilution [law’s] theoretical vacuum.” Some of Tushnet’s insights and concerns are relevant to our inquiry here, and we take them up at appropriate points in the discussion below.
of distinctiveness, in particular, lend themselves to rigorous theoretical analysis using tools
developed in the scholarly study of consumer psychology. Such questions are not merely
theoretical, moreover; they lend themselves to empirical study using accepted methods of
quantitative measurement.

That is the enterprise of this article. After first setting forth some additional background
on the law’s classification of word marks (in Part II), we consider the justifications offered in the
scholarly literature for the law in this area (in Part III). Finding those justifications analytically
unsatisfying and largely question-begging, we marshal theoretical tools from the field of
consumer psychology (in Part IV) that provide important insights into the viability of the law’s
word mark taxonomy. Using these tools, we show that the law’s longstanding assumptions about
consumer perception of word marks are highly questionable. Specifically, we employ consumer
psychology models of the way consumers perceive visual information to hypothesize that when
identifying a product’s source, consumers will rely primarily on non-linguistic visual cues (e.g.,
the location and size of the mark as displayed on a product package) rather than the mark’s
semantic meaning.

We then present a series of empirical studies of these assumptions (in Part V). Our
empirical investigation seeks to measure word mark distinctiveness in the relevant context of
trademark use. Using a series of stimuli representative of consumer packaged goods, we hold
constant the various contextual indicators of meaning (such as prominence and placement of the
word mark on the package), while varying the word marks that appear in the context of the
package. This methodology allows us to measure the impact of the classification of a particular
word mark—as generic, descriptive, suggestive, arbitrary, or fanciful—on trademark
distinctiveness. Our study thus allows us to offer an empirical answer to the trademark
distinctiveness question long determined by judicial intuition and precedent. Our empirical
findings thoroughly undercut the word mark taxonomy that has long dictated the coverage of the
Lanham Act. We demonstrate that descriptive marks\footnote{Our empirical study yields different results for generic marks: generic terms stand alone in our study as words that even in a typical “trademark use” context are not perceived as source indicators. Thus, we would not jettison the generiness standard, since generic marks are shown not to be distinctive and because there is a strong competitive need ground for keeping generic marks off limits.} are no less source-indicating than
suggestive, arbitrary, and fanciful marks. We also show that it is the non-lexical cues of typical
trademark use (e.g., the location and size of the mark) that cause consumers to find descriptive
marks to be source-indicating.

Finally (in Part VI), we offer some observations about the implications of our findings for
the law’s treatment of word marks. Our principal conclusion is that the law’s treatment of
“merely descriptive” marks cannot be justified on the basis of its faulty premises of
distinctiveness. The main implication of that conclusion is a proposal to jettison legal tests that
are based on those premises. Thus, we advocate the abandonment of the \textit{Abercrombie}
dichotomy between “inherently distinctive” and “non-inherently distinctive” word marks,
eliminating (at the threshold protectability stage) the longstanding categories of descriptive,
suggestive, arbitrary, and fanciful trademarks. Under our approach, all non-generic word marks
would be eligible for protection so long as they satisfy the “trademark use” requirement.
That is not to say that we advocate equal treatment of all word marks. Under our approach, generic words would remain ineligible for trademark protection and descriptive words would be protected only when they clearly meet the “trademark use” standard. And although descriptive words would be eligible for protection as inherently distinctive trademarks, that does not mean that such marks would be afforded the same berth of protection as their suggestive, arbitrary, or fanciful counterparts. The likelihood of confusion test and fair use standard would still preserve additional freedom for competitors to use variants of descriptive word marks without liability for infringement.

The approach we advocate is admittedly heretical, as it calls for a substantial overhaul of a system of classification that has long stood as an unquestioned fixture of trademark law. But if that fixture can be shown to be indefensible on theoretical and empirical grounds, it deserves to be questioned. Once “merely descriptive” words are seen as distinctive source-indicators when used in a typical “trademark use” context, they should not be foreclosed from protection on the basis of erroneous assumptions about consumer psychology.\(^\text{13}\)

**II. WORD MARKS AND THE ABERCROMBIE TAXONOMY**

The Lanham Act protects any “word, name, symbol, device, or combination thereof” that is used to “identify and distinguish” a producer’s goods “from those manufactured or sold by others” and that “indicate[s] the source of the goods.”\(^\text{14}\) As Professor McCarthy has explained—in language embraced by the United States Supreme Court in *Qualitex v. Jacobson*—this definition encompasses “three elements”: “(1) the tangible symbol: a word, name, symbol or device or combination of these; (2) type of use: actual adoption and use of the symbol as a mark by a manufacturer or seller of goods or services; (3) the function: to identify and distinguish the seller’s goods from goods made or sold by others.”\(^\text{15}\)

Our principal focus here is on the third element—the function of a mark to “identify and distinguish” a producer’s goods and to “indicate the source.” For trademarks consisting of words, the courts have embraced a classification system—the *Abercrombie* taxonomy—that attempts to separate marks that perform that function “inherently” from those that do not. The key elements of this treatment of word marks are laid out below, starting with an articulation of the *Abercrombie* formulation, continuing with an explanation of the legal tests applied in distinguishing the “inherently distinctive” from the “non-inherently distinctive,” and concluding with a discussion of the law of secondary meaning and the doctrine of “trademark use.” At each

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\(^{13}\) The approach we advocate is in line with an emerging series of attempts to use “cognitive science … in order to convert, vague, intuitive concepts into objective rules, generating new law along the way.” Tushnet, *supra* note 11, at 511. As Rebecca Tushnet notes, it is important that we “hesitate to adopt the cognitive model as legal truth” under circumstances where there are “empirical uncertainties” and “normative problems” associated with it. *Id.* We agree, but believe that it is an even bigger mistake to fail to even ask the relevant empirical and theoretical questions. The law of distinctiveness as it stands today adopts “as legal truth” the impressionistic assessments of consumer cognition embraced and long-repeated by judges—without any attempt to consider the theoretical and empirical tools available in consumer psychology.


\(^{15}\) *Qualitex*, 514 U.S. at 166 (quoting J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 11:71 (4th ed. 2008)).
stage, the law’s assumptions about consumer perception of trademark distinctiveness are explained.

A. The Abercrombie Taxonomy

The foundation of the modern treatment of word marks is the now-settled classification system set forth in *Abercrombie & Fitch Co. v. Hunting World, Inc.*:

Arrayed in an ascending order which roughly reflects their eligibility to trademark status and the degree of protection accorded, the[] four categories of word marks are (1) generic, (2) descriptive, (3) suggestive, and (4) arbitrary or fanciful.\(^{16}\)

The Abercrombie taxonomy has become the dominant framework for evaluating the protectability of word marks. In each of the Supreme Court’s recent forays into the Lanham Act, the Court has embraced the Abercrombie categories as settled points of doctrinal orthodoxy.\(^{17}\) As quoted in some detail above, the *Qualitex* Court adopted the Abercrombie formulation in holding that the Lanham Act’s “broad[]” conception of trademarks encompasses “anything at all that is capable of carrying [source-indicating] meaning,” including color.\(^{18}\)

The Court again embraced the Abercrombie categories in its trade dress decision in *Wal-Mart Stores v. Samara Bros.*,\(^{19}\) Justice Scalia’s opinion for the Court in *Wal-Mart* identifies as inherently distinctive “certain categories of word marks” that have the “purpose” of identifying “the source of the product.”\(^{20}\) As to “suggestive” words, *Wal-Mart* acknowledges that such marks “can serve subsidiary functions” like “invok[ing] positive connotations in the consumer’s mind,” but concludes that their primary function is to identify source.\(^{21}\) Specifically, *Wal-Mart* expressly speculates that “[c]onsumers are … predisposed to regard [such] symbols as an indication of the producer.” Quoting *Qualitex*, *Wal-Mart* proceeds to conclude that “such symbols ‘almost automatically tell a customer that they refer to a brand,’” and “‘immediately … signal a brand or a product ‘source.’”\(^{22}\)

*Wal-Mart* offers a converse assertion as to descriptive marks. As to marks that are “descriptive of the product (‘Tasty’ bread) or of a geographic origin (‘Georgia’ peaches),” the *Wal-Mart* opinion concludes that “it is not reasonable to assume consumer predisposition to take an affixed word on packaging as indication of source.”\(^{23}\) Thus, the law’s classification of word marks rests primarily on its assumptions about consumer perception of them in their commercial context. In the words of the McCarthy treatise, the primary justification for the law’s treatment of descriptive word marks is the following:

\(^{16}\) *Abercrombie & Fitch Co.*, 537 F.2d at 9.

\(^{17}\) *Two Pesos*, 505 U.S. at 773; *Qualitex*, 514 U.S. at 162 – 63; *Wal-Mart*, 529 U.S. at 210.

\(^{18}\) *Qualitex*, 514 U.S. at 162.

\(^{19}\) *Wal-Mart*, 529 U.S. at 205.

\(^{20}\) *Id* at 206.

\(^{21}\) *Id* at 212.

\(^{22}\) *Id* (quoting *Qualitex*, 514 U.S. at 162 – 63).

\(^{23}\) *Id* at 213.
Descriptive adjectives can be truthfully applied to a whole range of goods and services. Thus, a descriptive term cannot, per se, function to identify and distinguish the goods or services of only one seller in the marketplace. A descriptive term merely informs the buyer of an alleged quality of the product.\(^{24}\)

The federal courts of appeals often reiterate the view that descriptive terms merely inform consumers about the nature of a product.\(^{25}\) Courts expect descriptive terms to convey “an immediate idea of the ingredients, qualities or characteristics of the goods” and accordingly to fail to identify the source of the goods.\(^{26}\) Consistent with this view, courts routinely assert that, without secondary meaning, descriptive terms do not serve as source indicators.\(^{27}\)

A secondary justification for the law’s treatment of descriptive marks has also been proffered. It is based on the notion that descriptive words ought to be left available to competitors to use in touting their own products. As McCarthy puts this rationale,

Descriptive terms are regarded as words in the “public domain” in the sense that all sellers should be free to truthfully use these terms to describe their merchandise. … That is, one seller cannot, by mere adoption and use, obtain an exclusive right to prevent others from using descriptive terms. No one seller should be allowed the exclusive right to describe a product by its primary characteristic, and thus preempt or limit competitors’ use of the term to describe their own products.\(^{28}\)

\(^{24}\) McCARTHY, supra note 15, § 11:18. The Callmann treatise proffers a similar justification. See LOUIS ALTMAN, CALLMANN ON UNFAIR COMPETITION, TRADEMARKS AND MONOPOLIES § 18:4 (4th ed. 2008) (“CALLMANN”) (“[i]t is a contradiction in terms to say that a mark ‘is descriptive as to a connection to the source of the goods … The fundamental import of the term ‘descriptive,’ when used as a technical term in trade identity law, is antithetical to the notion of source-significance.”). Id. (quoting Honorable Order of Kentucky Colonels v. Building Champions, 345 F. Supp. 2d 716, 721 (W.D. Ky. 2004)).

\(^{25}\) See Gruner + Jahr USA Pub., a Div. of Gruner + Jahr Printing and Pub. Co. v. Meredith Corp., 991 F.2d 1072, 1076 (2nd Cir. 1993) (a descriptive mark “tells something about a product, its qualities, ingredients or characteristics. It may point to a product’s intended purpose, its function or intended use, its size, or its merit.”); General Mills, Inc. v. Kellogg Co., 824 F.2d 622, 625 (8th Cir. 1987) (“A descriptive mark . . . designates characteristics, qualities, effects or other features of the product . . . .”); Sally Beauty Co., Inc. v. Beautyco, Inc., 304 F.3d 964, 976 (10th Cir. 2002) (“A descriptive mark identifies a characteristic or quality of an article or service, such as its color, odor, function, dimensions, or ingredients.”).

\(^{26}\) Boston Duck Tours, LP v. Super Duck Tours, L.L.C., 531 F.3d 1, 13 (1st Cir. 2008) (quoting Blinded Veterans Ass’n v. Blinded Am. Veterans Found., 872 F.2d 1035, 1040 (D.C.Cir.1989)). See also, In re Gyulay, 820 F.2d 1216, 1217 (Fed. Cir. 1987) (a merely descriptive mark “immediately conveys . . . knowledge of the ingredients, qualities, or characteristics of the goods . . . with which it is used.”) (quoting In re Quik-Print Copy Shops, Inc., 616 F.2d 523, 525, 205 USPQ 505, 507 (CCPA 1980)); Duluth News-Tribune, a Div. of Northwest Publications, Inc. v. Mesabi Pub. Co., 84 F.3d 1093, 1096 (8th Cir. 1996) (“A descriptive mark . . . immediately conveys the nature or function of the product”).

\(^{27}\) See, e.g., Boston Duck Tours, LP, 531 F.3d at 13 (“descriptive marks are not inherently capable of serving as source-identifiers”); Board of Supervisors for Louisiana State University Agricultural and Mechanical College v. Smack Apparel Co., 550 F.3d 465, 475 (5th Cir. 2008) (A descriptive mark “does not inherently identify a particular source of the product”); In re Reed Elsevier Properties Inc., 482 F.3d 1376, 1378 (Fed. Cir. 2007) (marks that are “merely descriptive and incapable of designating source” cannot be registered).

\(^{28}\) McCARTHY, supra note 15, § 11:18.
Under this secondary justification, a mark’s inherent distinctiveness is determined by a sense of competitive need—that a mark holder’s competitors may find it necessary to utilize descriptive words in their own marks to compete effectively in the market.

B. Inherent Distinctiveness: The Suggestive/Descriptive Distinction

Although the Supreme Court repeatedly has endorsed the broad contours of the Abercrombie classification system, it has yet to hear a case that requires any careful demarcation of its various categories. The distinctions among the various classes of marks are thus determined according to rules devised in the lower courts and in the Patent and Trademark Office.

The key demarcation, of course, is between the suggestive and the descriptive. Both of these categories of word marks convey some semantic meaning of relevance to the product to which the trademark is attached, but only suggestive marks get automatic protection as “inherently distinctive” marks. Descriptive marks are subjected to a substantial handicap; they get no protection unless and until they acquire distinctiveness through promotion and advertising. Thus, this key distinction is of more than academic significance. The “descriptive” label is a costly one for brand managers and start-up companies, who accordingly have a strong incentive to locate a new word mark on the “suggestive” side of the divide.

The line of demarcation is not a bright one. The predominant test turns on the immediacy or directness of the semantic meaning of the word in question. Under this so-called “imagination” test, a mark is suggestive if it requires “imagination, thought and perception to reach a conclusion as to the nature of goods,” and descriptive if it “forthwith conveys an immediate idea of the ingredients, qualities or characteristics of the goods.”

The imagination test purports to trace its theoretical roots to the first justification articulated above for the law’s treatment of descriptive trademarks: where words immediately, directly communicate something about the goods on which they are used, the courts assume that they will not simultaneously (or at least not immediately) perceive the mark as a source-indicator. The law claims to turn on “[c]onsumer reaction to the mark.” Under the U.S. Patent & Trademark Office’s Trademark Manual of Examining Procedure (“TMEP”), “[t]he determination of whether or not a mark is merely descriptive” depends on the “possible significance that the mark would have to the average purchaser of the goods or services in the marketplace.”

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29 See McCARTHY, supra note 15, § 11:23 (“From a purely legal point of view, nondescriptive marks are the best because they can be easily protected and registered. … From an advertising point of view, a descriptive mark is probably the best since it impresses some quality of the product in the consumer’s mind. But in so doing, businesspeople, either knowingly or unwittingly, take the risk that the mark will be held descriptive, with the attendant difficulty of proving secondary meaning in order to get judicial protection and registration.”).


31 See the discussion at notes 35 - 64, infra.

32 ALTMAN, supra note 24, § 18:10.

33 U.S. Patent & Trademark Office, TRADEMARK MANUAL OF EXAMINING PROCEDURE (“TMEP”) § 1209.01(b).
Yet with the limited exceptions noted below, the law’s evaluation of “consumer reaction” is based only on the semantic meaning of the lexical component of the mark. The problem is compounded by the fact that the “imagination” and related inquiries introduce a theoretical sleight of hand: They begin with the premise that trademark protectability turns on consumer perception of inherent distinctiveness, but then formulate tests that instead evaluate the immediacy or degree of inherent descriptiveness. For the most part, the law of inherent distinctiveness ignores the possibility that non-lexical signs (such as the design, font style, and placement of the mark in its commercial-use context) might cause the “average consumer” simultaneously to see a descriptive word as a source-identifier.\textsuperscript{34}

The paragraphs that follow (1) review the general rules developed by the PTO and the courts for differentiating descriptive and suggestive marks; (2) present a doctrine—the composite marks doctrine—that underscores the law’s focus on semantic meaning; and (3) offer some observations and critiques of the law of inherent distinctiveness.

1. The “Imagination” Test and the Law’s Fixation on Semantic Meaning

In the lower courts and in the PTO, the law generally differentiates descriptive word marks from suggestive ones on the basis of their semantic or dictionary meaning. Under the imagination test, “a word or figure is descriptive if it identifies a characteristic or quality of an article or service, and a suggestive term is one which suggests rather than describes, some characteristic of the goods to which it is applied and requires the consumer to exercise his imagination to reach a conclusion as to the nature of these goods.”\textsuperscript{35}

A descriptive mark may “indicate[] the nature of the goods or services in general rather than in specific terms.”\textsuperscript{36} Thus, the descriptive mark “need not immediately convey an idea of each and every specific feature of the applicant’s services in order to be considered merely descriptive; it is enough that the term describes one significant attribute or function of the services.”\textsuperscript{37} Common sub-categories of descriptive marks include those that identify an “ingredient or component of a product,” describe a “characteristic or attribute,” indicate a “hoped-for result” or use, or offer “laudatory” praise.\textsuperscript{38}

\textsuperscript{34} As explained in some detail below, the threshold requirement of trademark use encompasses an initial inquiry into the word mark’s placement and prominence on a label or package, under a standard that accords protection only to a word that is “used in such a manner that it would be readily perceived as identifying the specified goods and distinguishing a single source or origin of the goods.” In re Aerospace Optics, Inc., 78 U.S.P.Q.2d 1861, 1862 (TTAB 2006). Beyond this threshold inquiry into “trademark use,” however, the law’s consideration of a word mark’s distinctiveness generally considers only semantic meaning without any consideration of meaning that may be infused by a word mark’s placement or prominence.

\textsuperscript{35} Synergistic Int’l, L.L.C. v. Korman, 470 F.3d 162, 171 (4th Cir. 2006) (quoting Pizzeria Uno Corp. v. Temple, 747 F.2d 1522, 1528 (4th Cir.1984)).

\textsuperscript{36} CALLMANN, supra note 24, § 18:6.


\textsuperscript{38} CALLMANN, supra note 24, § 18:6 (citing cases exemplary of these and other sub-species of the descriptive mark).

See also TMEP, supra note 33, §§ 1209.01(b) (“A mark is considered merely descriptive if it describes an ingredient, quality, characteristic, function, feature, purpose or use of the specified goods or services.”); 1209.03(k) (laudatory terms—those “those that attribute quality or excellence to goods or services”—are “merely descriptive”).
As to any such mark, the law deems it descriptive if it “‘imparts information directly’” and suggestive if it “‘requires some operation of the imagination to connect it with the goods.’” The “information” that the imagination test is concerned with is the semantic information imparted by the word component of the mark. Thus, when the law asks whether a word mark “immediately conveys knowledge of a quality, feature, function, or characteristic of the goods or services with which it is used,” it is asking about knowledge conveyed by the linguistic cues in the word itself and not by any non-linguistic cues that may be conveyed by the mark as presented to the consumer in its commercial context.

