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# BULLY NO MORE: WHY TRADEMARK OWNERS ENGAGE IN TRADEMARK OVERREACH AND HOW TO PREVENT IT

Quynh La\*

*Abstract:* At its core, trademark law exists as a tool for consumer protection. Thus, trademark owners use policing and enforcement to maintain a trademark’s goodwill, which in turn protects consumers from confusion. But policing and enforcement can lead to trademark overreach and bullying—which undermine the goal of trademark law. This Comment explains that trademark owners are incentivized to engage in aggressive enforcement tactics because courts weigh enforcement efforts in favor of trademark strength. And strong trademarks receive strong protection because such marks are more likely to succeed in trademark infringement litigation. To curb trademark bullying and realign trademark law with its consumer protection purpose, this Comment argues that courts assessing trademark strength should focus on evidence of marketing strategies and consumer perception rather than trademark enforcement.

## INTRODUCTION

At its core, U.S. law viewed trademarks as a consumer protection mechanism.<sup>1</sup> Trademarks allow companies to communicate information to the market, while trademark law prevents other parties “from using similar marks to deceive or confuse consumers.”<sup>2</sup> They reduce information and transaction costs by allowing consumers to distinguish the source of goods and the quality associated with that source.<sup>3</sup> Thus, many also view trademarks as “repositories or symbols of . . . goodwill.”<sup>4</sup>

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\* J.D. Candidate, University of Washington School of Law, Class of 2021. I would like to thank Professor Robert Gomulkiewicz for his suggestions, advice, and guidance on this Comment. I would also like to thank *Washington Law Review*’s Editorial Staff for their insight, thoughts, and dedication—particularly Emma Healey, Olivia Hagel, Sarah Cooper, and the Managing Editor Department. Finally, I would like to thank John Macaluso for supporting my journey to law school and sparking my interest in trademarks.

1. Robert G. Bone, *Hunting Goodwill: A History of the Concept of Goodwill in Trademark Law*, 86 B.U. L. REV. 547, 549 (2006).

2. *Id.*

3. *Id.* at 550. For example, “[t]he brand name Coca-Cola . . . informs the consumer of the maker of the soft drink beverage as well as the taste that they can expect.” 2 PETER S. MENELL, MARK A. LEMLEY, ROBERT P. MERGES & SHYAMKRISHNA BALGANESH, *INTELLECTUAL PROPERTY IN THE NEW TECHNOLOGICAL AGE*: 2020, at 895 (2020).

4. Bone, *supra* note 1, at 549. Robert G. Bone is a Professor of Law at Boston University School of Law. He discusses the tension between viewing trademark law as a mechanism for protecting

For example, consider the following hypothetical scenario. Shawn is in the market for a new pair of shoes. Shawn picks out a pair with three stripes on the side of each shoe. Shawn looks at the label and packaging and identifies that Adidas created the shoes. If Shawn is happy with the shoes, Shawn may continue buying shoes with the three-stripes mark or the Adidas label. If Shawn does not like the shoes, Shawn may avoid buying shoes from Adidas in the future and instead buy from a different brand.

Because trademarks represent a company and the goodwill it holds amongst consumers, trademark owners have an interest in protecting their marks.<sup>5</sup> Trademark owners protect against misuse through policing to enforce their exclusive rights in their trademark.<sup>6</sup> Such enforcement efforts help ensure that third parties do not profit off a trademark's goodwill by infringing on the trademark. Trademark owners may also wish to enforce their trademarks to maintain a trademark's strength. Failure to enforce trademark rights against improper third-party use can cause consumers to stop associating the mark with that particular company's goods or services.<sup>7</sup> This leads to erosion of the trademark's strength and possible loss of the trademark.<sup>8</sup>

But trademark enforcement sometimes goes too far. Commentators have begun to identify and condemn instances of trademark overreach and bullying.<sup>9</sup> However, other commentators note that alleged trademark bullies are merely rational decisionmakers.<sup>10</sup> As this Comment argues, U.S. trademark law incentivizes trademark owners to over-enforce their marks because courts view evidence of enforcement as proof of a strong trademark and consequently afford greater protection to aggressively enforced marks.

This Comment proceeds in three parts. Part I outlines the history,

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consumers versus goodwill. Ultimately, Professor Bone suggests that trademark law should focus on trademark's information transmission goals and protect goodwill only when doing so promotes information transmission. *Id.* at 621–22.

5. Xuan-Thao Nguyen & Erik D. Hille, *The Puzzle in Financing with Trademark Collateral*, 56 HOUS. L. REV. 365, 373 (2018).

6. Intell. Prop. Prac. Grp., Mintz Levin, *A Primer on Policing Your Trademark*, NAT'L L. REV. (Apr. 12, 2013), <https://www.natlawreview.com/article/primer-policing-your-trademark> [<https://perma.cc/PZ4D-DJKQ>].

7. Deven R. Desai & Sandra L. Rierson, *Confronting the Genericism Conundrum*, 28 CARDOZO L. REV. 1789, 1825 (2007).

8. *Id.*; see *infra* section II.A.

9. See *infra* Part III.

10. See, e.g., Stacey Dogan, *Bullying and Opportunism in Trademark and Right-of-Publicity Law*, 96 B.U. L. REV. 1293, 1316–22 (2016) (asserting that, because of doctrines created under U.S. trademark law, “many cases of purported bullying involve trademark holders making rational attempts to maximize the value of their assets”).

purpose, and basic requirements of U.S. trademark ownership and registration. Part II provides an overview of trademark policing and enforcement. This Part analyzes the incentives that drive trademark owners to police and common methods of enforcement. Part III discusses the rising issue of trademark bullying and analyzes Adidas’s particularly aggressive trademark enforcement tactics as a case study.<sup>11</sup> This Part also discusses how courts consider trademark policing and enforcement when determining trademark strength and explains how this practice incentivizes trademark bullying. Finally, Part IV proposes that courts refrain from using evidence of trademark policing and enforcement when weighing trademark strength. Instead, courts should focus on marketing efforts and consumer perception when assessing trademark strength. Such an approach would better align with trademark law’s consumer protection goals.

## I. UNITED STATES TRADEMARK LAW: A BRIEF OVERVIEW

Trademark law did not always exist as it currently does in the United States. Early trademark law was rooted in consumer protection and enforced based on tort claims.<sup>12</sup> Eventually, trademark law was codified in the 1940s.<sup>13</sup> U.S. trademark ownership currently requires use of a distinctive mark in commerce.<sup>14</sup> This Part briefly explores the history and structure of trademark law in the United States.

### A. *Development of United States Trademark Law*

Trademarks “date from prehistoric times.”<sup>15</sup> During the early Roman Empire and late Middle Ages, merchants and craftspeople began identifying their goods with markings to convey competency and quality.<sup>16</sup> These markings became increasingly important during the Industrial Revolution—the ease of creating goods led to the rise of third-

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11. See *infra* section III.A.

12. “U.S. trademark law is based primarily on a policy of protecting customers from confusion: trademark law is seen as a form of consumer protection.” 3 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 19:1.75 (5th ed. 2021); see also Bone, *supra* note 1, at 564–65 (describing the different ways American courts treated technical and non-technical trademarks during the late nineteenth century).

13. 15 U.S.C. § 1051; Desai & Rierson, *supra* note 7, at 1815.

14. Hannah Brennan, *The Cost of Confusion: The Paradox of Trademarked Pharmaceuticals*, 22 MICH. TELECOMMS. & TECH. L. REV. 1, 6 (2015).

15. Thomalyn Epps, *Trademark Law: How We Got to Where We Are Today*, 19 J. CONTEMP. LEGAL ISSUES 3, 3 (2010); see also MENELL ET AL., *supra* note 3, at 891 (“Trademarks have existed for almost as long as trade itself.”).

16. Epps, *supra* note 15, at 3.

party retailers, and “face-to-face transaction[s] between consumer and manufacturer . . . became obsolete.”<sup>17</sup> Thus, in addition to evidencing the quality of a good or service, trademarks became a mechanism for consumer protection.<sup>18</sup> The change in purchasing norms meant a greater need for consumer protection because consumers often did not know a manufacturer’s identity.<sup>19</sup> Consumers therefore relied on trademarks to inform them of the source of the goods they purchased.<sup>20</sup>

In fact, there were calls for federal trademark protection even in the early years of the nation. For example, Secretary of State Thomas Jefferson received a petition for a federal trademark law from a Massachusetts sailcloth manufacturer in 1791.<sup>21</sup> Although Jefferson agreed with the idea of such a law, Congress did not take any further action on federal trademark legislation.<sup>22</sup> For decades, the matter was left to the states and common law.<sup>23</sup>

Federal trademark protection emerged rather belatedly in the U.S. compared to other areas of intellectual property law.<sup>24</sup> Originally, the common law of fraud, rooted in theories of consumer protection law, was the main source of protection for most trademarks.<sup>25</sup> Trademarks were not typically thought of as property rights; rather, lawsuits involving trademarks were brought as unfair competition or consumer deception tort claims.<sup>26</sup> During this time, trademark protection was very narrow—courts generally found infringement only in cases involving a sale of identical

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17. *Id.* at 4.

18. Raveen Obhrai, *Traditional and Contemporary Functions of Trademarks*, 12 J. CONTEMP. LEGAL ISSUES 16, 16 (2001) (“Impersonal transactions using retailers and middlemen replaced direct relations between producers and consumers. Trademarks began to assume importance . . . [because they] identified the original manufacturers as goods passed from them through the hands of the middleman to ultimate purchasers.”).

19. *Id.*

20. *Id.*

21. Zvi S. Rosen, *Federal Trademark Law: From Its Beginnings*, 11 LANDSLIDE 34, 35 (2019).

22. *Id.*

23. *Id.*

24. MENELL ET AL., *supra* note 3, at 891. The first trademark infringement case did not arise until 1825, and the first injunction for trademark infringement was not issued until 1844. *Id.* (citing LAWRENCE FRIEDMAN, *A HISTORY OF AMERICAN LAW* 257 (2d ed. 1985)). In the early days of American trade, the economy was still rooted in land and produce, so trademarks were not valued for protection of either brands or consumers, but rather for mercantile and industrial applications. *Id.* (citing FRIEDMAN, *supra*, at 257).

25. *Id.* at 892–93; Trade-Mark Cases, 100 U.S. 82, 94 (1879).

26. MENELL ET AL., *supra* note 3, at 892–93; MCCARTHY, *supra* note 12; *see also* Bone, *supra* note 1, at 564–65 (explaining that only technical trademarks were thought of as a property and were protected under tort law for unauthorized appropriation, while non-technical trademarks were protected by unfair competition laws).

goods using identical marks.<sup>27</sup>

At the end of the Civil War, the U.S. entered into “treaties for reciprocal protection of trademarks with Russia, Belgium, and France.”<sup>28</sup> Those treaties propelled the need for a federal trademark registration regime.<sup>29</sup> Thus, in 1870, Congress passed the Trademark Act pursuant to its powers under the Intellectual Property Clause.<sup>30</sup>

However, this long-awaited registration system was short-lived. In 1879, the Supreme Court decided the *Trade-Mark Cases*,<sup>31</sup> ruling that the Trademark Act was unconstitutional because the Intellectual Property Clause does not allow Congress to regulate trademarks.<sup>32</sup> The U.S. was left with no trademark registration system once again. Yet, the Court pointed Congress to a light at the end of the tunnel. It left open the question of whether Congress may regulate trademarks under the Commerce Clause.<sup>33</sup> Congress followed the Court’s guidance and passed legislation for federal trademark registration and protection in 1946—the Lanham Act.<sup>34</sup>

In large part, the Lanham Act aims to protect consumers by preventing confusion regarding the source or quality of trademarked goods and services.<sup>35</sup> Trademarks represent the goodwill that trademark owners earn

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27. MENELL ET AL., *supra* note 3, at 893.

28. Rosen, *supra* note 21, at 35.

29. *Id.*

30. Sondra Levine, *The Origins of the Lanham Act*, 19 J. CONTEMP. LEGAL ISSUES 22, 22–23 (2010); Act of July 8, 1870, ch. 230, 16 Stat. 198–217 (revising the existing patent and copyright statutes of the time and introducing trademarks to U.S. federal law), *invalidated by Trade-Mark Cases*, 100 U.S. 82; U.S. CONST. art. I, § 8, cl. 8. The Trademark Act was an appendage of the Act of July 8, 1870, which was aimed at revising copyright and patent law. Rosen, *supra* note 21, at 35. To date, it remains the only bill in U.S. history that revised all three categories of federal intellectual property law at once. *Id.*

31. 100 U.S. 82 (1879).

32. *Id.* at 93–95. Congress grounded protection for trademark rights in the Intellectual Property Clause of the Constitution, which grants Congress the power to enact laws that “promote the Progress of Science and useful Arts.” U.S. CONST. art. I, § 8, cl. 8. In 1879, the Supreme Court held that the statute was unconstitutional in its entirety. *Trade-Mark Cases*, 100 U.S. at 94; Rosen, *supra* note 21, at 36. The Court stated that the Intellectual Property Clause protects “inventions and discoveries in the arts and sciences, or with the writings of authors.” *Trade-Mark Cases*, 100 U.S. at 93–94. On the other hand, “[t]he ordinary trade-mark has no necessary relation to invention or discovery” or “*the fruits of intellectual labor*, embodied in the form of books, prints, engravings, and the like.” *Id.* at 94 (emphasis in original).

33. *Trade-Mark Cases*, 100 U.S. at 94–97. The Court hinted that any law passed by Congress to regulate trademarks under the Commerce Clause may only apply to “commerce with foreign nations, or among the several States, or with the Indian tribes,” and not commerce within a single state. *Id.* at 96.

34. 15 U.S.C. § 1051; Desai & Rierson, *supra* note 7, at 1815.

35. 15 U.S.C. § 1125.

by marketing their products and services.<sup>36</sup> Consumers rely on trademarks that have significant goodwill to identify preferred goods or services.<sup>37</sup> In order to further trademark goodwill and consumer protection, U.S. trademark law protects the rights attached to trademark ownership.<sup>38</sup>

*B. Trademark Ownership Requirements: Use in Commerce and Distinctiveness*

Under the Lanham Act, a trademark is a “word, name, symbol, or device”—or any combination of those—that identifies the source of goods or services and distinguishes the goods or services from those of another.<sup>39</sup> Though the Lanham Act created a federal trademark registration system, it does not require registration for trademark owners to receive protection for their marks.<sup>40</sup> Instead, to achieve ownership—and the protections associated with ownership—a trademark must meet two requirements.<sup>41</sup> First, the trademark must be used in commerce as a source identifier.<sup>42</sup> Second, the trademark must be distinctive.<sup>43</sup> As long as a trademark meets these requirements, it receives protection under the U.S. trademark law.<sup>44</sup> And that protection grants the owner exclusive rights to the mark and the ability to prevent other parties from using the mark with the same, or

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From its earliest beginnings in legal history, trademark law has had the dual goals of both protecting property in a trademark and protecting consumers from confusion and deception . . . [I]n a Report accompanying passage of the Lanham Act in 1946, the Senate emphasized that the Act had those two goals.

MCCARTHY, *supra* note 12, § 2:22.

36. Nguyen & Hille, *supra* note 5, at 397; Bone, *supra* note 1, at 549.

37. Nguyen & Hille, *supra* note 5, at 397; Bone, *supra* note 1, at 549.

38. Most importantly, trademark owners generally have the right to exclude others from using their trademarks for the same or similar goods or services in a certain geographic area by filing a lawsuit for trademark infringement. U.S. PAT. & TRADEMARK OFF., U.S. DEP’T OF COM., PROTECTING YOUR TRADEMARK: ENHANCING YOUR RIGHTS THROUGH FEDERAL REGISTRATION 9 (2020), [hereinafter USPTO, PROTECTING YOUR TRADEMARK], <https://www.uspto.gov/sites/default/files/trademarks/basics/BasicFacts.pdf> [<https://perma.cc/UT44-9YM5>]; see also MCCARTHY, *supra* note 12, § 2:10 (explaining that “a trademark is undoubtedly a ‘right to exclude’”).

39. 15 U.S.C. § 1127.

40. USPTO, PROTECTING YOUR TRADEMARK, *supra* note 38, at 11–12.

41. Brennan, *supra* note 14, at 6 (“Under the Lanham Act, producers may technically obtain a trademark on any distinctive word, name, symbol, device, packaging, or design as long as the producer uses that mark in commerce to signal the good’s source.”); 15 U.S.C. §§ 1051(b)(3)(B), (D), 1127; Barton Beebe & Jeanne C. Fromer, *Are We Running Out of Trademarks: An Empirical Study of Trademark Depletion and Congestion*, 131 HARV. L. REV. 945, 955 (2018).

42. 15 U.S.C. § 1127.

43. *Id.*; Brennan, *supra* note 14, at 6–7.

44. Rebecca Tushnet, *Registering Disagreement: Registration in Modern American Trademark Law*, 130 HARV. L. REV. 867, 879 (2017) (“The [trademark] right exists because of use; the registration then may add to the scope of the right.” (emphasis in original)).

substantially similar, goods within the same geographic location.<sup>45</sup> Trademark owners can secure further protections by registering their trademark.<sup>46</sup> Marks must meet the basic requirements for trademark protection to be registered: use in commerce and distinctiveness.<sup>47</sup>

Under the first requirement for U.S. trademark protection, a mark must be used in commerce in a manner that identifies the source of the goods or services.<sup>48</sup> The U.S. has adopted a first-to-use system, giving trademark ownership and protection to those who first use a distinctive mark in commerce.<sup>49</sup> Thus, the first user of a trademark generally becomes the trademark owner and may prevent others from subsequent use of the same or similar mark.<sup>50</sup>

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45. USPTO, PROTECTING YOUR TRADEMARK, *supra* note 38, at 9; MCCARTHY, *supra* note 12, § 2:10.