This “imagination test” (or some close variation of it) is the standard on which the descriptive – suggestive boundary is policed in the First, Second, Third, Fourth, Seventh, Eighth, Eleventh, D.C., and Federal Circuits. Courts in other circuits also generally start with the imagination inquiry, while supplementing it with additional considerations like the degree of “competitive need” or the actual use of a word mark by competitors.

A recent Federal Circuit case demonstrates the primacy of semantic meaning in the evaluation of the inherent distinctiveness of word marks. In In re Bayer, the Federal Circuit affirmed the denial of Bayer’s application to register the mark ASPIRINA (which is Spanish for “aspirin”) on the ground that it was “merely descriptive.” The Bayer court insisted that the imagination evaluation is “not considered in the abstract,” but “in relation to the particular goods for which registration is sought, the context in which it is being used, and the possible significance that the term would have to the average purchaser of the goods because of the

39 Synergistic, 470 F.3d at 171. See also TMEP, supra note 33, § 1209.01(a) (“Suggestive marks are those that, when applied to the goods or services at issue, require imagination, thought or perception to reach a conclusion as to the nature of those goods or services. Thus, a suggestive term differs from a descriptive term, which immediately tells something about the goods or services.”) (citing In re Shuts, 217 USPQ 363 (TTAB 1983) (SNO-RAKE held not merely descriptive of a snow removal hand tool); In re Quik-Print Copy Shop, Inc., 203 USPQ 624 (TTAB 1979), aff’d, 616 F.2d 523, 205 USPQ 505 (C.C.P.A. 1980) (QUIK-PRINT held merely descriptive of printing services); In re Aid Laboratories, Inc., 223 USPQ 357 (TTAB 1984) (BUG MIST held merely descriptive of insecticide).
40 In re Bayer Aktiengesellschaft, 488 F.3d 960, 963 (Fed. Cir. 2007)).
41 Attrezi, L.L.C., v. Maytag Corp., 436 F.3d 32, 38 n. 3 (1st Cir. 2006).
42 Star Indus., Inc. v. Bacardi & Company Ltd., 412 F.3d 373, 381 (2d Cir. 2005).
44 Synergistic, 470 F.3d at 162.
45 Platinum Home Mortgage Corp. v. Platinum Fin. Group, 149 F.3d 722, 727 (7th Cir. 1998).
46 Schwan’s IP v. Kraft Pizza Co., 460 F.3d 971, 974 (8th Cir. 2006).
48 Blinded Veterans Ass’n, 872 F.2d at 1040.
50 McCARTHY, supra note 15, at § 11:68 (citing In re Reynolds Metals Co., 480 F.2d 902 (C.C.P.A. 1973) (registration of BROWN-IN-BAG for transparent plastic bags will not prevent competitors from informing buyers that goods may be browned in their bags; held suggestive even though the term informs buyers of use of product)). Under the case law, there is an inverse relationship between “imagination” and “competitive need”: “The more imagination that is required to associate a mark with the product, the less likely the words used will be needed by competitors to describe their products.” Union Carbide Corp. v. Ever-Ready, Inc., 531 F.2d 366, 370 (7th Cir. 1976). See also Miss World (UK), Ltd. v. Mrs. America Pageants, Inc., 856 F.2d 1445, 1449 (9th Cir. 1988) (“As the amount of imagination needed increases, the need of [others to use] the mark to describe the product decreases.”).
51 Id.
manner of its use or intended use.”52 Yet in considering “context,” the Bayer court (like other courts and the PTO) looked at the semantic meaning of the word “in relation to the particular goods for which registration is sought”—not in relation to or considering the distinctive style, font, or presentation of that word in the commercial context of the label used by the would-be trademark owner.

As in any standard inquiry into inherent distinctiveness, the Bayer court did not even pause to consider whether the ASPIRINA mark might be perceived by the “relevant purchasing public” as a source indicator when viewed in its “trademark use” context—in its stylized presentation on a label or box of Bayer analgesic product. That “context” is not a part of the law’s conception of what is relevant to public perception of inherent distinctiveness. In fact, although a trademark registration application requires presentation of a “specimen” of the mark’s use in commercial context,53 the law expressly eschews any consideration of that specimen in evaluating the question of distinctiveness.54

Under Patent and Trademark Office (PTO) procedures, “[a]pplicants who seek to register words, letters, numbers, or any combination thereof without claim to any particular font style, size, or color must submit a standard character drawing that shows the mark in black on a white background.”55 The “use in commerce” specimen is still required, but the PTO examiner’s determination of trademark protectability is based on the “standard character drawing.”56 Indeed, an applicant who submits a standard character drawing is required to submit a “standard character claim” that appears on the certificate of registration indicating that its “mark consists of standard characters without claim to any particular font, style, size or color.”57 Thus, if an applicant seeks to lay claim to the word element of a trademark (without any claim to its stylized presentation), the PTO does not and cannot consider or afford any protection to the use-in-commerce context or specimen presented by the applicant.

Alternatively, the applicant who seeks to lay claim to a mark whose “distinctive form”—its “elements of design or color, styles of lettering, or unusual forms of punctuation”—must submit a “special form drawing,”58 Yet consideration of such “special form” drawings still does not contemplate the possibility of inherent distinctiveness in the descriptive words incorporated in such a mark. If the elements of design, color, and lettering style in the “special form drawing”

52 Id. at 963 – 64. See also TMEP, supra note 33, § 1209.01(b) (articulating the same standard) (citing In re Omaha National Corp., 819 F.2d 1117 (Fed. Cir. 1987); In re Abcor Development Corp., 588 F.2d 811 (C.C.P.A. 1978); In re Venture Lending Associates, 226 USPQ 285 (TTAB 1985)).
53 TMEP, supra note 33, § 819.01(f)(i) (“The application must include one specimen showing how the applicant uses the mark in commerce for each class of goods/services.”).
54 Id. § 807.03.
55 Id.
56 Id.; see also id. § 807.03(e) (“If the applicant submits a claim of standard character format, the mark shown in the drawing does not necessarily have to appear in the same font style, size, or color as the mark shown on the specimen of use. However, the examining attorney must review the mark depicted on the specimen to determine whether a standard character claim is appropriate, or whether a special form drawing is required. If the examining attorney determines that the standard characters are displayed in a distinctive manner that changes the meaning or overall commercial impression of the mark, the examining attorney must process the drawing as a special form drawing, and require the applicant to delete the standard character claim.”).
57 Id. § 807.03(a).
58 Id. §§ 807.04 (a) & (b).
are incorporated in a mark whose word components are descriptive, the law requires the “disclaimer” of any protection of the descriptive words.59 This principle finds specific application in the doctrine of “composite marks.”

2. Composite Marks

Under the “composite marks” doctrine, “a display of descriptive, generic or otherwise unregistrable matter” may be registrable if “the stylization of the words or the accompanying design features of the asserted mark create[s] an impression on purchasers separate and apart from the impression made by the words themselves.”60 In order for a mark incorporating a descriptive term to be protectable under this doctrine, the stylized design incorporating it must be sufficiently “distinctive in style” to create an “impression on purchasers separate from the impression made by the [descriptive] word.”61 Neither the courts nor the PTO have articulated a meaningful formulation of the governing standard of distinctiveness—of the quantum of distinctiveness necessary to create a separate commercial impression. Instead, while the composite mark doctrine purports to turn on “the effect the display of a word or words is likely to have on the prospective purchaser of goods or user of services,” the courts and the PTO have evaluated that “effect” in an ad hoc fashion—on the basis of a subjective comparison with the “distinctive[] … style” of composite marks “held registrable in [prior] cited cases.”62

In cases where the composite design makes a sufficiently separate commercial impression, the law affords protection only to the distinctive design—not the underlying descriptive words, which must be “disclaimed” from a registration of the composite mark.63 Registration of a composite mark “does not give any exclusive right to use the [descriptive or] generic word per se.”64 Thus, the composite marks doctrine confirms the primacy of semantic meaning in the law’s evaluation of trademark protectability. Only highly stylized, unusual designs are eligible for protection. A standard “trademark use” presentation of a word mark is insufficient to sustain the protectability of a composite word mark with an inherently distinctive commercial impression. And even for the highly stylized mark, the composite mark doctrine affords protection only for the design, not for the underlying descriptive word(s).

3. Preliminary Observations on the Law of Inherent Distinctiveness

59 Id. §§ 1213.02 (“A ‘composite’ mark may consist of a word or words combined with a design or designs…. An unregistrable component of a composite mark is subject to disclaimer.”); 1213.03(a) (“Typically an unregistrable component of a registrable mark is the name of the goods or services, other matter that does not indicate source, or matter that is merely descriptive or deceptively misdescriptive of the goods or services, or primarily geographically descriptive of them.”).

60 In re The Am. Acad. of Facial Plastic & Reconstructive Surgery, 64 U.S.P.Q.2d 1748, 1753 (TTAB 2002). This rule allows composite word and design marks to be inherently distinctive or to acquire distinctiveness.


62 Id.


64 McCarthy, supra note 15, § 12:40. See also Time, Inc. v. Petersen Pub. Co. L.L.C., 173 F.3d 113, 119 (2d Cir. 1999) (“[T]rademark rights in the stylized appearance of a word are distinct from trademark rights in the word itself.”).
The courts and PTO start with the right premise in evaluating the “possible significance that the mark would have to the average purchaser of the goods or services in the marketplace.” Yet the law goes off these rails pretty quickly through its focus on “imagination” and “competitive need.” These tests subtly but significantly change the inquiry by asking the wrong question about consumer perception. Instead of asking whether the “average purchaser” would perceive a trademark as a source indicator (the question dictated by statute), the law instead asks whether such purchaser would perceive the mark as a descriptor. Thus, the doctrine of inherent distinctiveness focuses on consumer perception of a mark’s descriptiveness, not its distinctiveness.

The subtext is that marks that are immediately perceived as descriptors cannot also simultaneously be perceived as source indicators. That leap—which replaces the statutory standard with a slightly different one—is hardly a matter of judicial notice. It is at least intuitively possible that word marks that are initially perceived to describe a product may simultaneously be understood to identify its source. There are solid theoretical reasons to expect that to be so, as explained in some detail in Part IV below. It should also be noted that the law itself is incompletely committed to the contrary conclusion. The composite marks doctrine recognizes the possibility that word marks that are inherently descriptive may simultaneously be perceived (at least to some degree) to be inherently distinctive. Quite rightly, this doctrine looks beyond the semantic meaning of the lexical component of a word mark to consider the semiotic meaning conveyed by its non-lexical components.

If the law is willing to cross the threshold of conceiving of the possibility of inherent distinctiveness in those non-lexical signs (as well it should), however, it must also confront the possibility that those same signs may be sufficient to infuse the word itself with source-indicating significance. Granted, the word component of the mark may still rightly be characterized as descriptive. But if that mark’s non-lexical signs cause it to be perceived simultaneously as a source indicator, it is no longer “merely” descriptive—it is also inherently distinctive, and thus a protectable trademark. The law manages to avoid this question only by changing the statutory standard from one of inherent distinctiveness to the issue of inherent descriptiveness.

The law of inherent distinctiveness is also vulnerable on policy grounds. The psychology literature suggests that consumers interpret the semantic meaning of a word so rapidly as to make illusory any distinction between the “imagination, thought and perception” supposedly required for suggestive marks and the “immediate conveyance of meaning” presumed to be implicated by descriptive marks. On one hand, there is ample evidence that people derive the semantic meanings of complex stimuli such as metaphors so rapidly and effortlessly that the cognitive process can be called automatic. Even the meanings of fairly complex metaphors can be

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65 TMEP, supra note 33, § 1209.01(b).
66 See e.g., P. Gildea & S. Glucksberg, On Understanding Metaphor: The Role of Context, 22 J. OF VERBAL LEARNING AND VERBAL BEHAVIOR 577, 577 (1983) (tested metaphors such as “all marriages are iceboxes” in three different contexts, concluding that “all three types of contexts led to immediate and automatic metaphor comprehension” p. 577). See also John A. Bargh, The Automaticity of Everyday Life, in THE AUTOMATICITY OF EVERYDAY LIFE: ADVANCES IN SOCIAL COGNITION 1, 10 (1997).
interpreted by consumers who devote little conscious processing to the task. On the other hand, the meanings of simple literal (i.e., non-metaphoric) words and phrases are interpreted by consumers via a process that is no less cognitive and thought-based. Although the comprehension of single words and short phrases is automatic for fluent readers, the comprehension process is nonetheless a cognitive one—a process that is far more complex than would appear to someone who is engaging in the introspection suggested by the “imagination test.”

C. Acquired Distinctiveness: Secondary Meaning

The doctrine of “secondary meaning” is also rooted in the concept of distinctiveness. In Qualitex, the Court asserted that “over time, customers may come to treat” a color of a product or its packaging “as signifying a brand.” “And, if so, that color would have come to identify and distinguish the goods—i.e., ‘to indicate’ their ‘source’—much in the way that descriptive words on a product … can come to indicate a product’s origin.” Descriptive word marks are subject to the same standard.

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67 Eric D. DeRosia, Some Consequences of Making Advertisements More Difficult to Comprehend: Inhibited Counterarguing and a Sleeper Effect 103 (Ph.D. dissertation, University of Michigan) (finding empirically that even the strong distraction of repeatedly rehearsing an eight-digit number did not prevent consumers from comprehending a fairly complex metaphor presented in an advertisement).

68 For a review of competing theories regarding the details of the cognitive processing of individual words, see Olla Solomyak & Alec Marantz, Lexical Access in Early Stages of Visual Word Processing: A Single-trial Correlational MEG Study of Heteronym Recognition, 108 BRAIN & LANGUAGE 191, 191 (2009). Solomyak and Marantz used magnetic imagine to measure the timing and location of brain activity during the reading of simple words. They identified two phases of word comprehension: a recognition that the stimulus is a word based on its orthographic word-form properties, and an activation of the lexical entries in the language centers of the brain. Their findings (and numerous other studies) suggest that no words offer an “immediate conveyance of meaning,” and descriptive marks cannot be “directly” and “immediately” comprehended without cognitive processing.


70 Jonathan Grainger & Johannes C. Ziegler, Cross-Code Consistency in a Functional Architecture for Word Recognition, in SINGLE-WORD READING: BEHAVIORAL AND BIOLOGICAL PERSPECTIVES, 129.(Elena L. Grigorenko & Adam J. Naples, eds., 2007) (Pointing out that reading a single word involves a complex cognitive process that makes use of the reader’s orthographic knowledge (i.e., identities and positions of letters), phonologic knowledge (i.e., pronunciations of words) and semantic knowledge (i.e., meanings of words).

71 Introspection—in the present context, the process of examining one’s own conscious thoughts to determine their antecedents—has long been dismissed as a wholly unreliable method of studying basic cognitive processes such as comprehension. For example, as described by G. A. Miller, “It is the result of thinking, not the process of thinking, that appears spontaneously in consciousness” PSYCHOLOGY: THE SCIENCE OF MENTAL LIFE 56 (1962). Nisbett and Wilson suggest that introspection seems appealing to some because “it is often the case that we feel as though we have direct access to cognitive processes” (Richard E. Nisbett, & Timothy DeCamp Wilson, Telling More Than We Can Know: Verbal Reports on Mental Processes, 84 PSYCHOL. REV.231, 255, (1977, emphasis added). As reviewed by Nisbett and Wilson, however, the evidence is to the contrary: laboratory studies demonstrate that people’s introspections into their own basic cognitive processes are biased and incomplete.

72 514 U.S. at 163.

73 See Two Pesos, 505 U.S. at 773 (explaining that descriptive word marks “may acquire the distinctiveness which will allow them to be protected under the [Lanham] Act” and noting that “[t]his acquired distinctiveness is generally called ‘secondary meaning’”).
Source-indicating meaning is “secondary” in the sense that it is second in time. If a word has descriptive semantic meaning that relates to the product in question, its “primary” meaning is the one that pre-dates its trademark use in commerce. The word “best” for milk “connotes to buyers a laudatory, self-serving assertion of quality.” Yet “extensive advertising and sales, over a period of time … may give the word ‘best’ a new and different meaning to milk buyers”: If BEST milk is sold and advertised extensively, “milk buyers, when seeing the word BEST on a carton of milk, know that the word not only denotes the old, primary meaning of high-quality milk, but also has developed a new, ‘secondary’ meaning as a trademark.”

Under the case law, “secondary meaning” is infused into a mark over time through sales, advertising, and promotion. The courts have not always agreed as to how much time it takes for a descriptive mark to acquire secondary meaning. Some courts have found that such meaning can attach relatively quickly, while others insist that it must come gradually. Professor McCarthy is critical of the courts’ attempts to embrace “sweeping generalizations about the length of time necessary to achieve secondary meaning,” asserting that “[a]s with most generalizations, they do not jibe with reality.” But although there remains an unanswered question as to how much time it takes for a mark to acquire distinctiveness, it is universally accepted that it takes some time: The premise of the law is that “merely descriptive” word marks are not born distinctive; they acquire distinctiveness over time through exposure to consumers through sales and promotion.

Except for this temporal distinction, “inherent” and “acquired” distinctiveness are equivalent concepts. Both concepts accord trademark protection upon a finding of source-indicating meaning. “Secondary meaning has been defined as association, nothing more.” The “association” necessary to transform a mere word into a trademark is a connection between the word and a single source. As the Second Circuit has put it, “[t]he connection between mark and source is assumed in the case of a suggestive or arbitrary term,” while “[s]econdary meaning performs the role of establishing that connection … in the case of a descriptive term.”

The doctrine of “secondary meaning” confirms the primacy of the distinctiveness rationale for the law’s treatment of “merely descriptive” trademarks. Although the TMEP cites

72 McCarthy, supra note 15, §15:6
73 Id.
74 Id.
75 See Callmann, supra note 24, §20:29 (“No flat rules can be laid down with respect to the length of time required to acquire secondary meaning.”).
76 Compare Braun, Inc. v. Dynamics Corp. of America, 975 F.2d 815, 818 (Fed. Cir. 1992) (“[W]hile not impossible, it is difficult for a product to acquire secondary meaning during an 18-month period.”); with McDonald’s Corp. v. Burger King Corp., 87 F. Supp. 2d 722, 725 (E.D. Mich. 1999) (plaintiff had not achieved secondary meaning in mark BIG KID’S MEAL in 17-day period of use in Detroit market).
77 McCarthy, supra note 15, § 15:55. Despite McCarthy’s expressed disdain for the “rules of thumb” occasionally proffered in the case law, see id., the treatise speculates in a subsequent section that “[w]ith the advent of massive advertising campaigns on television and in national news magazines, a new trademark may achieve wide usage and ‘secondary meaning’ within a matter of days or weeks, compared to the many years required in the days of more leisurely advertising.” Id. §15:56.
competitive need as the primary reason for requiring secondary meaning, judicial standards for proving secondary meaning make no inquiry into competitive need. Instead, courts evaluate secondary meaning on the basis of whether consumers associate a mark with a producer of goods. 