46. Tushnet, *supra* note 44, at 878–81. For enhanced rights, trademark owners can register their marks at either the state or federal level. USPTO, PROTECTING YOUR TRADEMARK, *supra* note 38, at 11–12. Discussion of state trademark registration is outside of the scope of this Comment. Trademark owners with federally registered marks are granted benefits and rights beyond those afforded by state registration or common law protection. Tushnet, *supra* note 44, at 876. This includes “a presumption of validity, and under certain circumstances that presumption is irrebuttable,” “nationwide priority over other users even without nationwide use,” “eligibility for assistance from the Customs Service in avoiding infringing imports,” and “ability to use the U.S. registration as the basis for extending protection in other countries.” *Id.*; see also USPTO, PROTECTING YOUR TRADEMARK, *supra* note 38, at 11–12 (listing the advantages of federal trademark registration). When a trademark owner of an unregistered mark seeks federal protection against infringement or confusingly similar use, the trademark owner must first show that their claimed mark is valid before seeking to enforce any rights against another party. *MNI Mgmt., Inc. v. Wine King, LLC*, 542 F. Supp. 2d 389, 404 (D.N.J. 2008) (“Unregistered marks have no presumption of validity . . . Thus, a plaintiff must prove that an unregistered mark is valid and protectable.”).

47. 15 U.S.C. § 1051(b)(3)(B), (D).

48. Grounding the Lanham Act in the Commerce Clause means that actual use of the trademark in commerce is the touchstone of U.S. federal trademark protection. Federal registration requires either use in interstate commerce or between the U.S. and a foreign country. U.S. PAT. & TRADEMARK OFF., U.S. DEP’T OF COM., TRADEMARK MANUAL OF EXAMINING PROCEDURE § 901 (2018) [hereinafter TMEP], <https://tmepp.uspto.gov/RDMS/TMEP/current#/current/TMEP-900d1e7.html> [<https://perma.cc/VRR5-ZDLB>]. A trademark registrant must show “bona fide use of a mark in the ordinary course of trade, and not made merely to reserve a right in a mark.” 15 U.S.C. § 1127. Thus, a nominal sale made only to reserve a mark will not fulfill the actual use in commerce requirement. See, e.g., *Zazú Designs v. L’Oréal, S.A.*, 979 F.2d 499, 503–04 (7th Cir. 1992) (noting that “use sufficient to register a mark that soon is widely distributed is not necessarily enough to acquire rights in the absence of registration” and “token use” alone does not give sufficient notice of trademark ownership); *Wells Fargo & Co. v. ABD Ins. & Fin. Servs., Inc.*, 758 F.3d 1069, 1072 (9th Cir. 2014) (explaining that “[t]he phrase ‘trademark use’ means ‘the bona fide use of a mark in the ordinary course of trade, and not merely to reserve a right in a mark’” (quoting *Electro Source, LLC v. Brandess–Kalt–Aetna Grp., Inc.*, 458 F.3d 931, 936 (9th Cir. 2006))). A trademark must identify and distinguish the goods and services from others’ goods and services and indicate the source of the goods and services, even if that source is unknown. 15 U.S.C. § 1127.

49. Meaghan Annett, *When Trademark Law Met Constitutional Law: How a Commercial Speech Theory Can Save the Lanham Act*, 61 B.C. L. REV. 253, 265 (2020).

50. *Id.*

The second requirement for trademark protection is distinctiveness.<sup>51</sup> Under the distinctiveness requirement, a mark qualifies as a trademark with federal protection only if it has come “to identify not only the goods but the source of those goods.”<sup>52</sup> A trademark may fulfill this requirement either through inherent distinctiveness or acquired distinctiveness.<sup>53</sup> To determine whether a trademark is distinctive, the United States Patent and Trademark Office (USPTO) and courts evaluate trademarks along a spectrum ranging from highly distinctive marks to marks that are the generic name for goods or services.<sup>54</sup>

Fanciful, arbitrary, and suggestive marks are considered inherently distinctive and do not require any additional showing of acquired distinctiveness.<sup>55</sup> Fanciful marks are terms that are created solely for use as a trademark and have no previous dictionary meaning.<sup>56</sup> Examples of fanciful marks include KODAK<sup>57</sup> for cameras and photographic products<sup>58</sup> or EXXON for oil and gas.<sup>59</sup> Arbitrary marks are terms with common meanings but do not indicate any quality or characteristic of the goods or services.<sup>60</sup> Examples of arbitrary marks include APPLE for computers<sup>61</sup> or AMAZON for an e-commerce company.<sup>62</sup> Suggestive marks are terms that suggest a quality or characteristic of a good or service but require thought, imagination, and perception to connect them.<sup>63</sup> Examples of suggestive marks include IVORY for soap<sup>64</sup> or COPPERTONE for suntan oil.<sup>65</sup>

Generic terms are on the other end of the distinctiveness spectrum.<sup>66</sup> A

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51. 15 U.S.C. § 1127; Brennan, *supra* note 14, at 6–7.

52. Ralston Purina Co. v. Thomas J. Lipton, Inc., 341 F. Supp. 129, 133 (S.D.N.Y. 1972).

53. Beebe & Fromer, *supra* note 41, at 957–58.

54. TMEP, *supra* note 48, § 1209.01.

55. *Id.* Marks that are fanciful or arbitrary when used in connection to goods and services are considered the most distinctive. *Id.* Suggestive marks come next on the distinctiveness spectrum. *Id.*

56. *Id.*

57. Trademark registrations for standard character marks are not case sensitive. *See id.* § 807.03(a). For ease of reading, this Comment uses capitalized letters to indicate a word mark that has been registered with no additional stylizations. *Id.*

58. Beebe & Fromer, *supra* note 41, at 957.

59. *Id.*

60. TMEP, *supra* note 48, § 1209.01.

61. Beebe & Fromer, *supra* note 41, at 957.

62. *Id.*

63. TMEP, *supra* note 48, § 1209.01.

64. Beebe & Fromer, *supra* note 41, at 957.

65. *Id.*

66. TMEP, *supra* note 48, § 1209.01.

generic term is the precise definition of a product or service.<sup>67</sup> Examples include APPLE, if used for the sale of apples,<sup>68</sup> or COMPUTER, if used for the sale of computers. A generic term can never function as a trademark because it cannot designate a particular source.<sup>69</sup> A misused trademark can also become generic over time, thereby losing its trademark protection—a process called “genericide.”<sup>70</sup>

Descriptive marks, which are not inherently distinctive, lie somewhere between highly distinctive marks and generic terms on the distinctiveness spectrum.<sup>71</sup> A mark is descriptive if it describes a good or service, or one or more of its features, such as its ingredients, quality, function, purpose, or use.<sup>72</sup> An example of a descriptive mark is IPHONE for cellular phones.<sup>73</sup>

Because a descriptive term is not inherently distinctive, it is not entitled to trademark protection until the mark’s owner can show that the term has acquired a “secondary meaning” beyond its descriptive meaning.<sup>74</sup> In other words, there must be proof that consumers associate the term with the *producer* of the product—not merely with the product itself.<sup>75</sup> An applicant can prove this by presenting “any competent evidence.”<sup>76</sup> While the necessary amount or character of evidence varies case by case,<sup>77</sup> the more descriptive a mark the more evidence is necessary to show secondary meaning.<sup>78</sup>

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67. *Id.*

68. The trademark APPLE illustrates how the relationship between the mark and the goods or services can affect trademark distinctiveness. APPLE, as used in conjunction with computers, is considered arbitrary because there is no actual relationship between computers and the dictionary definition for “apple.” On the other hand, APPLE is considered a generic term if used in relation to apples, because the fruit is the dictionary definition of the term. Stacey L. Dogan & Mark A. Lemley, *Trademarks and Consumer Search Costs on the Internet*, 41 HOUS. L. REV. 777, 809 (2004).

69. TMEP, *supra* note 48, § 1209.01; *In re Merrill Lynch, Pierce, Fenner & Smith, Inc.*, 828 F.2d 1567, 1569 (Fed. Cir. 1987) (“Generic terms [are] by definition incapable of indicating source . . . and can never attain trademark status.”).

70. Beebe & Fromer, *supra* note 41, at 1028 n.259; *see infra* section II.A.

71. TMEP, *supra* note 48, § 1209.01.

72. *Id.*

73. Beebe & Fromer, *supra* note 41, at 957.

74. TMEP, *supra* note 48, § 1212; 15 U.S.C. § 1052(e)(1).

75. *Ralston Purina Co. v. Thomas J. Lipton, Inc.*, 341 F. Supp. 129, 133 (S.D.N.Y. 1972).

76. TMEP, *supra* note 48, § 1212.01.

77. *Id.*

78. *Id.* The United States Court of Appeals for the Federal Circuit has outlined a non-exhaustive list of factors for the USPTO and courts to consider when determining whether a descriptive mark has achieved the secondary meaning required for federal trademark protection: (1) the “association of the [trademark] with a particular source by actual purchasers”; (2) the “length, degree, and exclusivity of use” of the trademark; (3) the “amount and manner of advertising” performed in conjunction with

Thus, once a mark meets the definition of a trademark through use in commerce and distinctiveness, either inherent or acquired, it receives protection under U.S. trademark law. The trademark owner then has the exclusive right to use the trademark.