According to the Second Circuit, secondary meaning is present when “the [mark] and the business have become synonymous in the mind of the public, submerging the primary meaning of the term in favor of its meaning as a word identifying that business.” There are nuances in each circuit’s case law, but the tests for secondary meaning overwhelmingly focus on the perceptions of the consumer—with little regard for the needs of competitors.

This is confirmed by the evidence that courts accept in evaluating secondary meaning. Length and exclusivity of use of a term are probative of secondary meaning, but only insofar as they show that the public has learned to associate a term with the source of the product. Likewise, evidence of advertising establishes secondary meaning only to the degree that consumers associate a term with the advertised products. Survey evidence, on the other hand,

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82 See TMEP, supra note 33, § 1209 (quoting In re Abcor Development Corp., 588 F.2d 811, 813, 200 USPQ 215, 217 (C.C.P.A. 1978) (“The major reasons for not protecting such marks are: (1) to prevent the owner of a mark from inhibiting competition in the sale of particular goods; and (2) to maintain freedom of the public to use the language involved, thus avoiding the possibility of harassing infringement suits by the registrant against others who use the mark when advertising or describing their own products”).

83 See, e.g., Flynn v. AK Peters, Ltd., 377 F.3d 13, 19 (1st Cir. 2004) (“There is sufficient secondary meaning as long as a significant quantity of the consuming public understand a name as referring exclusively to the appropriate party . . . .”) (quoting President & Trustees of Colby College v. Colby College-New Hampshire, 508 F.2d 804, 807 (1st Cir. 1975)); U.S. Search, L.L.C. v. U.S. Search.com Inc., 300 F.3d 517, 525 (4th Cir. 2002) (secondary meaning “is the consuming public’s understanding that the mark, when used in context, refers, not to what the descriptive word ordinarily describes, but to the particular business that the mark is meant to identify.”) (quoting Perini Corp. v. Perini Const., Inc., 915 F.2d 121, 125 (4th Cir. 1990)); Gruner, 991 F.2d at 1076 (secondary meaning is established when “the mark connotes a single source of origin to the public consumer”).

84 Abraham Zion Corp. v. Lebow, 761 F.2d 93, 104 (2nd Cir. 1985).

85 The various federal circuits all look to the mental associations of consumers to determine whether secondary meaning has been established. The courts often quote Inwood Labs., Inc. v. Ives Labs., 456 U.S. 844, 851 n. 11 (1982), and Kellogg Co. v. National Biscuit Co., 305 U.S. 111, 118 (1938), which require association to source in the mind of the consumer. See, e.g., Borinquen Biscuit Corp. v. M.V. Trading Corp., 443 F.3d 112, 116 (1st Cir. 2006) (quoting Inwood Labs); Abraham Zion, 761 F.2d at 104 (requiring an association “in the mind of the public”); Walt-West Enterprises, Inc. v. Gannett Co., Inc., 695 F.2d 1050, 1057 (7th Cir. 1982) (quoting Kellogg); U.S. Search, 300 F.3d at 523 (“protection of descriptive mark requires secondary meaning “in the minds of the public”).

86 See CALLMANN, supra note 24, § 20:29 (citing cases in each federal circuit and identifying as relevant “evidentiary factors” the following “(1) the length and manner of . . . use, (2) the nature and extent of advertising and promotion of the mark, and (3) the efforts made to promote a conscious connection, in the public’s mind, between that mark and a single source”).

87 See, e.g., Forschner Group, Inc. v. Arrow Trading Co., Inc., 124 F.3d 402, 408 (2nd Cir. 1997) (because longtime use of trade dress was not exclusive, it did not “indicate in the minds of the public a single source of origin”); Wallpaper Mfrs., Ltd. v. Crown Wallcovering Corp., 680 F.2d 755, 766 (C.C.P.A. 1982) (exclusivity of use is relevant to distinctiveness because if multiple parties use the alleged mark, “purchasers may learn to ignore the ‘mark’ as a source identification”); Educ. Dev. Corp. v. Econ. Co., 562 F.2d 26, 29-30 (10th Cir. 1977) (evidence of length and exclusivity of can show that “the word or phrase [has] come to mean that the article is his product”).

88 See Commerce Nat. Ins. Services, Inc. v. Commerce Ins. Agency, Inc., 214 F.3d 432, 438 (3rd Cir. 2000) (“extensive advertising” can “create[] in the minds of consumers an association between the mark and the provider of the services advertised under the mark”); Platinum Home Mortgage, 149 F.3d at 729 (“Evidence of advertising and sales is entirely circumstantial and that evidence does not necessarily indicate that consumers associate a mark
is the most probative evidence of secondary meaning because it directly measures the association that consumers make between a mark and a producer.  

D. Trademark Use

Distinctiveness is a necessary but insufficient condition for trademark protection. Regardless of where a mark falls on the Abercrombie spectrum, it will be eligible for protection only if it is used as a trademark. The “trademark use” requirement is another point of trademark law that turns on premises of consumer perception. Specifically, the trademark use standard turns on whether the mark is “used in such a manner that it would be readily perceived as identifying the specified goods and distinguishing a single source or origin of the goods.”

Under current doctrine, the “manner” of trademark use concerns the size and placement of the mark on the product package or label. “The salient question is whether the designation in question, as used, will be recognized in and of itself as an indication of origin for this particular product”—that is, whether the designation “create[s] a commercial impression separate and apart from the other material appearing on the label.” As the TTAB has explained, not every word used in a “morass of figures and printed matter” qualifies as a trademark use; there is no trademark use if the word in question “is so obfuscated in the whole scene that it is hardly likely to make any impact, much less a significant impression on the individual encountering the advertisement.”

Professor McCarthy has identified a set of trademark use “markers”: “larger-sized print, all capital letters or initial capitals, distinctive or different print style, color, and prominent position on label or advertising copy.” McCarthy also notes that “a designation is not likely to be perceived as a mark of origin unless it is repetitively used, as opposed to only occasional and isolated use.” Thus, a word or other symbol satisfies the trademark use criterion if it is used consistently and prominently enough to convey the impression that it is a source identifier and not a descriptor or form of ornamentation.

Under the PTO’s Trademark Manual Examining Procedures (TMEP), a symbol meets the threshold level of trademark use if it functions as a trademark, or in other words, if it is used to indicate source. A symbol does not function as a trademark if its only use is functional.

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89 See Zatarains, Inc. v. Oak Grove Smokehouse, Inc., 698 F.2d 786, 795, 217 (5th Cir. 1983) (“The authorities are in agreement that survey evidence is the most direct and persuasive way of establishing secondary meaning”); Gimix, Inc. v. JS & A Group, Inc., 699 F.2d 901, 907 (7th Cir. 1983) (“Consumer testimony and consumer surveys are the only direct evidence” of “how the public regard[s] the mark in question”).
91 Procter & Gamble Co. v. Keystone Auto. Warehouse, Inc., 191 U.S.P.Q. 468, 474 (TTAB 1976) (finding that Procter & Gamble had used “Bumper to Bumper Car Care” as a trademark where car wash detergent was sold with the mark DETAIL in large letters and “Procter & Gamble Bumper to Bumper Car Care” in smaller letters).
92 In re Morganroth, 208 U.S.P.Q. 284, 287-88 (TTAB 1980) (rejecting registration of “Natur-All-Ize Your Hair Coloring” when it appeared in the body of an advertisement for hair styling services).
93 McCarthy, supra note 15, § 3:3.
94 Id.
95 See TMEP, supra note 33, § 1202.
ornamental, or informational. Nevertheless, even the use of an ornamental symbol will support registration if the symbol has become distinctive of the applicant’s goods. The TMEP thus confirms that, with regard to descriptive marks, the requirements for distinctiveness and trademark use overlap considerably.

Courts also require a plaintiff to “show that it has actually used the designation at issue as a trademark” and show that the designation “performs the trademark function of identifying the source of the merchandise to the customers.” To determine whether a symbol is used as a trademark, courts must often consider the actual usage and placement of a mark. For example, in MicroStrategy v. Motorola, the Fourth Circuit affirmed the denial of a preliminary injunction against infringement of an alleged word mark because the alleged mark was used infrequently and inconsistently. The court noted that the phrase was absent from the cover of key documents and was displayed in “much smaller print” than the name of the product. Without prominent and consistent placement of the desired mark, MicroStrategy failed to convince the court that the phrase was used to identify its goods and services. As MicroStrategy illustrates, courts are unwilling to hold that a word or phrase is used as a trademark without a “distinctive font, color, typeset or . . . other method that makes ‘its nature and function readily apparent and recognizable.”

The trademark use inquiry is theoretically distinct from the question of distinctiveness. A word mark may be “inherently distinctive” in the sense that its semantic meaning bears no relation to any characteristic, purpose, or quality of the product to which it is attached, yet it may not be protectable as a trademark if it is not used as a trademark. Although SUNTOST is a fanciful (and thus inherently distinctive) mark for marmalade, it will not be protectable as a trademark if its only use is in the fine print in promotional materials. If and when SUNTOST is used as a trademark on the marmalade label (e.g., with stylized font and prominent placement), it will then achieve trademark protectability.

Distinctiveness and trademark use both turn on an assessment of consumer perception of meaning. But it is not quite accurate to say, as Professors Dinwoodie and Janis do, that

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96 Id. § 1202.02(a).
97 Id. § 1202.03.
98 Id. § 1202.04.
99 Id. § 1202.03(d).
100 Rock & Roll Hall of Fame v. Gentile Prods., 134 F.3d 749, 753 (6th Cir. 1998).
101 Id. (quoting In re Chemical Dynamics, Inc., 839 F.2d 1569, 1571 (Fed. Cir. 1988)).
102 See, e.g., MicroStrategy Inc. v. Motorola, Inc., 245 F.3d 335, 343 (4th Cir. 2001) (noting that small lettering and placement of phrase indicated non-trademark use); Brunswick Corp. v. British Seagull Ltd., 35 F.3d 1527, 1532 (Fed. Cir. 1994) (discussing TTAB holding that, on an outboard boat engine, color black was functional and did not indicate source); Damn I'm Good, Inc. v. Sakowitz, Inc., 514 F. Supp. 1357, 1359-61 (D. C. N. Y. 1981) (discussing size and placement of phrase on bracelet and attached tag to determine if phrase was used as a “source indicator” or “mere ornamentation”); Scanwell Laboratories, Inc., v. Department of Transportation, Federal Aviation Administration, 484 F.2d 1385, 1388 (C.C.P.A. 1973) (analyzing display of “alleged trademark with other clearly descriptive terms . . . with lettering of identical size” indicating non-trademark use).
103 MicroStrategy, 245 F.3d at 342.
104 Id. at 343.
105 See id. at 341.
trademark use “makes no autonomous analytical contribution,” or that it is “inseparable” from the distinctiveness inquiry.\textsuperscript{107} Both standards turn on an evaluation of consumer perception of a mark as a source indicator, but the distinctiveness inquiry for word marks depends on an evaluation of the semantic or dictionary meaning of a word in the abstract, while the trademark use inquiry focuses on the meaning infused into the word by its contextual “markers.”

Consider the TTAB decision cited by Dinwoodie and Janis in support of their thesis: \textit{In re Aerospace Optics}.\textsuperscript{108} The mark at issue in that case is the word mark SPECTRUM, which was used by the applicant in stylized print in the text of its point-of-sale brochures for its aviation products. The TTAB found the mark had not been used as a trademark and on this basis refused registration. Dinwoodie and Janis cast the TTAB’s trademark use analysis as a “proxy for distinctiveness,” since it evaluated whether the designation was “‘used in such a manner that it would be readily perceived as identifying the specified goods and distinguishing a single source or origin of the goods’” in light of the context in which SPECTRUM mark was used in the applicant’s promotional materials.\textsuperscript{109} Because the TTAB emphasized that “the mark would have been registered if used in a different context,” Dinwoodie and Janis conclude that trademark use is “inseparable” from the distinctiveness inquiry and assert that “[w]hether a mark is distinctive depends both on its inherent meaning and the way it is used.”\textsuperscript{110}

This analysis is theoretically sound but doctrinally unsustainable. We agree with the notion that consumer perception of meaning must logically turn on both the “inherent meaning” of a word and “the way it is used” in commercial context. That is the central thesis of this article—as developed further in the sections that follow. But doctrinally, the law has not adopted this premise. Instead, the law withholds \textit{ab initio} trademark protection from descriptive marks on the sole basis of a word mark’s “inherent [i.e., semantic] meaning”—with almost no consideration of the “way it is used” in a stylized commercial context. Even in \textit{Aerospace Optics}, the TTAB specifically distinguished the question of trademark use from the question of the semantic meaning\textsuperscript{111} and treated “trademark use” as a threshold question, such that a negative finding regarding use was by itself sufficient for rejection of the mark’s application.\textsuperscript{112}

\textbf{E. Tensions in the Doctrine of Trademark Distinctiveness}

The trademark principles delineated above share a general premise—that trademark protectability turns consumer perception of a mark as a source indicator—but also highlight some important tensions and inconsistencies. First, the law is inconsistent in its commitment to the notion that inherent distinctiveness turns on the semantic meaning of lexical signs. That is the thrust of the imagination test, but some of the other principles identified above cut against it: the composite marks doctrine posits that the non-lexical components of a composite mark may create a distinctive, source-indicating impression on a consumer (even if the word itself is

\begin{footnotesize}
\begin{enumerate}
\item[109] Dinwoodie & Janis, supra note 107, at 1645 (quoting \textit{In re Aerospace Optics}, 78 U.S.P.Q.2d at 1862).
\item[110] Id. at 1645, n. 209.
\item[111] 78 U.S.P.Q.2d 1861, 1864 (TTAB 2006) (The TTAB specified that “…the applied-for mark [SPECTRUM] has \textit{not} been refused as descriptive under Section 2(e)(1) of the Trademark Act” [emphasis added]).
\item[112] Id. (“Even an inherently distinctive designation \textit{is} not a trademark if it is not used in a trademark manner.”)
\end{enumerate}
\end{footnotesize}
subject to a disclaimer); the doctrine of secondary meaning recognizes the prospect of dynamic distinctiveness for descriptive word marks over time; and the “trademark use” requirement expressly turns on a threshold showing that the mark is used in such a way that it would be readily perceived as a source indicator. Thus, although general principles of trademark distinctiveness focus exclusively on semantic meaning of lexical signs, various points of specific doctrine acknowledge that non-lexical components of a mark may carry source-indicating meaning.

Second, there is an ironic tension between the “trademark use” requirement and the law of distinctiveness. Trademark use is a binary, threshold requirement: Word marks meet the threshold “trademark use” requirement for protection on the basis of the contextual markers (prominence, placement, size, and style) that sustain consumer perception of source indication. Yet once they meet that threshold, those indicators of meaning are disregarded in the ultimate evaluation of trademark distinctiveness. At that stage, the law focuses on semantic meaning to the exclusion of the very factors deemed relevant to consumer perception at the threshold “trademark use” stage. The commercial use of a descriptive term may be deemed sufficiently prominent and stylized to be source-indicating at the trademark use stage, but once we proceed to the distinctiveness inquiry those contextual indicators are largely disregarded.

Finally, although the law of secondary meaning recognizes that even purely descriptive words may acquire extra-lexical distinctiveness over time, the law inexplicably ignores the possibility of such distinctiveness ab initio. If a word mark can acquire distinctiveness over time through promotion and advertising, why cannot the same mark acquire distinctiveness ab initio through the non-lexical signs considered in the “trademark use” inquiry? The doctrine of secondary meaning acknowledges that even semantically descriptive words may be perceived as source-indicating; yet nothing in the theoretical foundations of the doctrine sustains the law’s refusal to entertain the possibility that those same word marks may be seen as distinctive the moment they take on their full “trademark use” form.

III. ECONOMICS, SEMIOTICS, AND THE ABERCROMBIE TAXONOMY

Commentators have shown some recent interest in the question of trademark distinctiveness, but little or no attention has been paid to the foundations of the word mark hierarchy. Much of the commentary has been aimed at expansionist doctrines like trademark dilution, which are seen as “wrongheaded” nods “toward ‘propertizing’” trademarks and giving

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114 The perceived meaning of the word TRIM may vary greatly, for example, depending on whether that word appears in fine print on packaging instructing consumers on how to use their new nail clipper to “trim” their nails, or in stylized script that is larger than any other verbiage on the package and placed where consumers have come expect to see a brand name.
115 Barton Beebe helpfully distinguished two distinct notions of distinctiveness: “differential distinctiveness” and “source distinctiveness.” Barton Beebe, Search and Persuasion in Trademark Law, 103 Mich. L. Rev. 2020, 2029 – 30 (2005). Differential distinctiveness refers to the “uniqueness or singularity of the mark, to the degree to which it stands out from the crowd of competing signs in the marketplace, to its ‘salience.’” Id. “Source distinctiveness” is the subject of our analysis here, which concerns the ability of a mark to identify source. Id. at 2028 – 29. We take up this distinction further below, picking up on Beebe’s notion that differential distinctiveness (trademark “strength”) is a matter of degree while source distinctiveness is binary.
undue weight to the protection of trademark “goodwill.”

Another strand of analysis evaluates the distinctiveness of product trade dress in the wake of the Wal-Mart decision. To date, no careful attention has been paid to the question of the distinctiveness of the run-of-the-mill word mark.

Thus, trademark commentators have, for the most part, unquestioningly embraced the Abercrombie taxonomy and its underlying assumptions about consumer perceptions of meaning. Scholarly treatment of this issue often just parrots the judicial assertions that consumers automatically perceive inherently distinctive word marks as source indicating but see non-inherently distinctive word marks as “merely descriptive.”

Two principal models have emerged in the midst of the reflexive acceptance of the Abercrombie orthodoxy: the economic analysis of William Landes and Richard Posner and the semiotic analysis of Barton Beebe. Although both models are useful in illuminating some of the theoretical underpinnings of the law in this area, neither provides a satisfactory answer to the question at the heart of the Abercrombie classifications: whether consumers will “automatically” perceive suggestive, arbitrary, and fanciful word marks as source indicators but see their descriptive counterparts as mere descriptors. That question, in fact, is ultimately begged by both of these models, leaving an important theoretical hole at the heart of trademark law.

A. Landes and Posner’s Economic Analysis

William Landes and Richard Posner are the founders of the economic analysis of trademark law, a model described as the “definitive theory of American trademark law” that has “reigned supreme for almost two decades.” Under this economic model, trademark

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117 See, e.g., Michael Abramowicz & John F. Duffy, *Intellectual Property for Market Experimentation*, 83 N.Y.U. L. REV. 337, 387 - 88 (2008) (arguing that expansive trade dress protection “allows a firm engaging in a market experiment to dress the innovative product in a design that is ‘inherently distinctive’” and can “give the first mover some reward for the risk of the market experiment while also creating an incentive to curtail deadweight losses,” since the “first mover will realize that if it tries to charge too much for the successful product, consumers may educate themselves about competing products”).