## II. TRADEMARK POLICING AND ENFORCEMENT

The Lanham Act does not create a *duty* for trademark to police their marks.<sup>79</sup> Indeed, as the USPTO website states, the government will not police the use of trademarks.<sup>80</sup> Instead, “the owner of a registration is responsible for bringing any legal action to stop a party from using an infringing mark.”<sup>81</sup> Despite the lack of duty to police, the U.S. trademark system incentivizes trademark policing. Lawyers often advise trademark owners to diligently protect their marks.<sup>82</sup> As such, trademark owners engage in trademark policing to monitor for unauthorized use of their marks or confusing similar marks and to prevent misuse that could lead to genericide.<sup>83</sup> This Part discusses the incentives that drive trademark owners to police and enforce their marks and gives a brief overview of common methods of enforcement.

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the trademark; (4) the “amount of sales and number of customers”; (5) evidence of “intentional copying”; and (6) any “unsolicited media coverage of the product embodying the mark.” *Converse, Inc. v. Int’l Trade Comm’n*, 909 F.3d 1110, 1120 (Fed. Cir. 2018).

79. Dogan, *supra* note 10, at 1318–19.

80. *Trademark Basics*, U.S. PAT. & TRADEMARK OFF. (Sept. 13, 2018), <https://www.uspto.gov/trademarks/basics> [<https://perma.cc/YKE7-YXRY>].

81. *Id.*

82. *See, e.g.*, Ryan Williams, *The Ultimate Guide to Brand Protection*, RED POINTS, <https://www.redpoints.com/blog/the-ultimate-guide-to-brand-protection/> [<https://perma.cc/2HDT-ACMW>] (explaining that a company that sells a trademarked product is “potentially at risk of counterfeiting” and should “seriously consider employing a brand protection strategy”); Susan Neuberger Weller, *A Primer on Policing Your Trademark*, MINTZ (Apr. 10, 2013), <https://www.mintz.com/insights-center/viewpoints/2251/2013-04-primer-policing-your-trademark> [<https://perma.cc/WBN4-MA27>] (stating that “[t]rademark owners have a duty to police their mark” because “the value of marks that are not policed and their associated goodwill are always in danger”); Crystal Everson, *The Basics of Trademark Enforcement*, LEGALZOOM (Feb. 19, 2020), <https://www.legalzoom.com/articles/the-basics-of-trademark-enforcement> [<https://perma.cc/L55A-PEBD>] (asserting that trademark owners have a responsibility “to keep an eye out for competitive products or services using” the owner’s mark because “the law will not police [the owner’s] trademark”); Sheila Fox Morrison, *Trademark Basics—Five Things Everyone Should Know About Trademarks*, DAVIS WRIGHT TREMAINE LLP (May 20, 2004), <https://www.dwt.com/insights/2004/05/trademark-basics—five-things-everyone-should-know> [<https://perma.cc/B9KK-HT2V>] (underscoring that trademark owners have a “responsibility to police and protect [their] trademark[s] from infringers and careless use of the mark[s]”); *Trademark Protection—How a Federal Trademark Registration Protects Your Brand*, GERBEN PERROTT PLLC, <https://www.gerbenlaw.com/university/trademark-protection-purpose-of-trademark-law/> [<https://perma.cc/X7P4-RBSD>] (emphasizing that a trademark owner has a “legal duty to police the marketplace for infringement”).

83. Weller, *supra* note 82.

A. *Incentives to Police and Enforce*

Trademark owners must maintain their marks to retain ownership and rights.<sup>84</sup> Trademark owners who fail to maintain their trademarks risk losing their trademark rights.<sup>85</sup> In a worst-case scenario, this means total loss of trademark ownership.<sup>86</sup> Trademark owners therefore use policing and enforcement tactics to avoid loss of trademark rights and ownership through trademark infringement or misuse.<sup>87</sup> Trademark infringement leads to consumer confusion, which erodes a trademark's value, while improper trademark use can cause genericide, which can mean loss of trademark ownership.

Infringement occurs when there is a likelihood that a consumer would be confused about the source of the good being sold.<sup>88</sup> Historically, the classic case of trademark infringement in the U.S. involved counterfeiting, where the infringer attempts to pass off goods as coming from a different source.<sup>89</sup> Well into the first half of the twentieth century, when most people still sold a single product or type of good, trademark protection was limited to competing goods.<sup>90</sup> As companies began to grow and diversify their products, courts realized that identical or similar trademarks could confuse consumers even if the marks adorned different products.<sup>91</sup> By the 1960s, courts developed the modern doctrine of non-competing goods, engaging in a likelihood-of-confusion analysis for both competing and non-competing goods.<sup>92</sup> Thus, in a modern trademark

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84. USPTO, PROTECTING YOUR TRADEMARK, *supra* note 38, at 29.

85. 15 U.S.C. § 1127.

86. The Lanham Act states that a mark is abandoned—and thus ownership rights are lost—when it loses its significance as a mark. *Id.*; see also Marie-Andrée Weiss, *Is Adidas Too Aggressive at Enforcing Its Trademarks?*, MAW L. (June 30, 2017), <http://www.maw-law.com/uncategorized/adidas-aggressive-enforcing-trademarks/> [<https://perma.cc/RU6C-5HWQ>] (explaining that trademark owners may lose their rights if they fail “to adequately police the mark against third-party use”).

87. USPTO, PROTECTING YOUR TRADEMARK, *supra* note 38, at 29. Trademark maintenance also includes filing maintenance documents with the USPTO. *Id.*

88. *About Trademark Infringement*, U.S. PAT. & TRADEMARK OFF. (June 8, 2018), <https://www.uspto.gov/page/about-trademark-infringement> [<https://perma.cc/V5E2-8HV8>].

89. Bone, *supra* note 1, at 558, 565.

90. MENELL ET AL., *supra* note 3, at 1027.

91. *Id.*

92. *Id.* The doctrine of non-competing goods has expanded to allow for actions under the Lanham Act for confusion as to affiliation or sponsorship, which acknowledges that while a consumer may not believe that the trademark owner is the one selling the product, there may be confusion as to whether the source of the product is affiliated with or sponsored by the trademark owner. *Id.* at 1027–28 This expansion has been stimulated by the rise of franchising and trademark licensing, such as merchandising of goods by sports teams or universities. *Id.* at 1029–31. The doctrine of non-

infringement case, trademark confusion may also arise where an infringer is offering different goods than the trademark owner so long as consumers might be confused as to the source of the goods.<sup>93</sup>

Trademark policing and brand enforcement also play crucial roles in maintaining a mark's distinctiveness and protecting against genericide.<sup>94</sup> Recall that a generic term can never be a trademark because it is, by nature, not distinctive.<sup>95</sup> Relatedly, genericide is a "process by which a mark that was once highly valuable and unquestionably protectable loses all trademark status and value."<sup>96</sup> This occurs when "the public appropriates a trademark and uses it as a generic name for particular types of goods or services irrespective of its source."<sup>97</sup> Once a mark suffers genericide, it is no longer protectable.<sup>98</sup> Genericide poses an especially grave risk for trademark owners, because many courts view it as irreversible—"once generic, always generic."<sup>99</sup> Some common examples

competing goods is related to the theory of central claiming, which "means that even a very clearly defined image mark may have protection beyond what is depicted in an image of the mark." Rebecca Tushnet, *Looking at the Lanham Act: Images in Trademark and Advertising Law*, 48 HOUS. L. REV. 861, 875 (2011). Rather than confining protection to the image that appears on the trademark registration, central claiming focuses on "consumers are likely to react to variations on the image." *Id.*

93. *About Trademark Infringement*, *supra* note 88.

94. *See* Desai & Rierson, *supra* note 7, at 1835 (citing 15 U.S.C. § 1127) ("Trademark holders who do not pursue infringers may be contributing to the death of their marks via genericide."); Dogan, *supra* note 10, at 1318–19 (noting that fears of genericide "effectively require[s] trademark holders to pay attention to third-party use of their mark, lest they lose rights in the mark"); INTELL. PROP. OWNERS INT'L TRADEMARK L. & ANTI-COUNTERFEITING COMM., INTELL. PROP. OWNERS ASS'N, SHAPE TRADE MARKS—AN INTERNATIONAL PERSPECTIVE 39 (2015), <https://ipo.org/wp-content/uploads/2015/06/IPOShapeTrademarks.pdf> [<https://perma.cc/Q9JE-VRBT>] ("Use by others or improperly licensed use by others can negatively impact the distinctiveness of a mark. Extensive third party use can lead to the mark becoming generic.").

95. *See supra* section I.B.

96. Desai & Rierson, *supra* note 7, at 1849.

97. *Elliott v. Google, Inc.*, 860 F.3d 1151, 1156 (9th Cir. 2017).

98. Desai & Rierson, *supra* note 7, at 1791 ("[U]nder the doctrine of genericide, mark holders are required to 'police' their marks, and failure to do so may lead to a court finding that the source-identifying function of the mark no longer exists."); *see also* Xuan-Thao N. Nguyen, *Nationalizing Trademarks: A New International Trademark Jurisprudence?*, 39 WAKE FOREST L. REV. 729, 740 & n.48 (2004) (discussing trademark policing).