118 See, e.g., CALLMANN, supra note 24, § 18:3 n.37 (endorsing Abercrombie as “[t]he seminal case on the hierarchical analysis . . . .”); McCARTHY, supra note 15, § 11:2 (embracing the Abercrombie categories for word marks).


protection is understood as minimizing “search costs”—the costs that consumers incur in identifying the product they wish to buy.\(^{122}\)

Landes and Posner offer the example of General Foods’ SANKA brand of decaffeinated coffee, explaining that “[i]f General Foods’ brand had no name, then to order it in a restaurant or grocery store you would have to ask for ‘the decaffeinated coffee made by General Foods.’ This takes longer to say, requires you to remember more, and requires the waiter or clerk to read and remember more than if you can just ask for ‘Sanka.’”\(^{123}\) Trademark protection is essential to the goal of minimizing these “search costs”: “To allow another maker of decaffeinated coffee to sell its coffee under the name ‘Sanka’ would destroy the benefit of the name in identifying a brand of decaffeinated coffee made by General Foods.”\(^{124}\)

Landes and Posner assert that “[t]rademark protection is available only for a word or other signifier that identifies the underlying good or service and distinguishes it from that of other producers. Lack of distinctiveness would make the mark incapable of identifying the good and recalling to a consumer the information (generated by previous experience with the good by him or other consumers) that lowers his search costs and enables the producer to charge a higher price.”\(^{125}\) In their view, “[a] mark that does not distinguish one brand of a product from another is probably created from words, symbols, shapes, or colors that are used by other producers of the product as well, and so legal protection of the mark would be likely to prevent others from using identifiers that they require in order to be able to compete effectively.”\(^{126}\) Protection for such a mark would increase search costs “for those producers no longer permitted to use [the nondistinctive mark],” causing a “social loss because consumers would be paying higher prices for a smaller quantity.”\(^{127}\)

The economic model also identifies another set of costs relevant to the law’s evaluation of trademark protectability: “administrative costs,” which encompass the “private and social costs” associated with litigating and resolving disputes on questions of protectability. As Landes and Posner put it, courts could “inquire in every case into the economic effects of allowing a particular producer to have exclusive rights to a particular mark.”\(^{128}\) The administrative costs associated with such a case-by-case weighing would outweigh any expected benefits, since “the allocative effects of individual trademark abuses are pretty much limited to raising consumer search costs within narrow product categories.”\(^{129}\) Thus, “the law has sorted potential marks into a few broad classes according to distinctiveness and has made classification determinative of legality.”\(^{130}\)

As to fanciful and arbitrary marks, Landes and Posner assert that “[t]he elasticity of supply … of such terms is very high,” since there are “plenty” of words with “consumer appeal”

\(^{122}\) Landes & Posner, supra note 119, ECONOMIC STRUCTURE at 167.

\(^{123}\) Id. at 166.

\(^{124}\) Id. at 167.

\(^{125}\) Id. at 187.

\(^{126}\) Id. at 187.

\(^{127}\) Id.

\(^{128}\) Id. at 188.

\(^{129}\) Id.

\(^{130}\) Id.
for “sellers to choose among.” On that score, Landes and Posner find suggestive marks “somewhat more problematic,” but conclude that “[t]he elasticity of supply” is “not much less” than arbitrary marks “when one considers substitution between trademark categories” (i.e., across the fanciful / arbitrary / suggestive continuum).

With respect to descriptive trademarks, Landes and Posner opine that “[a] given product has only so many attributes that interest buyers,” such that protection of a “word that describes a key attribute” will enable the trademark holder to “obtain rents measured by the higher price he receives for his branded product because he will have made it more costly for his rivals to inform their customers of the attributes of their brands without using the same descriptive word.” In time, however, “the descriptive meaning of a word may be largely forgotten and the word may come to signify to most people the name of a particular brand.”

As examples of descriptive marks, Landes and Posner mention “All Bran,” “Holiday Inn,” “Beanie Babies,” and “American Girl.” With respect to “All Bran,” their premise is that initial protection of that term may facilitate economic “rents measured by the higher price … received for [the] branded product” resulting from the fact that it is “more costly for … rivals to inform their customers of the attributes of their brands without using the same descriptive” term [“All Bran”]. Specifically, if “‘All Bran’ has come to mean not any all-bran cereal but a particular brand of all-bran cereal,” they conclude that “allowing the word or expression to be appropriated as a trademark may create net social benefits by reducing search costs more than it raises the costs to competitors, who are no longer permitted to use the same word.”

Thus, Landes and Posner begin by acknowledging that trademark protection “is available only for a word or other signifier that identifies the underlying good or service and distinguishes it from that of other producers,” and by asserting that a mark that lacks such “distinctiveness” would not reduce “search costs” since it is “incapable of identifying the good and recalling to a consumer” its source. Despite their initial statement of this premise, however, Landes and Posner fail to offer any theoretical basis in their model for the assumption that descriptive marks will not be perceived as source-indicating. Instead, the model turns to the secondary justification of competitive need—the notion that non-inherently distinctive marks are “probably created from words … that are used by other producers of the product,” such that trademark protection would cause social loss to consumers.

The elasticity of supply discussion is similar. Under this approach, fanciful, arbitrary, and suggestive marks are automatically eligible for trademark protection not on the basis of consumer perception of their distinctiveness, but because the “elasticity of supply” of such terms is high, so that protection will not impose significant costs on competitors (and, in turn, consumers). Conversely, descriptive marks are ineligible for protection ab initio on the ground

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131 Id.
132 Id.
133 Id. at 189.
134 Id.
135 Id.
136 Id.
137 Id.
that protection of a “word that describes a key attribute” will increase the trademark holder’s economic rents as it becomes “more costly for his rivals to inform their customers of the attributes of their brands without using the same descriptive word.” These are all notions of competitive need, not distinctiveness.

To the extent Landes and Posner address the question of distinctiveness, they rest on bare assertions and simplifying assumptions—not on theoretical economic principles. The economic model is undoubtedly right in asserting that protection for such generic terms would be inefficient. But the threshold question under the Lanham Act is one of distinctiveness. Whether consumers do, in fact, perceive descriptive marks as source-indicating ab initio is a question that cannot be answered using the economic rationale offered by Landes and Posner. Instead, this is a question that is best answered by an appeal to theories of consumer psychology and, even more telling, empirical measurement of the extent to which consumers perceive descriptive marks to be source-indicating when they are used as trademarks in the marketplace.

If descriptive word marks are perceived as source-indicating, nothing in the economic model cuts against their protection. Indeed, Landes and Posner make the economic case for protecting descriptive marks as soon as consumers perceive them to be source-indicating. Nothing in the Landes and Posner model suggests a basis for any distinction between a descriptive mark with acquired distinctiveness and a descriptive mark that may be inherently distinctive. The economic model requires only that the descriptive mark be distinctive; it matters not at all whether it is perceived as distinctive ab initio or becomes distinctive over time as a result of a consumer marketing campaign. In either case, the economic model presumably would conclude that trademark protection will “create net social benefits.”

B. Beebe’s Semiotic Analysis

Barton Beebe has employed a branch of linguistics—semiotics, the study of signs—to introduce an alternative analysis of trademark law. Beebe’s analysis identifies a “triadic structure” of signs: (1) a “signifier,” or perceptible form “conveying into the mind something from without”; (2) a “referent,” “which can be a physical ‘object of the world’ or a mental entity ‘of the nature of thought or of a sign’”; and (3) the “signified,” or the “proper significate

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138 One proponent of economic analysis of trademark law has tentatively asserted some reasons why consumers may perceive descriptive marks as source-indicating ab initio. Professor Bone (See Robert G. Bone, Enforcement Costs and Trademark Puzzles, 90 VA. L. REV. 2099, 2130 (2004)) suggests that consumers are “very likely to assume” that inherently distinctive words are source identifying “[b]ecause the symbol has no other meaning to consumers (or in the case of suggestive marks, no other obvious meaning)” and “consumers … are accustomed to seeing source identifiers on labels.” Ultimately, however, Bone recognizes that the question of consumer perception of meaning is an empirical one. Id.

As for the ultimate question of consumer perception of descriptive word marks, Bone goes so far as to acknowledge the possibility that it might make sense for the law to adopt a “conclusive presumption rule … for descriptive marks.” Id. at 2131, n. 104. Specifically, Bone says that this would make sense “[i]f the probability were high enough that consumers would adopt a descriptive mark as a source identifier even without special efforts at marketing promotion, and if exclusivity in descriptive marks conferred a relatively minor competitive advantage (on average).” Id. These important questions are at the heart of our analysis below. They remain unanswered by economic theory.

139 Id. (“Source identification is not something intrinsic or natural to a symbol; it is an empirical property that results from the way a symbol actually operates in the marketplace.”).
effect,” or “the ‘proper effect of the sign.” In Beebe’s view, each of these corners of the “semiotic triangle” corresponds to an element of the law’s “requirements for qualification of a word or symbol as a trademark.”

Specifically, Beebe restates the “three elements” of a trademark embraced by the Supreme Court in \textit{Qualitex}: “(1) the tangible symbol: a word, name, symbol or device or combination of these; (2) type of use: actual adoption and use of the symbol as a mark by a manufacturer or seller of goods or services; (3) the function: to identify and distinguish the seller’s goods from goods made or sold by others.” Beebe asserts that the first element corresponds to the semiotic notion of a “signifier,” the second to the “referent,” and the third to the “signified.” Under the first element, Beebe explains that the law’s requirement of a “tangible symbol” corresponds closely with the semiotic concept of a “signifier,” since both refer to “the perceptible form of the mark.” Under the second element, Beebe asserts that the “trademark use” requirement connects the underlying goods or services with the tangible “signifier.” Finally, Beebe states that the “identify and distinguish” function corresponds with the ultimate “referent”—the “specific source” of the goods and “that source’s goodwill.”

Thus, “in the case of a trademark such as NIKE,” Beebe says that “the signifier is the word ‘nike,’ the signified is the goodwill of Nike, Inc., and the referent is the shoes or other athletic gear to which the ‘nike’ signifier is attached.”

Beebe employs this framework to evaluate (among other things) the law’s classification of word marks. He first describes the “current doctrine”:

An inherently distinctive trademark is one whose signifier cannot reasonably be understood to be descriptive … of the product to which it is affixed—for example, APPLE computers, CLOROX bleach, MARS candy bars. As a matter of “consumer predisposition” or simple marketplace literacy, consumers will “automatically” recognize such signifiers as designations of source. Not all marks are inherently distinctive of source, however. Many marks consist of signifiers that may be understood to be descriptive … of the products to which they are affixed—for example, SUPER BLEND on a can of motor oil, [or] BEST BUY on an electronics catalogue…. Such marks will qualify for trademark protection only if their producers can show that they have “acquired” through use in the marketplace and advertising a “secondary meaning” as a designation of source.

Next, Beebe articulates the \textit{Abercrombie} “taxonomy of trademarks.” He describes this classification as “rank[ing] marks according to the degree to which their signifiers are, in semiotic terms, ‘motivated’ by their referents”:

\footnotesize{140} Beebe, \textit{ supra} note 120, at 636.  
\footnotesize{141} \textit{Id.} at 645.  
\footnotesize{142} \textit{Id.} at 645-46 (quoting \textit{McCarthy}, \textit{ supra} note 15, § 3.1) (quoted in \textit{Qualitex}, 514 U.S. at 166).  
\footnotesize{143} \textit{Id.} at 646.  
\footnotesize{144} \textit{Id.}  
\footnotesize{145} \textit{Id.}  
\footnotesize{146} \textit{Id.} at 647.  
\footnotesize{147} \textit{Id.} at 670.
The more motivated the signifier, the less intrinsically distinctive of source it is. Thus, in generic marks such as the COMPUTER STORE, LIGHT beer, or LITE beer, the signifiers are so highly motivated by their referents that there would be little if any “consumer predisposition” to recognize the signifier as a designation of source. Descriptive marks, such as AMERICAN AIRLINES or PERRIER are slightly less motivated by their referents. If their producers can show that they have acquired secondary meaning, that is, nonliteral, figurative meaning, as a designation of source, then they will qualify for protection.\footnote{148}

The “motivation” concept is “defined as the ‘opposite of arbitrariness.’ Thus the relation between form and meaning is motivated, or partly motivated, in a case of onomatopoeia; also e.g. where forms are derived by a semantically regular process of word formation.”\footnote{149}

Beebe’s semiotic model is useful in identifying the relationship between the “signifier” and the two elements it represents—the “referent” and the “signified”—but it is largely question-begging in its treatment of the issues of distinctiveness in the cross-hairs of this article. Under Beebe’s model, the key question is whether a signifier that is “motivated” by its referent is less likely to be understood to be linked to its signified. Beebe asserts that this is so, but nothing in his model sustains it. Beebe states that “[i]n isolation from each other, semiotic thought and trademark doctrine have developed remarkably similar accounts of semiosis.”\footnote{150} He characterizes the Abercrombie hierarchy as “essentially a hierarchy of figurativeness. It ranks marks according to the degree to which their signifiers are, in semiotic terms, ‘motivated’ by their referents. The more motivated the signifier, the less intrinsically distinctive of source it is.”\footnote{151} This analysis is problematic in two respects: (1) descriptive word marks are not in fact “motivated” by their referents under the definition of motivation embraced by Beebe; and (2) Beebe’s justification for the law’s treatment of descriptive words ignores a point he emphasizes elsewhere in his article—that the value of a given word sign is dependent on its context or on the “values of all other signs” in its locality.

1. **Descriptive Word Marks and “Motivation”**

First, Beebe’s framework rests on an anomalous conception of “motivation.” Beebe begins with the traditional notion of motivation: the “opposite of arbitrariness.”\footnote{152} Under this conception, “the relation between form and meaning is motivated, or partly motivated, in a case of onomatopoeia; also e.g. where forms are derived by a semantically regular process of word-formation.\footnote{153} This definition encompasses two variations of motivation. The first is iconicity, where a signifier resembles in some physical way the referent described. An iconic sign “correlates with

\footnotesize{\textsuperscript{148} Id.}
\footnotesize{\textsuperscript{149} Id. at 670, n. 30 (quoting P.H. MATTHEWS, THE CONCISE OXFORD DICTIONARY OF LINGUISTICS 235 (1997)).}
\footnotesize{\textsuperscript{150} Id. at 621.}
\footnotesize{\textsuperscript{151} Id. at 670.}
\footnotesize{\textsuperscript{152} P.H. MATTHEWS, THE CONCISE OXFORD DICTIONARY OF LINGUISTICS 235 (1997).}
\footnotesize{\textsuperscript{153} Id.}
its object because the sign’s qualities are similar to the object’s characteristics."  A paradigmatic illustration compares the Arabic (3) and Roman (III) symbols for three:

The Arabic form gives no clue to its meaning; the Roman version, on the other hand, incorporates “threeness” into its shape, and is thus iconic. Iconicity is a matter of degree, and usually coexists with some degree of arbitrariness. Three horizontal lines would be just as iconic as the Roman III: the fact that in the roman symbol the lines are vertical is arbitrary, as is the fact that its size corresponds generally to that of capital letters.  

The visual correspondences between the signifier and the referent are termed *imaginic iconicity.* Another example of imaginic iconicity is the pictogram usage in languages such as Chinese. Imaginic iconicity may also occur in speech forms, typically those forms that use vocalized noises to imitate other sounds, as in onomatopoeia. This form of imaginic iconicity is known as *imitative iconicity.* A final type of iconicity is *structural* or *diagrammatic iconicity.* Structural iconicity has to do with phrase structure, word placement, and collocation. For example, *Harry came in and sat down* conveys to the reader a sequence of events that is missing from *Harry sat down and came in.*

The second variation of motivation occurs “where forms are derived by a semantically regular process of word-formation.” Numerous semantic, syntactic, and phonological processes have been employed to account for a motivational relationship between forms and their meaning. These motivating processes are also referred to as linguistic *constraints.* A sign may be morphologically motivated if it is formed by a morphological constraint. For example, the present participle and gerund of an English verb is formed by affixing an *-ing.* Present participles or gerunds may be said to be motivated because the addition of the *-ing* affix is governed by a “semantically regular process of word-formation.”

Beebe’s justification for the *Abercrombie* taxonomy collapses under a careful analysis of these notions of linguistic motivation. According to Beebe, “[t]he more motivated the signifier, the less intrinsically distinctive of source it is,” but this analysis hinges on an anomalous notion of motivation. Beebe’s examples are illustrative. Beebe presents the marks COMPUTER

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154 JAMES JAKÓB LISZKA, A GENERAL INTRODUCTION TO THE SEMEIOtic OF CHARLES SANDER PERCE 25 (1996).
155 ALAN CRUSE, MEANING IN LANGUAGE: AN INTRODUCTION TO SEMANTICS AND PRAGMATICS 7 (2d ed. 2004).
157 GÜNTER RADDEN & KLAUS-UWE PANTHER, STUDIES IN LINGUISTIC MOTIVATION 16-17 (2004) (“For example, in ancient Chinese a circle with a dot in the middle and rays radiating from it was used to represent the concept of ‘sun.’ Later on the iconic pictogram underwent changes both in it forms and content: the circle was squared off, the dot was stretched to a line, the rays were dropped, and the content was extended to senses such as ‘day’ and ‘warmth.’ The content-form relationship thus became less transparent or iconic.”).
158 Id.
159 Id. at 17 (“Well-known types of structural iconicity include linear iconicity . . ., proximity iconicity (*Susan is not happy, but content as opposed to *Susan is unhappy but content*), quantity iconicity (full reduplication: Mandarin Chinese *xiao* ‘small,’ *xiao xiao* ‘very small’; partial reduplication: Finnish *yksin* ‘alone,’ *ypo-yskin* ‘completely alone’), etc.”).
160 MATTHEWS, supra note 152, at 235.
161 RADDEN & PANTHER, supra note 157, at 33 (here “semantic and phonological constraints” and “motivating factors” are coterminous).
162 MATTHEWS, supra note 152, at 235.
STORE and LIGHT BEER as highly motivated by their referents (objects), and thus less indicative of source than perhaps the more abstract MAC WORLD or COORS LIGHT. Similarly, according to Beebe’s model, PERRIER is less motivated and, as such, more source-distinctive than BOTTLED WATER. The problem with these examples is that the linguistic notion of “motivation” embraced by Beebe does not account for the distinctions among these forms. COORS LITE is neither more nor less iconic than LIGHT BEER. There is nothing in the shape or sound of the word BEER that resembles the shape or sound of its referent, an alcoholic beverage made from barley and hops. BEER is entirely non-distinctive under the law, but its non-distinctiveness has nothing to do with its linguistic “motivation.” COMPUTER STORE and BOTTLED WATER similarly lack any iconic or process-based “motivation” that connects them to their referents or distances them from an identification of source.

BOTTLED WATER is in one sense a more motivated mark than PERRIER. The word “bottled” is constrained by a morphological rule requiring the past participle to take on an -ed. And the collocation of BOTTLED to WATER implies that BOTTLED is a descriptive of WATER, which means that BOTTLED’s phrase-initial position in this sign is structurally motivated. But the question posed by Beebe is not whether a sign is motivated by a morphological constraint, but whether it is motivated by its referent. Descriptive words like “bottled water” are no more motivated by their referent than is PERRIER, in that neither bears any iconic resemblance or connection to the object they are attached to.

Motivation is a measure of arbitrariness, not figurativeness. WATER may be a less figurative mark than PERRIER, but it is not more motivated. The shape and sound of both signs are entirely arbitrary. Beebe’s characterization of motivation implies that a more figurative mark is less motivated and thus more indicative of source. That characterization finds no support in his semiotic model.

2. Limitations of Lexical Signs

Beebe’s semiotic analysis is entirely lexical. Although semiotics involves the study of signs in a comprehensive sense, Beebe offers only word examples in his analysis. Yet much of what is conveyed through oral or written communication is dependent for its interpretation upon the non-lexical signs that provide the context for their lexical counterparts:

Linguists generally agree that, when people are communicating, they do more than just attend to what is actually being said by way of words, grammatical constructions, and intonation patterns. They are also alert to what is implied—for example, by the speaker’s choice of certain words rather than others, and by the extralinguistic context in which the communication is taking place.