99. Desai & Rierson, *supra* note 7, at 1849 ("Under the 'once generic, always generic' theory, courts refuse to recognize as trademarks source-identifying terms . . . that may have been 'generic' at some point . . ."); *see also* *Welding Servs., Inc. v. Forman*, 509 F.3d 1351, 1358 (11th Cir. 2007) (noting that "[c]ourts have generally held that a term used generically cannot be appropriated from the public domain; therefore, even if the name becomes in some degree associated with the source, a generic mark cannot achieve true secondary meaning"); *Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4, 9–10 (2d Cir. 1976) (explaining that the "no matter how much money and effort the user of a generic term has poured into promoting the sale of its merchandise and what success it has achieved in securing public identification," the term cannot be used as a trademark). However, a handful of older cases indicate that a term that has undergone genericide may regain trademark status

of trademarks that have suffered genericide are “aspirin,” “escalator,” and “thermos.”<sup>100</sup>

When assessing whether a mark has become generic, courts review a variety of evidence. This can include consumer surveys<sup>101</sup> or evidence that the term is used in the media.<sup>102</sup> Additionally, evidence that the alleged mark owner uses the term in a generic manner may indicate that the term is generic.<sup>103</sup> Similarly, courts may look to whether competitors and others in the relevant trade use the term generically.<sup>104</sup> Though not determinative, dictionary definitions for a given term could be evidence that a term has become generic.<sup>105</sup> The Seventh Circuit has explained that trademark owners must police their own marks to combat genericide by preventing third parties from using their marks generically.<sup>106</sup>

Even if a trademark owner does not completely lose ownership in the trademark, certain actions—or inaction—may lead to significant limitation of trademark rights. For example, failure to take action against trademark infringement or misuse may contribute to a determination of

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if the trademark owner engages in sufficient advertising and marketing so that consumers once again recognize the term as a source identifier. *See, e.g.,* Singer Mfg. Co. v. Briley, 207 F.2d 519, 520 n.3 (5th Cir. 1953) (finding SINGER regained trademark significance for sewing machines). For more on potential reProtection of marks that have undergone genericide, see generally Peter J. Brody, Comment, *ReProtection for Formerly Generic Trademarks*, 82 U. CHI. L. REV. 475 (2015).

100. Mary Beth Quirk, *15 Product Trademarks that Have Become Victims of Genericization*, CONSUMER REPS.: CONSUMERIST (July 19, 2014), <https://www.consumerreports.org/consumerist/15-product-trademarks-that-have-become-victims-of-genericization/> [<https://perma.cc/R9K3-97M6>].

101. *See* E.I. DuPont de Nemours & Co. v. Yoshida Int’l, Inc., 393 F. Supp. 502, 525–27 (E.D.N.Y. 1975); *Berner Int’l Corp., v. Mars Sales Co.*, 987 F.2d 975, 982–83 (3d Cir. 1993).

102. *See, e.g.,* Bos. Duck Tours, LP v. Super Duck Tours, LLC, 531 F.3d 1, 19 (1st Cir. 2008) (finding the district court erred by overlooking generic media use of “duck tours”); *Murphy Door Bed Co. v. Interior Sleep Sys., Inc.*, 874 F.2d 95, 101 (2d Cir. 1989) (finding that generic use of “Murphy bed” in newspapers and magazines indicates the public’s perception that the term is not used as a trademark).

103. *See, e.g.,* Colt Def. LLC v. Bushmaster Firearms, Inc., 486 F.3d 701, 707 (1st Cir. 2007) (finding that the term “M4” is generic and basing this determination, in part, on the alleged mark owner’s reference to “M4 type rifles and carbines” in a patent application).

104. *See, e.g.,* Pilates, Inc. v. Current Concepts, Inc., 120 F. Supp. 2d 286, 297–98 (S.D.N.Y. 2000) (finding the term “Pilates” is generic based, in part, on use of the term by others in the fitness industry to identify a type of exercise); *Am. Thermos Prods. Co. v. Aladdin Indus., Inc.*, 207 F. Supp. 9, 17, 24–25 (D. Conn. 1962) (finding the term “thermos” is generic based, in part, on competitor use of the term both descriptively and as a synonym for their own products).

105. *Bos. Duck Tours*, 531 F.3d at 18; *see, e.g.,* *Pilates*, 120 F. Supp. 2d at 297 (finding the term “Pilates” is generic based, in part, on dictionary definitions of the term referring to a type of exercise); *Murphy*, 874 F.2d at 101 (finding the term “Murphy bed” is generic based, in part, on dictionary definitions of the term referring to a bed that folds into the wall).

106. *Ill. High Sch. Ass’n v. GTE Vantage Inc.*, 99 F.3d 244, 246 (7th Cir. 1996) (“A serious trademark holder is assiduous in endeavoring to convince dictionary editors, magazine and newspaper editors, journalists and columnists, judges, and other lexicographically influential persons to avoid using his trademark to denote anything other than the trademarked good or service.”).

genericide.<sup>107</sup> Such inaction usually does not lead to complete loss of the mark without other evidence of genericide. However, even if a mark has not undergone genericide, lack of enforcement against third-party infringement or misuse may evidence erosion of the mark's strength.<sup>108</sup> Such a determination may limit the scope of protection, because courts weigh trademark strength when deciding infringement cases.<sup>109</sup> Thus, a weakened mark presents obstacles for future enforcement.<sup>110</sup>

Failing to take immediate legal action may also have consequences for future litigation. If a trademark owner fails to take enforcement action within a reasonable time after discovering infringement, the infringer may raise the equitable defense of laches in subsequent litigation.<sup>111</sup> This equitable defense prevents a plaintiff from unreasonably postponing legal action under certain circumstances.<sup>112</sup> Thus, if trademark owners do not pursue action against infringing activity quickly, they may forfeit the option to sue later on.

Brand owners ultimately have key incentives to protect their trademarks against infringement or misuse. By adopting rigorous brand enforcement strategies, owners maintain trademark strength and value.<sup>113</sup>

### B. *Methods of Enforcement*

Once a trademark owner has identified improper trademark use or infringement through policing, there are several methods of enforcement available. The most common methods of enforcement are opposition proceedings, cease and desist letters, and infringement lawsuits.<sup>114</sup> Additionally, some trademark owners have begun using unique marketing

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107. See *Am. Thermos*, 207 F. Supp. at 17 (highlighting that the trademark owner “did not . . . take affirmative action to seek out generic uses [of ‘Thermos’] . . . and only protested those which happened to come to its attention”; thus, the trademark owner “failed to use reasonable diligence to rescue ‘Thermos’ from being or becoming a . . . generic term.”).

108. *Sweetheart Plastics, Inc. v. Detroit Forming, Inc.*, 743 F.2d 1039, 1047 (4th Cir. 1984) (noting that a mark may lose its significance as an indication of origin if the trademark owner fails to take action against infringers).

109. Barton Beebe & C. Scott Hemphill, *The Scope of Strong Marks: Should Trademark Law Protect the Strong More than the Weak?*, 92 N.Y.U. L. REV 1339, 1350 (2017) (noting that courts “routinely stat[e] that for stronger marks, a wider range of marks is confusingly similar, and that the strongest marks merit the widest range of protection” and citing supporting cases).

110. *Id.*; see, e.g., *Sweetheart*, 743 F.2d at 1047 (stating that “evidence of [the trademark owner’s] delay or failure to enjoin other manufacturers is not totally irrelevant . . . where [the trademark owner] has the burden of proving secondary meaning”).

111. *Pinkette Clothing, Inc. v. Cosmetic Warriors Ltd.*, 894 F.3d 1015, 1024–25 (9th Cir. 2018).

112. *Id.*

113. Francis J. Duffin & Bryan S. Watson, *Best Practices in Protecting and Enforcing Trademarks, Copyrights, and Other Intellectual Property Rights*, 28 FRANCHISE L.J. 132, 132 (2009).

114. *Id.* at 134.

strategies aimed at enforcement.

Opposition proceedings take place before the USPTO's Trademark Trial and Appeal Board (TTAB).<sup>115</sup> Trademark owners often monitor trademark applications submitted to the USPTO. If a trademark owner believes a trademark application is confusingly similar to its own mark, it may oppose registration.<sup>116</sup>

Most commonly, trademark owners faced with infringement or misuse of their marks send cease-and-desist letters.<sup>117</sup> These letters demand that the recipient stop infringing or misusing the trademark. Cease-and-desist letters allow trademark owners to put infringers or misusers on notice of the owner's claimed trademark rights and give the parties an opportunity to resolve the matter without need for formal legal action.<sup>118</sup> Of course, if infringers or misusers do not cease and desist their activity, the trademark owner has the right to sue. The Lanham Act provides causes of action for infringement of both federally registered<sup>119</sup> and unregistered<sup>120</sup> trademarks.

In recent years, some brands have undertaken creative enforcement methods by employing marketing techniques. For example, Anheuser Busch InBev launched its "Dilly Dilly" campaign for its Bud Light brand in 2017, which combined medieval times and ice cold beer.<sup>121</sup> The marketing campaign was a success<sup>122</sup> and became so popular that a craft brewer in Minnesota adopted the "Dilly Dilly" phrase as the name for a

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115. "The TTAB is an administrative board that hears and decides adversary proceedings between two parties, namely, oppositions (party opposes a mark after publication in the Official Gazette) and cancellations (party seeks to cancel an existing registration)." *Trademark Trial and Appeal Board*, U.S. PAT. & TRADEMARK OFF. (Jan. 16, 2019), <https://www.uspto.gov/trademarks/ttab> [<http://perma.cc/RZ86-NL2F>].