163 Beebe, supra note 120, at 670.
164 Id. at 632.
165 CLIFF GODDARD, SEMANTIC ANALYSIS: A PRACTICAL INTRODUCTION 15-16 (1998) (emphasis added); See also JOHN LYONS, LINGUISTIC SEMANTICS: AN INTRODUCTION 4 (1995) (“Most languages utterances, whether spoken or written depend for their interpretation - to a greater or less degree - upon the context in which they are used. . . . The vast majority of natural-language utterances, actual and potential, have a far wider range of meanings, or interpretations, than first occur to us when they are put to use out of context. This is a point which is not always given due emphasis by semanticists.”)
Beebe expressly recognizes that the value of a given word sign is dependent on its context—on the “values of all other signs” in its locality.\(^{166}\) Quoting Saussure, Beebe acknowledges that “‘[n]o word has a value that can be identified independently of what else there is in the vicinity,’” and “‘[t]he value of a term may be modified without either its meaning or its sound being affected, solely because a neighboring term has been modified.’”\(^{167}\) Indeed, Beebe’s semiotic model characterizes “language” as “empty”—as “form rather than substance.”\(^{168}\)

Thus, semiotics cues up the question we address here, but it does not answer it. Surely the value of the term APPLE depends on the “neighboring term[s]” in its environs, not on the lack of “motivation” between the signifier and its referent. Consider a hypothetical alternative of the use of APPLE on a computer box, where the term appears in a list of aphorisms on the side of the box—as in “An apple a day keeps the doctor away,” “A penny saved is a penny earned,” etc. Under these circumstances, it surely is not the case that “consumers will ‘automatically’ recognize” the word as a “designation[] of source,” despite the fact that the word bears no motivational connection to the referent (computers). Instead, the “other signs” in the “locality” of the label seem likely to undermine any source-indicating value of the APPLE mark.

The converse may also hold. If SUPER BLEND is used in a vicinity in which all “other signs” (e.g., the placement and prominence of the word on the label) point in favor of source-indicating value, the value of that term may be “modified without either its meaning or its sound being affected”—regardless of whether the word is “motivated” by its referent. In any event, semiotic theory should not be understood to foreclose this possibility. If sign value is ultimately determined by the value of all other signs in a locality, it is worth investigating (instead of just assuming) the meaning of a “merely descriptive” word mark.

IV. A CONSUMER PSYCHOLOGY MODEL OF TRADEMARK DISTINCTIVENESS.

Trademark distinctiveness turns on a question of consumer psychology, but that question has yet to be evaluated in light of the theoretical tools and models developed in the scholarly field that studies such matter. We offer such an evaluation in the paragraphs that follow. Drawing on well-developed theories of consumer psychology, we present a model for evaluating the manner in which consumers may be expected to perceive and interpret word marks in their commercial context. Our theory suggests that the semantic meaning of a mark in such a context may be of only minor source-indicating significance if the non-linguistic contextual cues surrounding the mark (e.g., size and placement) strongly convey the source-indicating value of the mark.

Brands—the consumer psychology literature’s term for trademarks—provide important consumer benefits. At a functional level, brands identify source and a provide a shortcut to

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\(^{166}\) Id. at 641.

\(^{167}\) Id.

\(^{168}\) Id.
perceived quality and value. Thus, brands are important meaning carriers that can reduce consumer perception of risk and in turn can shortcut consumer search efforts and costs. Brands also offer higher-order consumer benefits such as symbolic meaning that consumers use to define their self-concept, project their self-image, find connection, and even build community.

These functional and higher-order benefits of brands combine to motivate consumers to identify the source of products when they are encountered in the marketplace. The cognitive process undertaken by consumers to identify the source of a product is known as the “source-identification judgment.” The consumer begins this process by “gather[ing] product information that she considers of potential relevance to the source-identification judgment.” Because the relevant information in the marketplace is often visual information (e.g., when the trademark as displayed on the product’s package), a review of the way people perceive visual information will aid the understanding the source-identification judgment.

A. Visual Perception of Trademarks in Commercial Use

Recent decades have evidenced a rapid development in knowledge of the psychology and physiology of visual perception. Current findings demonstrate that visual perception is a cyclical process involving a recursive interaction between memory, visual inputs, and the

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169 Jacob Jacoby, Jerry C. Olson & Rafael Haddock, *Price, Brand Name, and Product Composition Characteristics of Perceived Quality*, J. APPLIED PSY. 570, 570 (1971) (demonstrating the various brand cues consumers employ in creating their perceptions of perceived quality and brand meaning).

170 Jacob Jacoby & Leon Kaplan, *The Components of Perceived Risk*, 3 ADVANCES IN CONSUMER RES. 382, 383 (highlighting the six salient components of consumers perceived risk that brands can influence: functional risk, physical risk, financial risk, social risk, psychological risk, and time risk).


176 Lee, et al., supra note 11, at 583.

177 Id. at 585.


context within which an object or a visual scene is encountered. Collectively, these models are known as “top-down” models of visual perception. According to these models, the raw data obtained through vision cannot be interpreted without a significant role of the viewer’s memory of similar objects and a consideration of the broader, environmental context of the visual stimulus.

Top-down models of perception have two premises that are relevant to the question at hand: first that the interaction between visual perception and memory is both iterative and reciprocal, and second that perception is a purposeful activity.

This first premise regarding iterativity and reciprocity holds that initial eye fixations evoke a “perceptual schema” accessed from long-term memory, which is used to interpret the raw sensory data and direct subsequent attention. A perceptual schema is a memory structure built up through a lifetime of perception experiences. Stored in long-term memory, it is a representation of an object, image, or scene. The mind of the perceiver, employing what it deems the most likely perceptual schema based on preliminary information from the visual centers, directs subsequent eye fixations based on the current perceptual schema. If subsequent perceptual information is incongruous with the current perceptual schema, another more corresponding perceptual schema is activated which in turn directs subsequent visual eye fixations and data gathering. This process continues interactively, iteratively, and rapidly until the perceiver is satisfied that the “correct” perception or interpretation of the object in the visual environment is achieved.

Perceptual schemas are visual mental models of the world. These structures allow humans to “see” the world; without perceptual schemas, the act of visually fixating, processing, and combining each independent item in the perceptual environment would be so slow as to be debilitating. Thus, these perceptual schemas enable rapid and efficient directing of eye fixations and allow for interpretation of the information those fixations provide to the visual centers of the brain. Indeed, despite its complexity, the process of visual perception is so rapid as to seem instantaneous to viewers.

From this description, it is important to note how interactive and interconnected the perceiver is with the context of perception. The context of course drives what is perceived, but

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180 Ulric Neisser, Cognition and Reality: Principles and Implications of Cognitive Psychology 24 (1976) (Describing his analysis-by-synthesis model where sensory information from the environment evokes perceptual schemas in the observer that guides subsequent eye fixations of the stimulus in its environmental context).
182 Enns & Austen, supra note 181, at 440 (noting that the recursive aspect of perception makes it “very clear that vision in almost every circumstance is influenced as much by what lies in the mind as by what lies in the eyes of the beholder”).
183 Neisser, supra note 180, at 22.
184 Maurice Merleau-Ponty, Phenomenology of Perception 235 (1962).
context also dictates which perceptual schemas are activated, which in turn dictate what is next perceived and how it is interpreted and so on.

The second fundamental premise undergirding the perceptual process is that perception is a purposeful, goal-motivated activity. Perception is not passive. Instead, the perceiver’s goals act to direct and frame attention and eye fixations. These goals also guide the activation of the perceptual schemas that facilitate the process of perception and interpretation. Thus, perception not only happens within a physical, environmental context but also within the psychological context of a goal-motivated state.

B. Brand Perceptual Schemas

The particular type of visual perceptions of interest here—the consumer’s perception of the visual cues in the marketplace for the goal of identifying the product’s source—will follow the generalized process of visual perception. A consumer who encounters a product package in the marketplace will be motivated to perform the source-identification judgment (so as to enjoy the functional and higher-order benefits of brands), and this goal of identifying the product’s source will guide the consumer’s visual perception. The consumer will retrieve from memory a perceptual schema for product packages. Built up over a lifetime of personal consumer experience of observing product packages in the marketplace, this perceptual schema contains expectations of how products are likely to be encountered in their market context. Thus, general product perceptual schemas will include the spatial layout of product packaging, the common (even average) label positions of trademark information, general expectations and mental models of what trademarks look like, and expectations of how products are generally presented in the marketplace. Importantly, this schematic layout of product packaging (including the spatial relationship of elements) will be evoked and processed prior to the reading or processing of any semantic meaning of word marks on the packaging. Guided by the perceptual goal of identifying the product’s source and the evoked perceptual schema for brand packaging, the consumer will direct subsequent eye fixations toward what could be called the “trademark spot” on the package where she expects trademarks to be found. Then perception and processing of the semantic meaning of the word mark can proceed. This primacy of the contextual layout over the semantic meaning of the mark is also due to developmental priority of scene perception. Scene (including spatial relationships) and image perception is genetically much older than reading and semantic meaning perception and thus this type of spatial perception occurs with primacy, much more quickly, and with less effort.

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187 LaBerge, supra note 185, at 45; see also Emily Balcetis & David Dunning, See What You Want To See: Motivational Influences on Visual Perception, 91 J. OF PERSONALITY & SOC. PSYCHOL. 612, 613 (2006).
188 Rik Pieters & Michel Wedel, Goal Control of Attention to Advertising: The Yarbus Implication, 34 J. CONSUMER RES. 224, 224 (2007).
After observing whatever word/symbol is found in the “trademark spot,” the consumer will compare it with his memory schema for trademarks (brands). If what he observes is congruent with his schema for brands, then he will esteem the word/symbol to be a source-identifier. If, on the other hand, the word/symbol is incongruent with the consumer’s schema for brands, then he will reject the word/symbol as the source-identifier and look elsewhere on the package for information to accomplish his perceptual goal. Thus, schema-directed perception suggests that whatever word/symbol has been placed on the label in the “trademark spot” will be seen as a source indicator, with the exception of words/symbols that the consumer must reject as incongruent and inappropriate for trademarks.

An example of a consumer in the marketplace may help to clarify the relevance of the perceptual process to the source-identification judgment so central to brand perceptions and trademark distinctiveness. Applying these insights to Justice Breyer’s example of the hypothetical descriptive nail clipper word-mark TRIM, a customer who encounters the product in the marketplace will not encounter the word mark in isolation but rather surrounded by labeling and packaging—in its “trademark use” context. Knowing that she is in the marketplace establishes for this consumer a purpose for her perceptions and a series of tasks she needs to accomplish to successfully navigate the consumption aspects of her life. One of those tasks is the source-identification judgment. When she sees the nail-clipper package, the consumer will activate her perceptual schema for product packages. If the TRIM mark is in the “trademark spot” (i.e., the location on the package to which she has been guided by her perceptual schema), then she will consider whether TRIM is a plausible source identifier. If TRIM is portrayed in a presentation style (e.g., size, color and typeface) consistent with the consumer’s schema for brands, these non-linguistic contextual cues would weigh heavily in favor of accepting TRIM as the product’s trademark. If, on the other hand, the semantic meaning of TRIM is incongruent with the consumer’s schema for brands, she will reject TRIM as the source-identifier.

Thus, the semantic meaning of a word mark may be relevant to the source-identification task, but only if the consumer finds the mark’s semantic meaning so incongruent with the notion of a brand name that it must be rejected. Under the perceptual schema model, the mark’s presence in the “trademark spot” is the primary determinant of whether it is judged to be a source-identifier, with non-linguistic and semantic meaning cues playing a secondary role.

Similar findings to the brand perceptual schema model have been documented concerning consumers’ responses to advertising. As Professor Linda Scott notes, when consumers view advertisements, “the presence of ... advertising elements and their spatial relationship to each other invokes past experience with ads and, in so doing, will lead [consumers] to expect certain types of information to be carried by each of these elements.” According to Scott, these expectations lead consumers “into a reading strategy” for the

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191 Michel Wedel & Rik Pieters, Eye Fixations on Advertisements and Memory for Brands, 19 MARKETING SCI. 297, 300 (2000).
advertisement “before any pictures or words are comprehensible.” Scott concludes that “the cognitive activity of reading words, pictures, and sounds … has effectively dropped out of the model.” These conclusions for consumers’ perception of advertising are consistent with our proposals for consumers’ perception of product labels.

These theoretical understandings teach away from the law’s current assumptions regarding trademark meaning. While semantic meaning is certainly relevant to the consumer’s source-identification judgment, it is neither the only nor the most important factor. If a mark is displayed in a context consistent with brand perceptual schemas (e.g., the mark is presented in the “trademark spot” on the packaging in a size and style that is consistent with the consumer’s expectations for trademarks), the consumer is likely to judge the mark to be source indicating—even if the mark’s semantic meaning is descriptive. Thus, the Abercrombie classification system is built on a faulty theoretical notion that semantic meaning is the determinant of the extent to which consumers will esteem a mark to be a source-indicator.

V. AN EMPIRICAL ANALYSIS OF TRADEMARK DISTINCTIVENESS

Consumer psychology theory provides ample grounds for suspicion of the law’s treatment of descriptive word marks when such marks are used in their commercial “trademark use” context on a product label. Yet the question is ultimately an empirical one, and an empirical evaluation of it is long past due. In the sub-sections below, we present three empirical studies of consumer perception of the distinctiveness of a word mark on consumer packaged goods. Our first study presents a careful evaluation of a broad range of word marks. In this study, we find that when descriptive words are used in a typical trademark-use context, they are statistically just as likely to be perceived as source indicators as are their suggestive, arbitrary, and fanciful counterparts.

This observation is at such variance with the law’s reliance on the marks’ semantic meaning that we seek to verify the observation with a second study. In a larger-scale study, we test 31 descriptive and suggestive marks in four different product categories, and the result is the same as the first study: consumers judge both descriptive and suggestive marks to be highly source-indicating. In the third study, we hold the descriptive word mark constant and manipulate the contextual “markers” (placement and prominence on the package) used on the product package. Here we find that the source-identifying significance of the descriptive word mark holds except when the contextual markers are very weak—at a level well below the “trademark use” standard adopted by the courts. This finding demonstrates that the law’s treatment of descriptive word marks is groundless at any realistic level of trademark use.

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193 Id.
194 Id. at 463.
195 Rebecca Tushnet has offered some general observations that are consistent with this thesis (in her course of criticizing a consumer cognition model of trademark dilution). She asserts that when it comes to consumer perception of trademarks, “context is king”—in that “[w]ords in isolation seldom occur in our lives, except in spelling bees and grocery lists.” and that “humans commonly use context to disambiguate and figure out what is meant.” Tushnet, supra note 11, at 529 – 30 (quoting Roger W. Shuy, Linguistic Thoughts on Trademark Dilution 5 – 6 (2003) (unpublished manuscript, on file with the Texas Law Review)). Tushnet’s argument is aimed at critiquing the expansion of the law of trademark dilution, but her premises lend additional support to the thesis presented here.
Our empirical studies begin with a series of hypotheses posited by the *Abercrombie* taxonomy, whose basic premise is that a word mark’s semantic meaning undermines its perception as a source indicator. Specifically, we consider the following hypotheses that undergird the *Abercrombie* classification system:

- **H1**) Generic marks are less source-indicating than descriptive marks.
- **H2**) Descriptive marks are less source-indicating than suggestive marks.
- **H3**) Suggestive marks are less source-indicating than arbitrary marks.
- **H4**) Arbitrary marks are less source-indicating than fanciful marks.

As noted in Part I, previous authors have identified a few sub-categories of descriptive marks. These sub-categories can be summarized as (1) marks that refer to an ingredient or characteristic of the product, (2) marks that refer to the way the consumer uses the product or the result for which the consumer hopes, and (3) broadly laudatory marks. The law recognizes no differences among these sub-categories. To determine whether these sub-categories differ in terms of their potential for source-indication, another hypothesis was tested:

- **H5**) All three types of descriptive marks are equally source-indicating.

### A. Study 1

Study 1 tested all five hypotheses. As reported in detail below, the results of Study 1 were supportive of the law’s **H1**, suggesting that generic marks are, indeed, different from the other categories of marks. Study 1 offered three separate tests of the law’s **H2**, and all three were unsupportive—indicating that consumers found the descriptive marks to be no less source-indicating than the suggestive mark. Arguably, this is the most important and discordant finding of Study 1. These findings undermine the existing doctrine as described in Part I above while confirming the consumer psychology theories in Part III. The results of Study 1 also undermined **H3**, suggesting that suggestive marks are no less source-indicating than arbitrary marks. As to **H4**, the results supported the hypothesis. Lastly, as described in more detail below, the findings for **H5** were somewhat mixed, making further testing necessary.

#### 1. Stimuli Pretest 1: Secondary Meaning

To test the law’s hypotheses, all three empirical studies reported here use the same basic technique: word marks from the various *Abercrombie* categories were added to product labels and shown as stimuli to study participants, who were then asked to indicate whether they perceived the word in context as a source indicator. For use in the three studies, we formulated a number of hypothetical word marks for classification in the *Abercrombie* hierarchy (see Table 1).

In selecting marks for the *Abercrombie* classes, we sought to formulate marks that would fall relatively uncontroversially into each class. Recognizing that the descriptive / suggestive boundary is the most subjective and most important, we adopted a careful protocol for formulating marks in those two categories. First, for each of the three sub-categories of

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196 See supra note 38.
descriptive marks identified above, we formulated word marks that involved a straightforward, literal description. On the suggestive side, we formulated word marks whose description of any characteristics or attributes was as clearly non-literal—“figuratively” descriptive—and thus in our view uncontroversially suggestive.\textsuperscript{197} One benefit of having many descriptive marks and suggestive marks (a total of 31 marks, as shown in Table 1) is that the crucial comparison

\textsuperscript{197} \textit{See} CALLMANN, \textit{supra} note 24, § 18:10 ("Suggestive marks are merely figuratively descriptive.").
### Table 1. Stimuli Used in Empirical Testing

<table>
<thead>
<tr>
<th>Trademark</th>
<th>Product</th>
<th>Abercrombie Categorization</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Generic</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fudge Covered Cookies</td>
<td>Chocolate coconut cookies</td>
<td>&quot;Fudge covered cookies&quot; is a generic description taken from many different packages of cookies in the marketplace.</td>
</tr>
<tr>
<td><strong>Descriptive—Ingredient/Characteristic</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Chocolate Abundance</td>
<td>Chocolate coconut cookies</td>
<td>&quot;Chocolate&quot; is an ingredient. &quot;Abundance&quot; is a claim the cookies contain ample chocolate or the package contains many cookies.</td>
</tr>
<tr>
<td>Chocolate Choice</td>
<td>Chocolate coconut cookies</td>
<td>&quot;Chocolate&quot; is an ingredient. &quot;Choice&quot; is a claim the chocolate, or the cookies more generally, are of high quality.</td>
</tr>
<tr>
<td>Great Garics</td>
<td>Pita chips</td>
<td>&quot;Garlic&quot; is an ingredient. &quot;Great&quot; is a claim the garlic, or the pita chips more generally, are of high quality.</td>
</tr>
<tr>
<td>Flatbread Essentials</td>
<td>Pita chips</td>
<td>&quot;Flatbread&quot; is another word for pita, an ingredient in pita chips. &quot;Essential&quot; is a claim the pita, or the pita chips more generally, are of high quality.</td>
</tr>
<tr>
<td>All You Need</td>
<td>Vitamins</td>
<td>&quot;All you need&quot; is a claim the vitamins contain all essential vitamins and minerals in sufficient quantities.</td>
</tr>
<tr>
<td>Lemon Power</td>
<td>Laundry stain remover</td>
<td>&quot;Lemon&quot; is a characteristic—the packages notes the product is lemon scented. &quot;Power&quot; is a claim the product removes even difficult stains.</td>
</tr>
<tr>
<td>Pronto</td>
<td>Laundry stain remover</td>
<td>&quot;Pronto&quot; is a claim the product removes stains quickly.</td>
</tr>
<tr>
<td><strong>Descriptive—Use/Result</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Celebrate</td>
<td>Chocolate coconut cookies</td>
<td>To “celebrate” is a result commonly sought by people who eat cookies.</td>
</tr>
<tr>
<td>Relax</td>
<td>Chocolate coconut cookies</td>
<td>To &quot;relax&quot; is a result commonly sought by people who eat cookies.</td>
</tr>
<tr>
<td>Snackers</td>
<td>Pita chips</td>
<td>&quot;Snacking&quot; is a common use for pita chips.</td>
</tr>
<tr>
<td>Exotic Escape</td>
<td>Pita chips</td>
<td>To &quot;escape&quot; the mundane is a result commonly sought by people who eat snack foods. The &quot;escape&quot; is claimed to be &quot;exotic&quot; because pita chips are an unusual snack with roots in Mediterranean cuisine.</td>
</tr>
<tr>
<td>Morning Tab</td>
<td>Vitamins</td>
<td>&quot;Tab&quot; is a shortened form of &quot;tablet,&quot; which is the form of the product. &quot;Morning&quot; is the time of day in which vitamins are commonly used.</td>
</tr>
<tr>
<td>Swallow</td>
<td>Vitamins</td>
<td>&quot;Swallow&quot; is the manner in which the product is used.</td>
</tr>
<tr>
<td>Cleanse</td>
<td>Laundry stain remover</td>
<td>To &quot;cleanse&quot; clothing is the result sought by people who use laundry stain removers.</td>
</tr>
<tr>
<td>Pristine</td>
<td>Laundry stain remover</td>
<td>To make clothing &quot;pristine&quot; is the result sought by people who use laundry stain removers.</td>
</tr>
<tr>
<td><strong>Descriptive—Laudatory</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wonderful</td>
<td>Chocolate coconut cookies</td>
<td>&quot;Wonderful&quot; is a synonym of &quot;excellent,&quot; as indicated by a thesaurus.</td>
</tr>
<tr>
<td>First Class</td>
<td>Chocolate coconut cookies</td>
<td>&quot;First Class&quot; is a synonym phrase of &quot;excellent,&quot; as indicated by a thesaurus.</td>
</tr>
<tr>
<td>Marvelous</td>
<td>Pita chips</td>
<td>&quot;Marvelous&quot; is a synonym of &quot;excellent,&quot; as indicated by a thesaurus.</td>
</tr>
<tr>
<td>Superlative</td>
<td>Pita chips</td>
<td>&quot;Superlative&quot; is a synonym of &quot;excellent,&quot; as indicated by a thesaurus.</td>
</tr>
<tr>
<td>Magnificent</td>
<td>Vitamins</td>
<td>&quot;Magnificent&quot; is a synonym of &quot;excellent,&quot; as indicated by a thesaurus.</td>
</tr>
<tr>
<td>Ultimate</td>
<td>Vitamins</td>
<td>&quot;Ultimate&quot; is a synonym of &quot;excellent,&quot; as indicated by a thesaurus.</td>
</tr>
<tr>
<td>Superb</td>
<td>Laundry stain remover</td>
<td>&quot;Superb&quot; is a synonym of &quot;excellent,&quot; as indicated by a thesaurus.</td>
</tr>
<tr>
<td>Terrific</td>
<td>Laundry stain remover</td>
<td>&quot;Terrific&quot; is a synonym of &quot;excellent,&quot; as indicated by a thesaurus.</td>
</tr>
</tbody>
</table>
### Suggestive

<table>
<thead>
<tr>
<th>Trademark</th>
<th>Product</th>
<th>Abercrombie Categorization</th>
</tr>
</thead>
<tbody>
<tr>
<td>Party Hat</td>
<td>Chocolate coconut cookies</td>
<td>The product is not literally a &quot;party hat.&quot; Instead, the mark suggests the cookies are like a &quot;party hat&quot; in the sense that the cookies can be used as part of a celebration.</td>
</tr>
<tr>
<td>Island Breeze</td>
<td>Chocolate coconut cookies</td>
<td>The product is not literally an &quot;island breeze.&quot; Instead, the mark suggests the cookies are like a &quot;breeze&quot; in the sense that the cookies are pleasant and relaxing, and &quot;island&quot; connotes the tropical associations of the coconut ingredient.</td>
</tr>
<tr>
<td>Oasis</td>
<td>Pita chips</td>
<td>The product is not literally an &quot;oasis.&quot; Instead, the mark suggests the pita chips are like an &quot;oasis&quot; in the sense that the pita chips provide a refreshing pause, and the mark connotes the Mediterranean cuisine on which pita chips are based.</td>
</tr>
<tr>
<td>Caravan</td>
<td>Pita chips</td>
<td>The product is not literally a &quot;caravan.&quot; Instead, the mark suggests the pita chips are like a &quot;caravan&quot; of the Silk Road in the sense that the pita chips are associated with rarity and value, and the mark connotes the Mediterranean cuisine on which pita chips are based.</td>
</tr>
<tr>
<td>Morning Yoga</td>
<td>Vitamins</td>
<td>The product is not literally used for &quot;morning yoga.&quot; Instead, the mark suggests the vitamins are like a &quot;morning yoga&quot; exercise routine in the sense that the vitamins promote health and flexibility.</td>
</tr>
<tr>
<td>Evergreen</td>
<td>Vitamins</td>
<td>The product is not literally an &quot;evergreen&quot; tree or shrub. Instead, the mark suggests the vitamins are like an &quot;evergreen&quot; in the sense that the vitamins promote health and vigor (green foliage) even later in life (fall and winter).</td>
</tr>
<tr>
<td>Abracadabra</td>
<td>Laundry stain remover</td>
<td>The product is not literally related to &quot;abracadabra,&quot; which is a word commonly associated with stage magicians. The mark suggests the product will be like magic in the sense that the product will remove laundry stains quickly and completely.</td>
</tr>
<tr>
<td>White Glove</td>
<td>Laundry stain remover</td>
<td>The product is not literally a &quot;white glove,&quot; which is commonly associated with detailed cleanliness inspections. The mark suggests the product will remove laundry stains so thoroughly as to be able to pass a detailed inspection.</td>
</tr>
</tbody>
</table>

### Arbitrary

<table>
<thead>
<tr>
<th>Trademark</th>
<th>Product</th>
<th>Abercrombie Categorization</th>
</tr>
</thead>
<tbody>
<tr>
<td>Map</td>
<td>Chocolate coconut cookies</td>
<td>&quot;Map&quot; has no literal relationship with the product, and the mark suggests no particular meaning for the product.</td>
</tr>
</tbody>
</table>

### Fanciful

<table>
<thead>
<tr>
<th>Trademark</th>
<th>Product</th>
<th>Abercrombie Categorization</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coriren</td>
<td>Chocolate coconut cookies</td>
<td>&quot;Coriren&quot; is a newly coined word, and the mark suggests no particular meaning for the product.</td>
</tr>
</tbody>
</table>
between descriptive and suggestive is not very sensitive to the *Abercrombie* categorization of any single mark.

Our generic mark was generated through an empirical observation of the standard terminology used in the market for the product category in question. For the arbitrary word mark, we selected an existing word listed in the dictionary that uncontroversially said nothing descriptive (literally or figuratively) about the product in question. Finally, for the fanciful word mark, we used an online word-coining tool that used random numbers to generate a novel (yet orthographically and phonologically valid) word form.

The validity of our methodology would be undermined if our fictitious word marks were perceived to have any significant secondary meaning. If a trademark has secondary meaning, it is reasonable to expect the trademark will be highly source-indicating—regardless of its *Abercrombie* classification. To ensure the validity of the studies reported here, Pretest 1 was undertaken to measure the secondary meaning of all the trademarks used as stimuli. A total of 120 consumers participated in an online questionnaire in return for a small monetary incentive. Participants were limited to adult consumers living in the United States. To ensure a relevant survey universe, the pretest was limited to consumers who had, within the last year, purchased the relevant products (i.e., packaged cookies, snack chips, vitamin food supplements, and laundry stain removers). Participants were assigned to evaluate the secondary meaning of all the trademark stimuli in one of the four product categories.

Secondary meaning for each trademark stimulus was measured with an adaptation of Palladino’s measure of secondary meaning. After participants were given a definition of the notion of “brand,” they were asked the following: “Have you seen or heard of [trademark] brand [product category]?” For example, the question for one trademark stimulus was the following: “Have you seen or heard of Party Hat brand cookies?” Participants were offered three response options: “Yes, I have seen or heard of it;” “No, I have not seen or heard of it;” and “I don’t know or I don’t have any opinion.”

Each trademark’s secondary meaning was measured by calculating the proportion of participants who answered “Yes, I have seen or heard of” the mark as a brand name in that product category. Of the 35 trademark stimuli, all except one had a level of secondary meaning that was not statistically significantly different from zero (using the normal approximation of binomial, all 95% confidence intervals included zero). The exception is “Pure Organics,” which was designed to be a descriptive trademark for vitamin food supplements. For some reason, this fictitious mark demonstrated a somewhat high level of secondary meaning (16.7% answered “Yes”). This level of secondary meaning was statistically greater than zero (the 95% confidence interval did not include zero). Because secondary meaning for a stimulus would obscure the

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198 Vincent N. Palladino, *Surveying Secondary Meaning*, 84 TRADMARK REP. 155, 168 (1994) (Palladino’s question 1A2 is the following: “Have you seen, or heard of, [claimed trademark]?”).

199 In Pretest 1, the notion of “brand” was defined for participants with the following: “As you know, toothpaste is sold under many different brand names. A brand name is a word that indicates the source of a product. Brand names would include words like Crest and Aquafresh, since only one company makes toothpaste called Crest and only one company makes toothpaste called Aquafresh. Other words that are not brand names would include gel and mint, since more than one company makes toothpaste by those names, and whitening and tartar control, since those terms are used by more than one company to describe their toothpaste.”
planned hypothesis tests, this mark was dropped from Table 1 and from all subsequent studies. The remaining 34 marks in Table 1 can be said to have no measurable secondary meaning.

2. **Stimuli Pretest 2: Typical Trademark Use**

   The next step was to create a product package onto which the 34 trademarks could be placed. The goal was to create a package that was not only realistic, but also highly typical of product packages. Pretest 2 determined how the “average” or typical product package appears on a number of dimensions, including the many non-linguistic signs that combine to yield “trademark use” on a product package.

   A random sample (n = 30) of packaged goods was drawn from the shelves of a large U.S. retailer, yielding a sample that is broadly representative of packaged goods. Based on consultations with a professional graphic artist, the appearance of each of the 30 packages was divided into six graphical elements:

   1. the trademark text (the letters of the registered trademark),
   2. the trademark field (any shape of contrasting color that appeared to be “behind” the trademark text that served to highlight the trademark text),
   3. the descriptive text (any words used to describe the product in addition to the registered trademark),
   4. the descriptive field (any shape of contrasting color that appeared to be “behind” the descriptive text that served to highlight the descriptive text),
   5. the picture (any picture of the product or consumer using the product), and
   6. the background (the main color of the package).

   The size and location of the six graphical elements were measured for each product package. Using a well-known shape averaging method, the 30 packages were combined by calculating an average shape for each of the six elements. This method yielded a quantitative determination of the fundamental appearance (shape, size, and location) of the six graphical elements on the typical product package.

   Next, the non-linguistic signs of the sampled packages were considered. Based on the computer software that graphic artists use to create product packages, a total of 58 dimensions of graphical design were identified. Some of the dimensions were quantitative (e.g., the baseline angle of the trademark text, the ratio of line width to the character height for the descriptive text, and the Red/Green/Blue color values for the trademark field). Other dimensions were qualitative (e.g., the typeface of the trademark text, the capitalization of the descriptive text, the presence/absence of any “shadow” effect on the trademark field). Each of the 30 packages in the sample was measured on the 58 dimensions. Quantitative dimensions were aggregated by calculating an average, and qualitative dimensions were aggregated by calculating a mode. The

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200 To limit the products to the relevant population, only products that had national distribution and displayed a single registered trademark were selected for the sample. Because shape averaging was to be used, only products with a rectangular-shaped package face were selected.

average or mode of each dimension yielded a description of the non-linguistic signs of the
typical product package.

Lastly, the typical product package was created using computer software used by
professional graphic artists (see Figure 1). The six graphical elements were placed in the shape,
size, and location specified by the shape averaging procedure. The non-linguistic signs were
added as specified by the average or modal values of the 58 dimensions of graphical design.
Additional label elements (e.g., the declaration of the net quantity) were added for similarity to
packages of cookies offered for sale in the marketplace. Under the procedure used here, the
package in Figure 1 can be said to be the typical package, and the way the mark is displayed can
be said to be typical of trademark use.

3. Stimuli for Study 1

Seven different marks were included as stimuli in Study 1: one generic mark, three
descriptive marks (an ingredient/characteristic type, a use/result type, and a laudatory type), a
suggestive mark, an arbitrary mark, and a fanciful mark. As shown in Figure 1, each of the
marks was placed in typical trademark use on the typical product package.202

4. Method for Study 1

A total of 210 individuals participated in an online questionnaire for a small monetary
incentive. The study was limited to participants living in the United States who reported
purchasing packaged cookies within the last year.

a. Measuring Source Indication

Empirically testing the law’s hypotheses requires a measure of the extent to which consumers
find a mark to be source indicating. The measure used here was adapted from the TEFLON test
of genericness203 which asks participants to indicate whether a mark is “a brand name” or “a
common name.” The TEFLON test is a good starting point for measuring source indication
because a consumer response that the mark “is a brand name” suggests the consume r finds the
mark to be source indicating. However, the TEFLON test cannot straightforwardly serve as a
measure of source indication because (1) that test assumes that if a word is not a brand name,
then it must be a generic term; and (2) it presents participants with bare words rather than
presenting trademarks in a realistic commercial context.

202 In each of our studies, the word being tested admittedly was the only realistic candidate for a brand name on the
product package in question. That fact could certainly affect our results, and study participants might well have
perceived the descriptive words differently if they were presented in addition to some other plausible brand. But this
is no indictment of our results, since many descriptive word marks will be presented to consumers as the only
plausible brand name on a package.

203 The test was first formulated to evaluate the distinctiveness of the TEFLON brand in E. I. Du Pont de Nemours &
Co. v. Yoshida International, Inc., 393 F. Supp. 502, 526 (E.D.N.Y. 1975). This methodology has been endorsed as
“generally an accepted format to measure secondary meaning.” Schwan’s IP, L.L.C. v. Kraft Pizza Co., 379
F.Supp.2d 1016, 1020 (D. Minn. 2005); see also March Madness Athletic Ass’n. v. Netfire, Inc., 310 F.Supp.2d 786,
809 (N.D.Tex.2003).
Figure 1. Stimuli Used in Study 1

Note: the stimuli were displayed to participants in full color.
To address these problems, we adapted the TEFLON test in a number of ways. Participants were presented with a product package that displayed the mark, and they were asked, “In the product package shown above … would you say [the mark]” … “is a brand name,” “is not a brand name,” or “I don’t know or I have no opinion.” Participants who indicated the mark “is a brand name” were coded as having identified the mark as source indicating.

As in the TEFLON test, participants were given some training to ensure research participants consider terms such as “brand” in a uniform and consistent way before they complete the measure of source indication. In Study 1, participants were first given a definition of “brand.” Then, two examples of product packages with brands were given: a famous brand (POP-TARTS toaster pastries) and a non-famous brand (DELIMEX frozen dinners). Two examples of product packaging with non-brands were also given: a generic term (“sugar” shown on a five-pound package of sugar) and a descriptive phrase (“fat free” shown on a quart package of milk). Participants’ understanding of the training was then verified by asking the source-indication question for product packages with a famous brand (BANQUET chicken pot pie) and a descriptive term (“microwavable” shown on a package of soup). All participants (100%) responded that BANQUET was source-indicating and “microwavable” was not, suggesting the participants understood the training.

In the original TEFLON test, the plaintiff included seven marks in the study in addition to TEFLON. The observation of reasonable results for these seven additional marks (e.g., 76% of participants called COKE “a brand” and only 9% called MARGARINE “a brand”) increases confidence that the TEFLON test is a valid research method. The ability of an empirical method to obtain reasonable results is sometimes referred to as “nomological validity.” To examine the nomological validity of the measure of source indication introduced here, Study 1 included ten stimuli in addition to the stimuli that were designed to test the law’s hypotheses. Five of these additional stimuli were famous trademarks from the marketplace. The measured level of source indication for all five of these trademarks was high (STP, 100%; ALEVE, 99.5%; JELL-O, 99.1%; HOT POCKETS, 97.1%; and POWERBAR, 79.1%). The other five stimuli were generic terms and descriptive terms, and as expected the measured level of source indication for each was low (“milk chocolate” shown on a HERSHEY’S candy bar package, 10.5%; “light” shown on a YOPLAIT yogurt package, 7.1%; “corn meal” shown on an AUNT JEMIMA corn meal package, 6.2%; “thin spaghetti” shown on a BARILLA spaghetti package, 5.2%; and “organic” shown on a NATURE’S PATH hot oatmeal package, 4.8%). The observation of results that so fully match reasonable a priori expectations is a demonstration of nomological validity for the measure of source indication.

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204 See Schwan’s, 379 F.Supp.2d at 1020 (noting that in TEFLON test “respondents are first instructed on the definition of common names and brand names, pre-tested on their understanding of common names and brand names, and then asked to categorize certain test and control phrases or words as brand names or common names”); McCarthy (supra note 15, § 12:16) (TEFLON test begins with what is “essentially a mini-course in the generic versus trademark distinction”).

205 The definition was the same as the one given in Pretest 1. See supra, note 199.

206 E. I. Du Pont, 393 F. Supp. at 526, n. 54.

5. Testing and Results

Participants were randomly assigned to view one of the seven stimuli shown in Figure 1. The order of presentation for the 11 stimuli (i.e., the test stimulus along with the ten additional stimuli used to examine nomological validity) was randomized for each participant. Source indication was measured for each stimulus immediately after presentation.

The results of Study 1 are summarized in Figure 2. H1 posits that the generic mark will be less source indicating than the three descriptive marks. The proportion of participants who identified the generic mark as source indicating (26.7%) was compared to the proportion who identified the descriptive-ingredient/characteristic mark as source indicating (83.3%). The result sustained H1: the generic mark is less source-indicating than the descriptive-
ingredient/characteristic mark, and the difference between the proportions is statistically
significant (Fisher’s exact test,⁡208⁡ p < .05).