116. *Id.* Additionally, a trademark owner may initiate a cancellation proceeding before the TTAB for a registered mark. *Id.*

117. Cease-and-desist letters are "commonplace in trademark policing practice." Jessica E. Lanier, Note, *Effective Policing: Giving Trademark Holders a Pre-Emptive Strike Against "Genericide,"* 20 B.U. J. SCI. & TECH. L. 247, 262 (2014).

118. *Policing Your Trademark or Service Mark*, HINCKLEY ALLEN (Sept. 23, 2019), <https://www.hinckleyallen.com/publications/policing-your-trademark-or-service-mark/> [<https://perma.cc/SDV2-UH9E>].

119. 15 U.S.C. § 1114.

120. *Id.* § 1125(a)(1)(A).

121. Graham Flanagan & Tanya Dua, *Bud Light's 'Dilly Dilly' Just Made a Comeback at the Super Bowl with a Weird Crossover Ad with Game of Thrones — Here's What the Phrase Means*, BUS. INSIDER (Feb. 3, 2019, 4:32 PM), <https://www.businessinsider.com/bud-light-dilly-dilly-viral-commercial-super-bowl-campaign-2017-12> [<https://perma.cc/K6TX-YHKW>].

122. Tae Kim, *Beer Sales Are Rising, Helped by Bud Light's 'Dilly Dilly' Popularity*, CNBC (June 27, 2018, 3:04 PM), <https://www.cnbc.com/2018/06/27/morgan-stanley-says-beer-sales-are-rising-helped-by-dilly-dilly-ads.html> [<https://perma.cc/2EUT-AEMA>].

new double IPA.<sup>123</sup> Rather than sending a standard cease-and-desist letter, Anheuser Busch InBev combatted infringement on its “Dilly Dilly” catch phrase by sending an actor dressed as a medieval “town crier” to read a cease-and-desist scroll of parchment.<sup>124</sup> Rather than conveying the usual lawsuit threats, the town crier warned that continued use of the phrase would result in a “private tour of the pit of misery.”<sup>125</sup> Similarly, Velcro combatted genericide by creating a video reminding people to not use its “Velcro” trademark as a general noun to describe all “hook and loop” fasteners.<sup>126</sup> And Xerox spent a substantial amount of time and money on an educational campaign to “raise awareness that ‘Xerox’” is a trademark, not a verb to be used to refer to photocopying.<sup>127</sup> In addition to combatting genericide and trademark infringement or misuse, these non-traditional means of enforcement help trademark owners to gain positive marketing and publicity.

### III. THE RISE OF THE TRADEMARK BULLY

When trademark enforcement goes too far, it results in “trademark bullying.”<sup>128</sup> Such tactics often involve overreaching claims of infringement and misuse. This Part explains the concept of bullying using

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123. Robert Young, *Going “Medieval” on Trademark Enforcement*, JD SUPRA (Jan. 18, 2018), <https://www.jdsupra.com/legalnews/going-medieval-on-trademark-enforcement-37189/> [<https://perma.cc/3KBB-2W4Q>].

124. The video is available on the Minnesota crafter brewer’s Facebook page. This author highly recommends taking the time to view the video, as it is very amusing, and an illuminating example of new methods of enforcement. Modist Brewing Company, *That Moment When Bud Light Sends You a Cease and Desist for Your #dillydilly Release*, FACEBOOK (Dec. 1, 2017), <https://www.facebook.com/watch/?v=1769474706456277> [<https://perma.cc/DJ9L-8VP2>]; *see also*, Young, *supra* note 123 (explaining the situation leading Anheuser Busch InBev to send a town crier to the Minnesotan craft brewer); Jess Baker, *Dilly, Dilly: Cease and Desist to Craft Brewer Goes Viral*, CRAFTBEER.COM (Dec. 4, 2017), <https://www.craftbeer.com/editors-picks/dilly-dilly-beer-giant-delivers-viral-cease-desist-modist-brewing> [<https://perma.cc/8SLF-MHJL>] (describing Anheuser Busch InBev’s town crier’s speech).

125. Young, *supra* note 123.

126. Holly Ramer, *Velcro’s Video Implores Consumers to Say ‘Hook and Loop,’* USA TODAY (Apr. 4, 2018, 8:32 AM), <https://www.usatoday.com/story/money/2017/09/26/velcro-video-implores-consumers-say-hook-and-loop/705667001/> [<https://perma.cc/7UPL-EM23>].

127. Margaret Walker, *Xerox: Avoiding a ‘Genericide’ Headache*, WORLD INTELL. PROP. REV. (May 17, 2016), <https://www.worldipreview.com/article/xerox-avoiding-a-genericide-headache> [<https://perma.cc/N2K8-QXJ4>].

128. *See* Roxana Sullivan & Luke Curran, *Trademark Bullying: Defending Your Brand or Vexatious Business Tactics?*, IPWATCHDOG (July 16, 2015), <https://www.ipwatchdog.com/2015/07/16/trademark-bullying-defending-your-brand-or-vexatious-business-tactics/id=59155/> [<https://perma.cc/UB4H-JY7K>] (defining trademark bullies—or trademark trolls—as those who “aggressively assert rights beyond the scope of trademark protection afforded by the Lanham Act through the issuance of threatening cease-and-desist letters”).

Adidas—an owner that some have dubbed a bully—as a case study. This Part also discusses some potential explanations for trademark bullying.

Because trademark owners maintain their trademark rights through self-policing and enforcement, “[t]rademark bullying is a touchy problem.”<sup>129</sup> It is unclear where reasonable enforcement ends and trademark bullying begins. Thus, attempts to address trademark bullying must “avoid putting trademark owners into a double-bind in which the lines are blurry and both failure to police and excessively aggressive policing lead to sanctions or loss of rights.”<sup>130</sup>

### A. *Adidas: A Case Study*

Adidas’s<sup>131</sup> litigiousness has earned it the label of trademark bully.<sup>132</sup> Adidas, the world’s third most valuable apparel brand,<sup>133</sup> is well-known for its “three-stripes” trademark.<sup>134</sup> Adidas met all the requirements

129. Irina D. Manta, *Bearing Down on Trademark Bullies*, 22 FORDHAM INTELL. PROP. MEDIA & ENT. L.J. 853, 858 (2012).

130. *Id.*

131. The brand name and trademark “adidas” begins with a lower case “a,” but for ease of reading and uniformity, this Comment uses an upper case “A.”

132. Complaint at 2, 11, *Forever 21, Inc. v. Adidas Am., Inc.*, No. 2:17-cv-01752 (C.D. Cal. Mar. 3, 2017); see also Katie M. Brown & Natasha T. Brison, *A Tale of Two Trademarks: A US Analysis of the Protection Strategies of Adidas and Converse*, 16 ENT. & SPORTS L.J. 1, 4 (2018) (noting that “Adidas has been accused of being a trademark bully” and explaining the arguments behind that statement); Steve Baird, *Stripe Three, Adidas Called a Trademark Bully*, DUETS BLOG (Mar. 7, 2017), <https://www.duetsblog.com/2017/03/articles/articles/stripe-three-adidas-called-a-trademark-bully/> [<https://perma.cc/6LQM-QN46>] (explaining Forever 21’s allegations against Adidas of trademark bullying); *Four Stripe Fight: Will FC Barcelona’s Newest Thom Browne Uniforms Give Rise to a Legal Battle With adidas?*, THE FASHION L. (Dec. 3, 2019), <https://www.thefashionlaw.com/four-stripes-will-fc-barcelonas-new-thom-browne-uniforms-give-rise-to-a-fight-with-adidas/> [<https://perma.cc/JCB5-2WL4>] (giving examples of Adidas’s litigiousness and opining on whether FC Barcelona’s four-striped uniform would attract Adidas’s attention).

133. According to Brand Finance, Adidas was worth just shy of \$16.5 billion and is the third most valuable apparel brand in the world as of 2020, after Nike (first most valuable) and Gucci (second most valuable). BRAND FIN., APPAREL 50, 2020, at 11 (2020), [https://brandirectorypublic.s3.eu-west-2.amazonaws.com/reports\\_free/brand-finance-apparel-50-2019-preview.pdf](https://brandirectorypublic.s3.eu-west-2.amazonaws.com/reports_free/brand-finance-apparel-50-2019-preview.pdf) [<https://perma.cc/BA4Q-4VNK>].