The same holds for the other descriptive marks that we studied. The generic mark was
less likely to be perceived as a source indicator (26.7%) than the descriptive-use/result mark
(100%) and also less likely than the descriptive-laudatory mark (76.7%). These differences were
both statistically significant (Fisher’s exact test, p < .05). The finding that the generic mark was
less source-indicating than the three descriptive marks is strongly supportive of H1.

H2 restates the law’s premise that descriptive marks are less source-indicating than their
suggestive counterparts. We tested this hypothesis across all three of our sub-classes of
descriptive marks. Here, our observations ran counter to the law’s hypothesis. For all three sub-
classes, descriptive marks were statistically indistinguishable from suggestive marks in source-
indication. The suggestive mark was perceived as source-indicating by 86.7% of study
participants, while descriptive marks were categorized as source indicators by 83.3% (for the
descriptive-ingredient/characteristic sub-class), 100% (for the descriptive-use/result sub-class),
and 76.7% (for the descriptive-laudatory sub-class). None of the comparisons between
descriptive and suggestive were statistically significant (Fisher’s exact test, p > .05). Thus, our
study undercuts H2 and offers empirical grounds for questioning a central premise of the
Abercrombie classification system.

Because the three descriptive marks were found to be highly source-indicating, it is
natural to wonder whether the descriptive marks were any different from marks in the other
Abercrombie categories. To test this possibility, the three descriptive marks were pooled
together (87.8% source indication) and compared to a pooled comparison of the suggestive,
arbitrary and fanciful marks (90.0% source indication). The comparison was statistically non-
significant (Fisher’s exact test, p > .05), indicating that the descriptive marks were no less
source-indicating than any of the marks supposed by the law to be inherently source indicating.

The remaining hypotheses consider additional aspects of the Abercrombie taxonomy. H3
compares the relative source indication of suggestive and arbitrary marks. Here, our
observations showed that the suggestive mark was recognized as a source indicator by 86.7% of
study participants, while the arbitrary mark was 76.7%. This difference is not statistically
significant (Fisher’s exact test, p > .05). The finding that the suggestive mark was no different
from the arbitrary mark is unsupportive of H3, putting a further empirical dent in the
Abercrombie system of classification.

⁡208⁡ Considering the two mark types (the mark is either descriptive—ingredient/characteristic or generic) along with
the two outcomes (the mark is either found by the consumer to be source-indicating or it is not) yields a 2 x 2
contingency table. The chi-squared test and Fisher’s exact test are two common tests of independence for 2 x 2
contingency tables. The chi-squared test is not appropriate if any of the expected cell frequencies is less than five.
See WAYNE W. DANIEL, APPLIED NONPARAMETRIC STATISTICS 168 (1978). In many of the contingency tables
analyzed here, non-source-indication was observed to be so rare that there were cells with expected frequencies of
less than five. Authorities have described the solution to this dilemma: one should “use the Fisher exact test when
asymptotic theory [e.g., the chi-squared test] is clearly inappropriate.” PETER SPRENT & NIGEL C. SMEETON,
APPLIED NONPARAMETRIC STATISTICAL METHODS 322 (3d ed. 2001). Therefore, Fisher’s exact test was used here to
analyze all 2 x 2 contingency tables. As a practical matter, the choice between the two tests did not influence the
conclusions of the studies; when the analyses were repeated with chi-squared tests, the results of all the statistical
tests remained the same.
H4 posits that the arbitrary mark will be less source indicating than the fanciful mark. On this hypothesis, the results support the law’s premise. The difference between the degree of source-indication of the arbitrary mark (76.7%) and the fanciful mark (100%) was indeed statistically significant (Fisher’s exact test, p < .05).

Lastly, H5 implies that the three sub-classes of descriptive marks in Study 1 will all have equal source indication. To test this implication, the three marks were compared pair-wise. The source-indication of the descriptive-ingredient/characteristic mark (83.3%) was not significantly different from the source indication of the descriptive-laudatory mark (76.7%; Fisher’s exact test, p > .05). The source indication of the descriptive-ingredient/characteristic mark (83.3%) was compared to the source indication of the descriptive-use/result mark (100%). The difference was not statistically significant (Fisher’s exact test, p > .05), but it approached the conventional level of statistical significance. A significant statistical difference (Fisher’s exact test, p < .05) was found between the descriptive-use/result mark (100%) and the descriptive-laudatory mark (76.7%). In sum, all three descriptive marks have very high source indication (all greater than 75%); two pair-wise comparisons were nonsignificant and the other pair-wise comparison was significant. Thus, the empirical evidence regarding H5 is mixed. As described below, study 2 tests H5 more fully.

6. Study 1 Discussion

The most striking finding of Study 1 is that when marks are displayed in a realistic context (i.e., when the marks are placed on a product package in typical trademark use), consumers find descriptive marks to be just as highly source-indicating as suggestive marks. This finding is at such variance with an important expectation of the law (H2) that corroboration was called for. Study 2 repeated a test of H2 with more product categories and a number of marks within each type of mark.

B. Study 2

Study 2 is a large-scale test of H2. As reported in detail below, when a variety of descriptive marks were placed in typical trademark use, they were perceived by consumers as highly source-indicating—so much so that there was no statistical difference between the descriptive marks and the suggestive marks. This finding is strongly unsupportive of the law’s expectation in H2. Furthermore, the three sub-types of descriptive marks were all equivalent in terms of source-indication, which supports H5.

1. Method for Study 2

In Study 2, four product categories were investigated: pita chip snacks, vitamin food supplements, laundry stain removers, and packaged cookies. Packages for the new products were created using the same procedure as in Study 1 (see Figure 3), yielding a typical product package and typical “trademark use” for each product. A total of 31 marks from Pretest 1 were used: seven descriptive-ingredient/characteristic marks, eight descriptive-use/result marks, eight descriptive-laudatory marks, and eight suggestive marks. Because Study 2 replicates the test of H2 with a variety of stimuli, the test does not rely on any single mark or product category.
The procedure of Study 2 was similar to the procedure of Study 1, except that 930 consumers participated and the study was limited to consumers who reported they had, within the last year, purchased the relevant products (i.e., packaged cookies, snack chips, vitamin food supplements, and laundry stain removers).  

Figure 3. Some of the Stimuli Used in Study 2

![Stimuli Images]

Note: the stimuli were displayed to participants in full color.

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Subjects were recruited for participation from the online consumer panel managed by the firm, Authentic Response.
Figure 4. Results of Study 2

<table>
<thead>
<tr>
<th>Source Indication</th>
<th>0%</th>
<th>25%</th>
<th>50%</th>
<th>75%</th>
<th>100%</th>
</tr>
</thead>
</table>

**Descriptive—Ingredient/Characteristic**
- Chocolate Abundance\(^1\) 100.0%
- Chocolate Choice\(^1\) 86.7%
- Great Garlies\(^2\) 96.7%
- Flatbread Essentials\(^2\) 93.3%
- All You Need\(^3\) 90.0%
- Lemon Power\(^4\) 90.0%
- Pronto\(^4\) 93.3%

**Descriptive—Use/Result**
- Celebrate\(^3\) 93.3%
- Relax\(^1\) 93.3%
- Snackers\(^2\) 96.7%
- Exotic Escape\(^2\) 93.3%
- Morning Tab\(^3\) 100.0%
- Swallow\(^3\) 96.7%
- Cleanse\(^4\) 90.0%
- Pristine\(^4\) 93.3%

**Descriptive—Laudatory**
- Wonderful\(^1\) 93.3%
- First Class\(^1\) 96.7%
- Marvelous\(^2\) 100.0%
- Superlative\(^2\) 90.0%
- Magnificent\(^3\) 90.0%
- Ultimate\(^3\) 90.0%
- Superb\(^4\) 93.3%
- Terrific\(^4\) 96.7%

**Suggestive**
- Party Hat\(^1\) 96.7%
- Island Breeze\(^1\) 100.0%
- Oasis\(^2\) 96.7%
- Caravan\(^2\) 93.3%
- Morning Yoga\(^3\) 93.3%
- Evergreen\(^3\) 93.3%
- Abracadabra\(^4\) 100.0%
- White Glove\(^4\) 100.0%

\(^1\) Chocolate coconut cookies  \(^2\) Pita chips  \(^3\) Vitamins  \(^4\) Laundry stain remover
2. **Study 2 Results**

   a. **Comparing Descriptive and Suggestive marks**

   Study 2 is a large-scale test of H2—the law’s hypothesis that descriptive marks are less source-indicating than suggestive marks. As can be seen in Figure 4, consumers found all 31 of the marks to be highly source-indicating.

   To analyze the results, the marks were pooled together by type. The average source indication of all 23 descriptive marks was 93.8%. This can be compared to the average source indication of the eight suggestive marks, which was 96.7%. The difference between these two proportions was not statistically significant (Fisher’s exact test, $p > .05$).

   A more detailed analysis yielded similar results. The difference between the average suggestive mark (96.7%) and the average descriptive-ingredient/characteristic mark (92.9%) was not statistically significant (Fisher’s exact test, $p > .05$). Likewise, the average suggestive mark (96.7%) was not statistically different from the average descriptive-use/result mark (94.6%; Fisher’s exact test, $p > .05$) or the average descriptive-laudatory mark (93.8%; Fisher’s exact test, $p > .05$).

   Even the most granular analysis yielded similar results. When the levels of source indication of all 31 marks were compared simultaneously, the test was not significant (Fisher-Freeman-Halton exact test, $p > .05$), which indicates that none of individual marks are significantly different than the rest. In other words, all of the descriptive marks were statistically equivalent to the suggestive marks in terms of source indication. This pattern of results corroborates the findings of Study 1 and runs strongly counter to H2.

   b. **Comparing Descriptive Marks**

   Study 2 also provides an opportunity to test H5, which suggests the three different types of descriptive marks will be equally source indicating. The difference between the average descriptive-ingredient/characteristic mark (92.9%) and the average descriptive-use/result mark (94.6%) was not statistically significant (Fisher’s exact test, $p > .05$). Also, there was no statistical difference (Fisher’s exact test, $p > .05$) between the average descriptive-ingredient/characteristic mark (92.9%) and the average descriptive-laudatory mark (93.8%). Likewise, the difference between the average descriptive-use/result mark (94.6%) and the

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210 Pooling the marks together would be inappropriate if there were statistical differences in terms of source indication among the marks. A simultaneous comparison of all seven descriptive—ingredient/characteristic marks was performed, and there was no statistical difference in source indication among them (Fisher-Freeman-Halton exact test, $p > .05$). Thus, the seven descriptive—ingredient/characteristic marks can be said to be statistically equivalent. Similarly, there was no statistical difference (Fisher-Freeman-Halton exact tests, all $p > .05$) among the eight descriptive—use/result marks, among the eight descriptive—laudatory marks, or among the eight suggestive marks. Therefore, pooling the marks together by type is appropriate.

211 G.H. Freeman & John H. Halton, *Note on an Exact Treatment of Contingency, Goodness of Fit and Other Problems of Significance*, 38 *Biometrika* 141, 141 (1951). (The Fisher-Freeman-Halton exact test is a multinomial generalization of Fisher’s exact test. The Fisher-Freeman-Halton exact test was more appropriate here than the chi-squared test because non-source-indication was rare among the 31 marks in Study 2, but it should be noted that the chi-squared test applied to these data yielded the same substantive result for the hypothesis test.)
average descriptive-laudatory mark (93.8%) was not statistically significant (Fisher’s exact test, \(p > .05\)). In Study 1, the results for H5 were somewhat mixed, but in the larger-scale Study 2, the results were strongly supportive of H5. This suggests that all sub-types of descriptive marks are equally source-indicating.

C. Study 3

Although the results of Studies 1 and 2 strongly suggest that descriptive marks do, indeed, have source-indicating power, the studies do not test whether it is the non-linguistic signs that bring about this source-indicating power. Perhaps non-linguistic signs are unnecessary? Study 3 tests the theoretical underpinnings developed above.

Study 3 varies the number of non-linguistic signs of trademark use that are applied to a descriptive mark. As reported in detail below, removing the non-linguistic signs of trademark use does indeed reduce source indication, so it can be concluded that it is the non-linguistic signs that cause descriptive marks to be highly source indicating. Study 3 also demonstrates that number and type of non-linguistic signs that are found on the typical product package are more than sufficient to make consumers view descriptive marks as source-indicating.

1. Method for Study 3

The method of Study 3 was the same as the method of Study 1, except that 120 consumers participated and new stimuli were used. As shown in Figures 5a-5d, the same descriptive mark was used in all four stimuli. The four stimuli varied in terms of the number of non-linguistic signs or “markers” of trademark use that were applied to the mark. The “typical trademark use” stimulus (Figure 5a) was the same stimulus used previously in Studies 1 and 2. As described in Pretest 2, the typicality of this product package was identified empirically, and it contains a number of non-linguistic signs of trademark use. The “weak trademark use” stimulus (Figure 5b) was created by removing all but two of the non-linguistic signs of trademark use (i.e., retaining large size and prominent location). For the “non-trademark use 1” stimulus (Figure 5c), all but one of the non-linguistic signs of trademark use were removed (retaining prominent location). This stimulus is termed “non-trademark use” because removing all but one of the non-linguistic signs has created a stimulus that would not satisfy the “trademark use” threshold. Lastly, the “non-trademark use 2” stimulus (Figure 5d) was created by removing all the non-linguistic signs of trademark use. In Figure 5d, the mark appears as a small footnote on the package. These four stimuli provide a continuum of the strength of trademark use, from typical trademark use (i.e., many non-linguistic signs of trademark use) to non-trademark use (i.e., no such non-linguistic signs).

Figure 5. Stimuli Used in Study 3
Note: the stimuli were displayed to participants in full color.
2. Study 3 Results

The results of Study 3 are summarized in Figure 6. The “typical trademark use” stimulus had a level of source indication (80%) that was not statistically different (Fisher’s exact test, p > .05) from the “weak trademark use” stimulus (70%). The “weak trademark use” stimulus (70%) and the “non-trademark use 1” stimulus (33.3%) were very different, and this difference was statistically significant (Fisher’s exact test, p < .05). Finally, there was no statistical difference (Fisher’s exact test, p > .05) between the “non-trademark use 1” stimulus (33.3%) and the “non-trademark use 2” stimulus (26.7%). In essence, both “trademark use” stimuli had high source-indication, and both “non-trademark use” stimuli had low source-indication.

These findings suggest that it is the non-linguistic signs of trademark use that cause a descriptive mark to be seen by consumers as source-indicating. Keeping the mark constant and removing one sign of trademark use (moving from “typical trademark use” to “weak trademark use”) did not significantly reduce source indication. However, removing yet another sign (moving from “weak trademark use” to “non-trademark use 1”) did significantly reduce source indication. Indeed, the source-indication levels for the two “non-trademark use” stimuli (33.3% and 26.7%) were so low as to be comparable to the source indication of the generic stimulus observed in Study 1 (27.6%). Evidently, non-linguistic signs are necessary for a descriptive mark to be seen as source indicating.
VI. CONCLUSIONS, IMPLICATIONS, AND THE FUTURE OF ABERCROMBIE

Our theoretical model provides grounds for skepticism of the Abercrombie taxonomy; our empirical analysis completely undermines it. Perceptual schema theory gives reason to wonder whether and to what extent non-linguistic signs may overwhelm the linguistic signs credited by the law. If a descriptive word mark is presented in a spatial placement, size, and style that matches the consumer’s schematic mental model of what a product package and brand look like, the word may be perceived as a source indicator even if its semantic meaning is “merely descriptive.”

Our empirical studies confirm this expectation. Study 1 shows that there is no statistically significant difference in source-indicating distinctiveness across the spectrum of descriptive, suggestive, arbitrary, and fanciful word marks when presented in an average trademark use context on a box of cookies. Study 2 confirms the equality of descriptive and suggestive marks across a broader spectrum of products and word marks, providing broader empirical grounds for rejecting the law’s treatment of “merely descriptive” trademarks. Study 3 shows that when a descriptive word is not presented in a “trademark use” context, its descriptive semantic meaning will predominate and it will no longer be perceived as a source indicator.

Thus, the basic premise of Abercrombie has been debunked. Descriptive words stand on equal footing with their suggestive, arbitrary, and fanciful counterparts when it comes to consumer perception of their source indication, and there is no basis for any continuing distinction between the “inherently distinctive” (suggestive, arbitrary, and fanciful) and the “non-inherently distinctive” (descriptive).²¹²

Our immodest proposal is to abandon the non-inherently distinctive category of word marks in the threshold evaluation of trademark distinctiveness. That would not mean that every commercial utterance of a non-generic word would give the speaker priority and trademark protection against any future uses of such a word. “Trademark use” would continue as an important gatekeeper, so trademark protection would be available if and only if the commercial utterance of the word is in a placement, prominence, and style that would sustain the expectation that consumers would perceive the word as source-indicating. But once that threshold standard is met, there would no longer be a basis for the disqualification of a descriptive word mark on the ground that its semantic meaning would overwhelm its “trademark use” contextual meaning.

Detractors from our admittedly heretical proposal are sure to pose a number of objections. One is that our analysis ignores the second of two justifications for the law’s treatment of descriptive trademarks—the “competitive need” rationale, which asserts that protection of descriptive words will impede new market entrants by precluding their use of

²¹² We do not mean to suggest that the Abercrombie classifications are irrelevant for all purposes. As explained below, descriptive word marks may well be “weaker” than their suggestive, arbitrary, and fanciful counterparts for purposes of an evaluation of the likelihood of consumer confusion. Moreover, for reasons developed below, there may be “competitive need” concerns or other considerations that recommend a lower level of protection for descriptive trademarks than for others. But on the threshold question of whether a word mark is eligible for protection as a distinctive indicator of source, there appears to be no reason to treat descriptive word marks any differently from any other class of trademarks.
words that would be useful to effective competition. Another objection is one of administrative cost: that unlimited protection for descriptive word marks will open the floodgates for registration and enforcement of such marks, imposing an undue administrative burden. These are important considerations, but a careful evaluation of them serves only to reinforce and clarify the approach we advocate.

A. Descriptive Word Marks and Competitive Need

The premise of the competitive need objection is overstated and largely mistaken. Even under current doctrine, the law does not take seriously the notion that merely descriptive words are competitively essential. Descriptive word marks are registered and protected upon proof of secondary meaning or on the basis of their “substantially exclusive” use in commerce for five years. Protection is afforded under those circumstances without any conscious inquiry into competitive need.

Consider again the competitive need analysis offered by Landes and Posner—that descriptive words (like “All Bran,” “Holiday Inn,” “Beanie Babies,” and “American Girl”) identify “key attributes” of products and that protection of such marks “would be likely to prevent others from using identifiers that they require in order to be able to compete effectively.” This analysis rests on oversimplifying assumptions and loaded examples. The notion of a limited scope of “key attributes that interest buyers” is vulnerable on several counts. First, consumer psychology studies teach away from this idea. A producer who wishes to break into a market must look for some way to differentiate his product from those of its competitors. If an existing motel chain emphasizes the potential for escape from the workaday world through its “Holiday Inn” brand, a newcomer would want to find a different hook (not the same one)—such as by focusing on the prospect for peace and rest through the brand “Sleep Inn.”

Each product or service is evaluated by consumers on a vast number of functional attributes. For example, Johnson and Gustafsson report a study in which consumers evaluate gasoline convenience stations on 33 separate functional attributes. In addition to functional product attributes, managers may attempt to compete on non-functional brand attributes such as the extent to which the brand is seen as masculine, prestigious, or environmentally conscious. In a generalizable empirical study, Aaker found 42 different non-functional brand attributes that apply to a wide variety of products. Managers are hardly limited to a few “key” attributes; they have a wide variety of alternatives when choosing attributes on which to position their brand.

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213 See supra note 28.
214 See supra Part II.
218 As Rebecca Tushnet has noted, “cognitive research into the way trademarks affect thinking offers hard evidence for the proposition that objective product attributes are not crucial—indeed, not even important—to many consumers.” Tushnet, supra note 13, 86 TEX. L. REV. at 513.
An influential theory in consumer psychology demonstrates that it is not merely (or even at all) the “key attributes” of a product that drive purchase behaviors. Rather, attributes of a product are perceived as important and valued (from a customer’s perspective) to the extent that they accrue to the consumer higher-order functional and psycho-social benefits that she or he is seeking to achieve. These “intermediate” benefits are in turn important because consumers perceive these benefits as means supporting their personal values and life goals. Thus, any of these levels of benefit or value are potentially powerful branding positions available to a marketing practitioner beyond mere product attributes (even “key attributes”). “JOY” is a famous Procter & Gamble mark focused on evoking the consumer values level of the means-end chain of meaning, while the Ralph Lauren perfume mark “ROMANCE” is geared toward evoking salient psycho-social benefits at the intermediate level of the means-end chain. When the full attribute/benefit/value chain is considered in evaluating potential candidates for descriptive marks, the number of possible marks that would be strategically valuable and viable increases markedly. Thus, the idea that there are only a few “key attributes” available for use as descriptive marks is a false scarcity.

The “key attribute” justification is also unsatisfactory in a second sense: it fails to account for the fact that the law makes no attempt whatsoever to limit the descriptive marks ineligible for automatic protection to those that describe “key attributes.” The legal rule is much broader than its purported justification. If this justification were taken seriously, the law would withhold automatic protection for those marks that directly describe some attribute that the competitive market has deemed to be “key.”

But the law does nothing of the sort. Instead, it encompasses within the broad category of descriptive marks anything that “directly” describes any attribute (or characteristic, or purpose, or use) of the product named by the trademark—no matter how miniscule and insignificant that attribute might be in the marketplace.

Actually, the law does incorporate the notion that certain words must be available for competitive use—through the doctrine of genericness. If and when a word becomes so “key” that it is understood by consumers to describe a genus or category of products, then the law precludes trademark protection on competitive need grounds. But unless and until the mark rises

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220 Peter & Olson, see supra note 190, at 72-74. (A classic illustration of this concept is the adage that consumers do not buy drill bits, they want holes—drill bits are merely means to that end); see also Paul E. Green, Yoram Wind & Arun K. Jain, Benefit Bundle Analysis, 12 J. ADVERTISING RES. 32, 33 (1972).

221 Jerry C. Olson & Thomas J. Reynolds, The Mean-end Approach to Understanding Consumer Decision Making, in UNDERSTANDING CONSUMER DECISION MAKING: THE MEAN-END APPROACH TO MARKETING AND ADVERTISING STRATEGY 3, 13 (T. J Reynolds & J. C. Olson eds., 2001); see also Jonathan Gutman & Donald E. Vinson, Values Structures and Consumer Behavior, in 6 ADVANCES IN CONSUMER RES. 335, 336 (W. L. Wilkie ed., 1979) (noting that “it is difficult to imagine a single example of consumer behavior without reference to personal values” and that “behavior is instrumental to the achievement of a particular value state.”) (emphasis in original).

222 Peter & Olson, see supra note 190, at 82-83; see also Marco Vriens & Frenkel Ter Hofstede, Linking Attributes, Benefits and Consumer Values, 12 MARKETING RES. 4, 8 (2000).
(or falls?) to that level, the “merely descriptive” category of marks has never been limited in the way that Landes and Posner assume.

Even if many producers may wish to tout a common attribute of their product, there is no reason to expect that protection of any one term used to describe that attribute would skew consumer search costs in any significant way. The potential supply of synonyms is much richer than Landes and Posner seem to imagine.\footnote{Whereas most people describe a pair of words with roughly the same meaning as “synonyms,” experts in linguists use “near-synonyms” as a term of art for such a word pair. \textit{See} Philip Edmonds & Graeme Hirst, \textit{Near-Synonymy and Lexical Choice}, 28 \textit{Computational Linguistics} 105, 105 (2002).} As evidenced by any good thesaurus, languages are rich with words that vary only in terms of subtle, nuanced shades of meaning. As described by linguists, such words “are pervasive in language.”\footnote{\textit{Id.} at 107. The abundance of near-synonyms is made possible because near-synonyms can vary in so many ways (35 separate dimensions of near-synonymy). \textit{Id.}} Thus, there is no reason to believe that the “index of the availability of words and other symbols that the firm can use as its trademark” is meaningfully limited even if most producers choose to use their brand name to focus on a single attribute. To continue with the example of marks for motel chains, even if many competitors choose to focus on the prospect for peace and rest, “Sleep Inn’s” competitors can easily do so by adopting roughly synonymous names like slumber, siesta, nap, snooze, forty winks, drowse, shuteye, “Z’s,” doze, comfort, rest, relax, respite, unwind, chill, soothe, cozy, calm, etc.

Even assuming for the sake of argument a potential for depletion of the “index” of available synonyms for descriptive attributes, that would not support the adoption of a disabling presumption against descriptive trademarks. Indeed, a similar argument has been raised (and rejected) in the law’s evaluation of the protectability of color as a trademark. Those who resisted trademark protection for color raised the specter of the “color depletion” problem—that once we start down the slippery slope of giving trademark exclusivity to one color, others would shortly follow, and soon the rainbow would be exhausted.\footnote{\textit{Qualitex}, 514 U.S. at 168.} Yet the \textit{Qualitex} Court properly rejected that argument as an “occasional problem” that does not require a “blanket prohibition.”\footnote{\textit{Id.}} The same can be said of this notion of “key attribute” synonym depletion. If and when all effective synonyms have been exhausted, then there may be some basis in the law of functionality for questioning the protectability of existing descriptive trademarks. But unless and until that happens, there is no need to use this speculative prospect of “synonym depletion” to refuse trademark protection for a broad range of descriptive marks.

The “color depletion” analogy also suggests another response to the “key attribute” justification offered by Landes and Posner: Just as affording protection to one party’s distinctive color does not necessarily preclude the use of other, arguably similar colors, the mere protection of a descriptive mark need not be construed to give the owner of that mark the right to prohibit the use of close variations or synonyms. Here, the issue is reminiscent of the “shade confusion” objection raised in \textit{Qualitex}—that “if the law permits the use of color as a trademark, it will produce uncertainty and unresolvable court disputes about what shades of a color a competitor may lawfully use,” and that “competitors and courts will suffer from ‘shade confusion’ as they try to decide whether use of a similar color on a similar product does, or does not, confuse
customers and thereby infringe a trademark.” The Qualitex court rejected this argument, concluding that the evaluation of shade confusion was no “‘more difficult’” and not too “‘different from’ the ‘determination of the similarity of words or symbols.’”

Our proposed protection of “inherently distinctive” descriptive word marks can be justified on similar grounds. Courts can evaluate the likelihood of confusion between two descriptive word marks on the basis of the same factors they consider in any other infringement action, such as the strength of the mark, the degree of similarity of the competing mark, the extent of competition between products, and any overlap in trade or marketing channels. The nuanced evaluation of these factors leaves room for the courts to restrict protection for descriptive word marks—e.g., on the grounds that the plaintiff’s descriptive mark is relatively weak because it shares descriptive space in a field crowded by similar marks, the defendant’s mark is dissimilar in its non-lexical components, and the defendant adopted its mark in a good-faith attempt to describe its own product. If the mark is relatively weak, then competitors will be given more breathing space in their selection of competing brands.

The upshot is that trademark protection is limited—and significantly so—by the “likelihood of confusion” standard. There is no “doctrine of equivalents” that extends the “Sleep Inn” brand’s protection to encompass roughly synonymous brands like “Comfort Inn,” “Rest Inn,” “Cozy Inn,” “Calm Inn,” etc. Indeed, the new entrant in the motel chain market should be well aware of this problem—and appropriately incentivized against competitors’ adoption of a descriptive brand. The reason is that the scope of protection afforded to a new brand—as defined by the likelihood of confusion standard—is affected by the “strength” of the chosen trademark. Our analysis does not purport to address trademark “strength” under the likelihood of confusion standard at the infringement stage; it speaks only to the threshold question of distinctiveness.

The two questions are analytically distinct. The fact that a “merely descriptive” mark is just as likely as its suggestive / arbitrary / fanciful counterparts to be perceived as a distinctive source indicator when presented to a consumer in its “trademark use” context does not tell us that

227 Id. at 167.
228 Id.
229 The seminal federal case under the Lanham Act is Polaroid Corp. v. Polarad Electronics Corp., 287 F.2d 492, 495 (2d Cir. 1961) (listing as factors the strength of the plaintiff’s mark, the degree of similarity between the two marks, the competitive proximity of the parties’ products, the likelihood that the defendant will “bridge the gap” between the parties’ markets, the existence of actual confusion, defendant’s bad faith in adopting its mark, the quality of the defendant’s product, and the “sophistication” of consumers). As we have noted elsewhere, “[o]f the eight Polaroid factors, the seventh (quality of the defendant’s product) is the one rogue factor that is not ordinarily adopted in other circuits.” Lee et al., supra note 11, at 580, n. 22 (also noting that “the various circuits do differ, to some degree, in the nature and wording of the factors they identify and, more importantly, in the weight they appear to give them”).
230 See CALLMANN, supra note 24, § 21:47 (“One who chooses a mark that is already weak, because the same or confusingly similar marks have frequently been used by others in related or identical fields, must either accept the fact that the scope of protection available to it is accordingly narrow, or must take pains to advertise it in the hope of making it sufficiently well-known to vest it with distinctiveness. This may be true even if the plaintiff’s mark is used by others in a non-trademark manner; e.g., as an ornamental design.”) (citing Halo Management, L.L.C. v. Interland, Inc., 308 F. Supp. 2d 1019 (N.D. Cal. 2003) (where “[d]ozens of companies utilize some variant of the ‘halo’ term,” it is “‘hemmed on all sides by similar marks on similar’ goods” and thus is “relatively weak as a matter of law”; “[c]onsumers confronted with marks ranging from ‘halosec.com’ to ‘haloelectrics.com’ to [the defendant’s mark] ‘bluehalo.com’ will … ‘not be confused’ by use of the relevant trademarked term”)).
all such marks are equally situated in their impact on consumer confusion.231 A key point of our analysis is that the non-lexical components of a descriptive mark may have a greater impact on consumers than its lexical signs. If that is so, it is entirely possible that a consumer who encounters a descriptive word that is lexically similar (perhaps even identical) to the senior mark may nonetheless be unconfused in light of the differences between the non-lexical components of the two marks.

There is a second legal basis for questioning the premise that affording automatic protection to a descriptive mark would give rise to “competitive need” concerns, and that is the doctrine of fair use. Under this doctrine, a designation “used descriptively, not as a mark, fairly and in good faith” may escape liability even in the face of some degree of a likelihood of confusion.232 *KP Permanent Make-Up* resolved a circuit split on this issue in 2004, holding that the “likelihood of confusion” is “one consideration in deciding whether a use is fair,” but that “an assessment of confusion alone” is not dispositive.233

Thus, returning again to the “Sleep Inn” example, the owner of that mark of course cannot object to competitors’ advertisement touting the fact that their guests can “sleep” at their motels, or that their rooms are so peaceful and comfortable that they can “sleep in” if they like. Or, addressing the “All Bran” example discussed by Landes and Posner, there is no reason to expect that protection of that term as a brand will make it “more costly for … rivals to inform their customers of the attributes of their brands without using” the term All Bran. It is not just that competitors can brand their competing cereal “Total Bran,” “100% Bran,” “Complete Bran”—or any of numerous variations on these names substituting “Fiber” for “Bran”; it is also that under the law’s existing doctrine they can use the trademarked brand “All Bran” in describing the content of their cereal, so long as they do so in a descriptive, fair way and not in a “trademark use” sense.

Granted, our proposal would put additional pressure on the law of fair use and on the above-suggested analysis of the likelihood of confusion. If words with semantically descriptive content are more widely protected, it will become even more important to preserve adequate room for non-confusing and fair uses of those terms. But current doctrine is certainly equipped to carve out that room.

There is a final reason why the competitive need concern falls short of undermining our approach: Ultimately, our analysis questions Abercrombie’s assumption that some types of semantic meaning are incompatible with source-indicating distinctiveness, not its alternative justification rooted in competitive need. Thus, the conclusion that a sub-class of word marks should be precluded from protectability on competitive need grounds would not sustain the revival of the Abercrombie classifications as such. Instead, it would simply suggest the basis for a new classification scheme that would foreclose protection for a new classification of marks—for “competitively essential” marks, or something along those lines, but not for those that are “merely descriptive” as that label is currently used.

231 Trademark “strength” is, to use Barton Beebe’s terms, “differential distinctiveness,” not the notion of source distinctiveness that is the subject of this article. Beebe, *supra* note 115, at 2029 – 30.
In other words, the theoretical and empirical tools presented in the body of this article have little to say about the wisdom of a “competitive need” limitation on trademark protectability. What is clear, however, is that prevailing trademark doctrine is flawed insofar as it relies on the longstanding and widespread premise that descriptive words are not perceived as source indicators when presented in their trademark use context.

B. Descriptive Word Marks and Administrative Costs

The economic model also identifies another set of costs of concern to our evaluation of the *Abercrombie* classification system: “administrative costs,” which encompass the “private and social costs” associated with litigating and resolving disputes on questions of protectability.234 As Landes and Posner put it, courts could “inquire in every case into the economic effects of allowing a particular producer to have exclusive rights to a particular mark.”235 The administrative costs associated with such a case-by-case weighing would outweigh any expected benefits, since “the allocative effects of individual trademark abuses are pretty much limited to raising consumer search costs within narrow product categories.”236 “[I]t would not pay to conduct [a case-by-case weighing] in most trademark cases,” and the economic model contends that “instead the law has sorted potential marks into a few broad classes according to distinctiveness and has made classification determinative of legality.”237 Landes and Posner conclude that “[t]he result is sometimes criticized for its crudeness, but the saving in costs of legal administration probably is offsetting.”238

This analysis is vulnerable in its underlying premise—that *Abercrombie* sets up “broad classes” that can be evaluated on “crude[]” but straightforward grounds that minimize the administrative expense of determining the threshold question of distinctiveness. The descriptive – suggestive distinction is far from an objective, rough-and-ready determination.239 The subjectivity and indeterminacy of the law of distinctiveness yields extensive administrative costs in litigation in the courts and registration proceedings in the PTO.240 Those costs could be reduced—and litigation and registration proceedings streamlined—by a regime that afforded trademark protection to all non-generic words on a threshold showing of “trademark use.”

Importantly, moreover, litigation and registration proceedings are not the only administrative costs associated with the descriptive – suggestive dichotomy. Brand managers and new market entrants must also grapple with this question as they choose and protect their trademarks. The time and expense spent assessing whether a given mark is descriptive or

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234 Landes & Posner, supra 119, at 119.
235 *Id.* at 188.
236 *Id.*
237 *Id.*
238 *Id.*
239 See *McCarthy*, supra note 15, § 11:71 (“[L]awyers and judges should not deceive themselves into conceiving the descriptive-suggestive dichotomy as some kind of concrete and objective classification system. It is no more objective and free of personal predilections than a test which asks persons to divide all color shades into ‘light’ and ‘dark.’”).
240 As the law & economics literature has long noted, litigation is bred by uncertainty. See Isaac Ehrlich & Richard A. Posner, *An Economic Analysis of Legal Rulemaking*, 31 J. LEGAL STUD. 257, 265 (1974). There is little doubt that there is ample uncertainty and subjectivity in the law’s evaluation of distinctiveness.
suggestive would be saved under our regime, as would the administrative costs associated with assembling and presenting evidence of secondary meaning.

Landes and Posner certainly have an *ad absurdum* point when they compare the *Abercrombie* categories to an *ad hoc*, case-by-case evaluation of the relative wisdom of protecting a particular trademark. The categorical approach is an administratively preferable regime. That said, our proposal is even more efficient from an administrative cost standpoint. To the extent there is some discretionary subjectivity in the *Abercrombie* classifications—and there surely is some at the boundary between the descriptive and the suggestive—we would eliminate it altogether. Under our formulation, trademark protectability would turn only on the threshold criterion of trademark use. Since we would preserve one existing threshold standard for trademark protection and eliminate another, our approach would be an administrative improvement over the *status quo*.

There is, of course, a dimension on which our approach may increase administrative costs—in that any move to lower the barrier to trademark protectability will increase the number (yet not the complexity) of trademark registration applications. But that is hardly an indictment of our approach. So long as the marks that are afforded protection are distinctive source-identifiers and are not ineligible for protection on “competitive need” grounds, the benefits of trademark protection should be assumed to outweigh the costs. That is the economic justification for the law’s protection of descriptive marks that acquire secondary meaning over time, and nothing in that justification suggests any basis for withholding the same protection for descriptive marks that are “born” distinctive in light of their commercial “trademark use” context.

Robert Bone has usefully summarized “three important policy goals” advanced by trademark protection,241 and all three cut in favor of protection of descriptive marks that are perceived as distinctive at the outset. First is the notion that trademark protection “helps to reduce consumer search costs” by “assur[ing] that consumers can rely on marks to retrieve information about a product that they have acquired through experience, advertising, or word of mouth.”242 If descriptive word marks are source-indicating when presented in their typical “trademark use” context, then protecting them will serve the “search cost” rationale in the same way as protection of such marks with acquired distinctiveness. Once consumers perceive a mark as source-indicating, they have an interest in retrieving information conveyed by that mark—regardless of why, how, or when that information was infused into the mark.

Bone similarly indicates that trademark protection “reduces the risk that consumers will be misled into buying products they do not want.”243 Consumer confusion “undermines efficiency, and when it is intentional, it can offend moral norms against lying.”244 The same analysis holds here: If consumers perceive descriptive marks as source-indicating *ab initio*, withholding protection will undermine efficiency and open the door to dishonesty at the pre-

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242 *Id.* at 555 (citing Landes & Posner, *supra* note 119, ECONOMIC STRUCTURE at 167 – 78).
243 *Id.* at 556.
244 *Id.*
secondary-meaning stage when third parties may take advantage of consumer association with the senior user of the descriptive mark.

Finally, Bone also notes that trademark protection “supports seller incentives to maintain and improve product quality.”245 “The point is not that trademark law provides affirmative incentives to improve quality,” but that it “assures that when a firm creates a higher quality product … it is able to communicate that fact to consumers.”246 Again, this analysis sustains protection of contextually distinctive descriptive marks on equal footing with those that have acquired distinctiveness over time. The law as it stands today does not assure that the owner of the former type of descriptive mark will be able to communicate the “quality” of its products to consumers. Instead, it discourages the adoption of a certain species of distinctive marks, skewing brand selections that new market entrants might otherwise make and thus undercutting economic productivity. Trademark law can better advance this objective by moving in the direction we advocate.

245 Id. (citing Qualitex, 514 U.S. at 164; Landes & Posner, supra note 119, ECONOMIC STRUCTURE at 168).
246 Id. at 556, n. 27.