134. In the 1920s, Adolf “Adi” Dassler began making sports shoes, and soon after sold cleats by adding “hand forged spikes” to appeal to athletes. When Arthur Jonath became the first athlete to win a medal in Adidas shoes when he placed third in the 100 meters during the 1932 Olympic Games, Adidas recognized the opportunity to access a global market and began demarcating its shoes with three stripes so that those viewing the games would know what brands the medalists preferred. And in 1949, the world-famous three-stripes trademark was born, appearing on track shoes for the first time. By marking its shoes with the stripes, Adidas announced to the world that the medalists preferred its shoes. *Adidas’ Olympic History*, ADIDAS (Aug. 5, 2000), <https://www.adidas-group.com/en/media/news-archive/press-releases/2000/adidas-olympic-history/> (last visited Apr. 30, 2021); BARBARA SMIT, SNEAKER WARS: THE ENEMY BROTHERS WHO FOUNDED ADIDAS AND PUMA AND THE FAMILY FEUD THAT FOREVER CHANGED THE BUSINESS OF SPORTS 3–5, 31–33 (2008).

needed to register its three-stripes mark in the U.S. by 1994.<sup>135</sup> Since then, Adidas has spent millions of dollars on promoting the three-stripes mark, which continues to signify Adidas products to consumers today.<sup>136</sup>

In addition to promotion efforts, Adidas protects its three-stripes trademark through intense enforcement efforts.<sup>137</sup> Litigation involving infringement of the three-stripes mark is based on Adidas's 1994 trademark registration.<sup>138</sup> Even though the three-stripes trademark is not distinctive, Adidas has built up its trademark's strength over the years. As one court described, the three-stripes trademark is arbitrary because "three stripes do not define, describe[,] or suggest the various products that bear them."<sup>139</sup> However, another court explained that although "the spectrum of distinctiveness does not easily translate into the world of shapes and images . . . the [three-stripe] Mark is strong and entitled to protection."<sup>140</sup>

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135. ADIDAS THREE-STRIPES MARK, Registration No. 1,815,956; Adidas-Am., Inc. v. Payless Shoesource, Inc., 546 F. Supp. 2d 1029, 1040 (D. Or. 2008). The mark was first registered in Germany in 1949. *Adidas' Olympic History*, *supra* note 134. However, the Finnish shoe brand, Karhu Sports, was using the same mark. The story goes that, in order to settle the dispute, "Adi Dassler purchased the brand's iconic three-stripes trademark" from Karhu "for a sum equivalent to 1,600 euros and two bottles of whiskey." Bernhard Warner, *After Stunning Ruling, Adidas' Iconic Logo Could Lose Some Trademark Protection in EU*, FORTUNE (June 20, 2019, 1:16 PM), <https://fortune.com/2019/06/20/adidas-trademark-invalid-ruling/> [<https://perma.cc/4LWZ-27QH>]; *Three Stripes and Karhu*, KARHU, <https://karhu.com/blog/three-stripes-trademark-sold-to-adidas/> [<https://perma.cc/NQE7-JZ68>]. Adidas began using the three-stripes trademark "[a]t least as early as 1952 . . . on footwear sold in the United States and worldwide." Complaint at 10, Adidas Am., Inc. v. Skechers USA, Inc., 149 F. Supp. 3d 1222 (D. Or. 2016) (No. 3:15-cv-01741). In 1957, Adidas obtained U.S. registration for the wordmark ADIDAS THE MARK WITH THE 3 STRIPES, likely in an effort to market their logo and acquire the secondary meaning necessary to register the three-stripes mark itself. ADIDAS THE MARK WITH THE 3 STRIPES, Registration No. 0641906.

136. Complaint at 14, *Skechers*, 149 F. Supp. 3d 1222 (No. 3:15-cv-01741) [hereinafter *Skechers Complaint*].

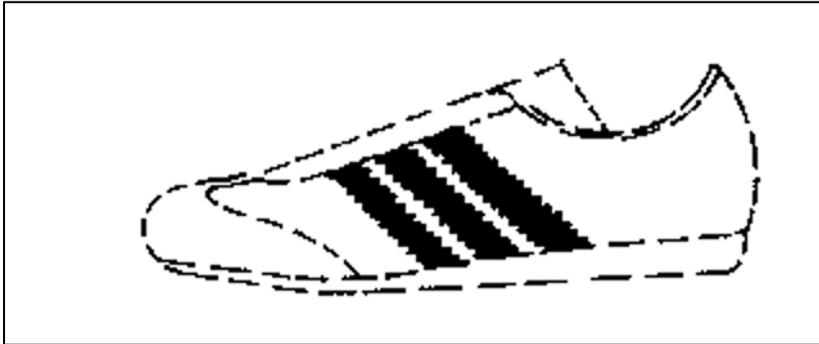
137. See *Payless Shoesource*, 546 F. Supp. 2d at 1041. Between 1995 and 2008, Adidas pursued enforcement of its three-stripes mark over 325 times, including filing thirty-five separate infringement lawsuits and entering into over forty-five settlement agreements with other footwear companies. *Id.*

138. *Id.* at 1040.

139. Adidas-Salomon AG v. Target Corp., No. 3:01-cv-01582-RE, 2003 WL 25710435, at \*13 (D. Or. Jan. 29, 2003).

140. *Payless Shoesource*, 546 F. Supp. 2d at 1056.

**Figure 1:**  
**Adidas's first registration for its three-stripes mark.**<sup>141</sup>



Adidas has filed multiple lawsuits against other shoe manufacturers for selling shoes bearing stripes that, as Adidas believes, constitute infringement of its own three-stripes mark.<sup>142</sup>

For example, Adidas sued Skechers in 2015, in part for trademark infringement, because the alleged infringing shoe had perforations on the side of the shoe that simulated stripes.<sup>143</sup>

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141. ADIDAS THREE-STRIPES MARK, Registration No. 1,815,956. The registration consists of “three parallel and equidistant double-serrated stripes of contrasting color on the side of the shoe running diagonally from the mid-sole forward to the shoelaces.” *Payless Shoesource*, 546 F. Supp. 2d at 1040.

142. *Four Stripe Fight*, *supra* note 132.

143. *Adidas Am., Inc. v. Skechers USA, Inc.*, 890 F.3d 747, 752–53 (9th Cir. 2018).

**Figure 2:**  
**Adidas's Stan Smith shoe (left) and**  
**Skechers's Onix shoe (right)<sup>144</sup>**



And, in a surprising display of trademark strength, Adidas was successful in a case against Payless Shoesource for selling shoes that had two and four stripes—even though the Adidas trademark includes *three* stripes.<sup>145</sup> Adidas claimed that Payless's shoes constituted trademark infringement and dilution.<sup>146</sup> The court denied Payless's motion for summary judgment, finding that use of two and four stripes on shoes presented a likelihood of confusion.<sup>147</sup> At the end of trial, a jury awarded Adidas over \$304 million<sup>148</sup>—possibly a record-breaking jury award for a trademark infringement case.<sup>149</sup>

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144. Skechers Complaint, *supra* note 136, at 2.

145. *Payless Shoesource*, 546 F. Supp. 2d at 1053.

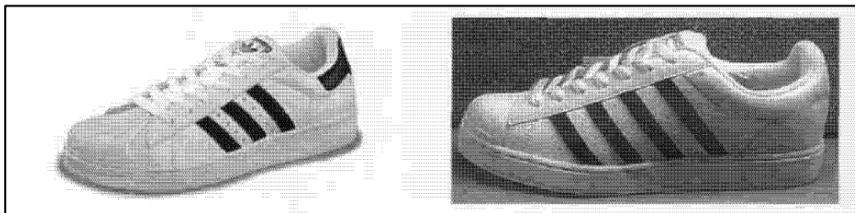
146. *Adidas Am., Inc. v. Payless Shoesource, Inc.*, 529 F. Supp. 2d 1215, 1225 (D. Or. 2007).

147. *Id.* at 1235–36.

148. “The jury determined adidas was entitled to: (1) actual damages in the form of a 7.78 percent royalty, totaling \$30.6 million; (2) a \$137 million accounting of Payless' profits; and (3) punitive damages of \$137 million.” *Adidas Am., Inc. v. Payless Shoesource, Inc.*, No. CV 01-1655-KI, 2008 WL 4279812, at \*1 (D. Or. Sept. 12, 2008).

149. Although the court later reduced the award to \$65 million, commentators noted that the original amount may have been the largest ever jury award for a trademark infringement lawsuit. *Adidas Am., Inc. v. Payless Shoesource, Inc.*, No. 01-1655-KI, 2009 WL 302246, at \*8 (D. Or. Feb. 9, 2009); Debra Cassens Weiss, *Adidas Award of \$305M in Trademark Infringement Case May Be Record*, A.B.A. J. (May 7, 2008, 4:14 PM), [https://www.abajournal.com/news/article/adidas\\_award\\_of\\_305m\\_in\\_trademark\\_infringement\\_case\\_may\\_be\\_record](https://www.abajournal.com/news/article/adidas_award_of_305m_in_trademark_infringement_case_may_be_record) [https://perma.cc/S7HR-QLBV].

**Figure 3:**  
**Adidas's Superstar shoe (left) and Payless's shoe (right)**<sup>150</sup>



Yet, some of Adidas's efforts to combat infringement of its three-stripes mark begs the question: Are consumers really going to be confused? For example, Adidas has filed suit against Abercrombie & Fitch for selling striped clothing,<sup>151</sup> and against Target for selling footwear with two and four stripes.<sup>152</sup> Adidas also opposed the trademark registration of the FC Barcelona logo.<sup>153</sup> The Spanish soccer team had filed registration of its logo in preparation for a new partnership with Nike.<sup>154</sup> The opposition led FC Barcelona to abandon its U.S. trademark application.<sup>155</sup> And, in one of the most surprising enforcement actions yet, Adidas attempted to oppose Tesla Motors, Inc.'s application for a trademark that consisted of three horizontal stylized stripes.<sup>156</sup> The application was for the logo of the car company's Model 3 vehicle.<sup>157</sup> Interestingly, the opposition proceeding did not move forward because

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150. Third Amended Complaint at 10, *Adidas Am., Inc. v. Payless Shoesource, Inc.*, No. 3:01-cv-01655-KI (D. Or. Aug. 21, 2006).

151. In 2004, Adidas filed a trademark infringement suit against Abercrombie & Fitch, asserting that the retailer was selling garments bearing Adidas trademark-protected stripe design. Abercrombie & Fitch had been on the receiving end of multiple cease-and-desist letters from Adidas. Complaint at 7–10, *Adidas Am., Inc. v. Abercrombie & Fitch Co.*, No. 3:04-cv-1866-RE (D. Or. Dec. 23, 2004).

152. Adidas sued Target in 2008, alleging that Target infringed its three-stripes mark by way of footwear bearing two and four parallel stripes. In its complaint, Adidas asserted that Target had violated more than one of the settlement agreements that they had entered into in connection with previously-filed trademark suits, including a February 2003 settlement in which Target agreed to refrain from selling infringing striped products. Complaint at 12–14, *Adidas Am., Inc. v. Target Corp.*, No. 3:08-cv-01140 (D. Or. Sept. 30, 2008).

153. The FC Barcelona mark consisted of “a square containing seven vertical stripes (the 1st, 3rd, 5th and 7th stripes from the left are blue, and the remaining three stripes are garnet).” *Four Stripe Fight*, *supra* note 132.

154. *Id.*

155. *Id.*

156. Notice of Opposition, *Adidas AG v. Tesla Motors, Inc.*, No. 91232672 (T.T.A.B. 2017).

157. Jillian Stampher, *Court Documents Show Tesla Tweaked Its Model 3 Logo Amid a Trademark Fight with Adidas*, GEEK WIRE (Feb. 7, 2017, 12:22 PM), <https://www.geekwire.com/2017/court-documents-show-tesla-tweaked-model-3-logo-amid-trademark-fight-adidas/> [<https://perma.cc/6KMT-TF5K>].

Tesla opted to forego the stripes and use “3” as the logo instead. Tesla denied that the decision was in reaction to Adidas’s opposition, stating that the last-minute change was “strictly a Tesla branding decision and not a response to the trademark issue.”<sup>158</sup>

Adidas’s litigation tactics thus far seem successful. Brands have learned to tread carefully around the three-stripes mark. However, there is a growing frustration with Adidas’s aggressive tactics, especially within the fashion industry.<sup>159</sup> One especially outspoken response came from the “fast fashion”<sup>160</sup> retailer Forever 21.<sup>161</sup> Forever 21 filed for declaratory judgment on March 3, 2017, in response to a cease-and-desist letter demanding that Forever 21 cease sales of specific clothing items adorned with stripes.<sup>162</sup> Forever 21 claimed that it was a “victim to Adidas’s threats” of trademark litigation against “virtually any item of clothing with decorative stripes.”<sup>163</sup> Calling Adidas a “bully,” Forever 21 requested the court issue judgment declaring that Forever 21’s striped clothing does not infringe Adidas’s three-stripes mark.<sup>164</sup>

Adidas is just one among a growing number of trademark owners that are facing criticisms of trademark bullying.<sup>165</sup> And, as many legal

158. Jon Fingas, *Adidas Thinks Tesla’s Old Model 3 Logo Is a Little Too Familiar*, ENGADGET (Feb. 8, 2017), <https://www.engadget.com/2017/02/08/adidas-trademark-dispute-with-tesla/> [<https://perma.cc/Q7NH-6DU3>]; see also Stampher, *supra* note 157 (explaining that “[a] Tesla spokesman . . . [said] the company withdrew the application based on separate branding decisions”).

159. See Sangeeta Singh-Kurtz, *Adidas Has Sued Pretty Much Everyone Who Has Used Stripes*, QUARTZ (June 21, 2019), <https://finance.yahoo.com/news/adidas-sued-pretty-much-everyone-120057012.html> [<https://perma.cc/U8D7-33C9>] (“Adidas is notorious for taking just about anyone to court who dares to use stripes.”); Complaint at 1, *Forever 21, Inc. v. Adidas Am., Inc.*, No. 2:17-cv-01752-GW-SK (C.D. Cal. Mar. 3, 2017) [hereinafter *Forever 21 Complaint*].

160. “Fast fashion is a design, manufacturing, and marketing method focused on rapidly producing high volumes of clothing.” Audrey Stanton, *What Is Fast Fashion, Anyway?*, THE GOOD TRADE, <https://www.thegoodtrade.com/features/what-is-fast-fashion> [<https://perma.cc/S5EU-44EB>].

161. *Forever 21 Complaint*, *supra* note 159, at 1.

162. *Id.* at 4.

163. *Id.* at 1.

164. *Id.* at 2, 11. On March 13, 2017, Forever 21 abandoned the lawsuit. Adidas had filed a separate infringement lawsuit against Forever 21. Rather than litigating both cases at once, Forever 21 decided to pursue its request for declaratory judgment as a counterclaim in Adidas’s infringement action. Notice of Voluntary Dismissal at 1, *Forever 21, Inc. v. Adidas Am., Inc.*, No. 2:17-cv-01752-GW-SK (C.D. Cal. Mar. 13, 2017).

165. See, e.g., *Move Over Adidas, Levi’s Is the New Trademark “Bully,” Per Barbour Lawsuit*, THE FASHION L. (June 11, 2018), <https://www.thefashionlaw.com/move-over-adidas-levis-is-the-new-trademark-bully-per-barbour-lawsuit/> [<https://perma.cc/A4ZK-CC8J>] (discussing allegations against Levi Strauss of trademark bullying); Kyle Jahner, *Disney’s Rap as Trademark Bully Revived in Baby Yoda Crackdown*, BLOOMBERG L. (Feb. 11, 2020), [https://www.bloomberglaw.com/bloomberglawnews/ip-law/XA66O6J0000000?bna\\_news\\_filter=ip-law#jcite](https://www.bloomberglaw.com/bloomberglawnews/ip-law/XA66O6J0000000?bna_news_filter=ip-law#jcite) [<https://perma.cc/Z5GS-F9K8>] (discussing allegations against Disney of trademark bullying); Peter

commentators and scholars have noted, the issue with increased aggressive trademark enforcement and tenuous, overreaching claims is only getting worse—likely because of how courts interpret the boundaries of trademark laws.<sup>166</sup>

### B. *Trademark Bullies as Rational Decisionmakers*

Legal commentators have identified trademark bullying as a byproduct of a system that encourages aggressive trademark enforcement.<sup>167</sup> A common thread amongst these commentaries is the role of trademark strength. Trademark strength “can determine the scope of protection it receives” because such marks are more likely to succeed in infringement litigation.<sup>168</sup> While courts do not assign a specific measurement to trademark strength, they often discuss whether a mark is strong or weak when conducting a likelihood-of-confusion analysis.<sup>169</sup>

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Lemire, *Chick-Fil-A—The Tale of a Trademark Bully*, LEYENDECKER & LEMIRE, LLC (Dec. 29, 2011), <https://www.coloradoiplaw.com/chick-fil-a-the-tale-of-a-trademark-bully/> [<https://perma.cc/G742-MSQM>] (discussing allegations against Chick-Fil-A for trademark bullying); Steve Baird, *How Fashionable Is the Louis Vuitton “Trademark Bully” Label?*, DUETS BLOG (Mar. 12, 2012), <https://www.duetsblog.com/2012/03/articles/trademarks/how-fashionable-is-the-louis-vuitton-trademark-bully-label-2/> [<https://perma.cc/E2WF-PYXQ>] (discussing allegations against Louis Vuitton for trademark bullying); *Facebook Hit With “Trademark Bullying” Claim*, WORLD INTELL. PROP. REV. (Feb. 26, 2014), <https://www.worldipreview.com/news/facebook-hit-with-trademark-bullying-claim-6300> [<https://perma.cc/Q4RV-AG36>] (discussing allegations against Facebook for trademark bullying).

166. See *infra* notes 195–199 and accompanying text.

167. See, e.g., Dogan, *supra* note 10, at 1318–19 (explaining the ways in which trademark doctrines encourages trademark overreach); Connie Davis Nichols & Charley Carroll, *Trouble in Trademark Law: How Applying Different Theories Leaves Door Open for Abuse*, 17 SMU SCI. & TECH. L. REV. 1, 5 (2014) (stating that the trademark system awards those with financial resources to police and protect trademarks); Michael S. Mireles, Jr., *Towards Recognizing and Reconciling the Multiplicity of Values and Interests in Trademark Law*, 44 IND. L. REV. 427, 461–63 (2011) (stating that courts’ discussions of a duty to police provides an incentive to trademark owners to over-police their marks).

168. Mireles, *supra* note 167, at 460; Beebe & Hemphill, *supra* note 109; see also *One Indus., LLC v. Jim O’Neal Distrib., Inc.*, 578 F.3d 1154, 1164 (9th Cir. 2009) (“Trademark law offers greater protection to marks that are ‘strong.’” (quoting *E. & J. Gallo Winery v. Gallo Cattle Co.*, 967 F.2d 1280, 1291 (9th Cir. 1992))); *Frehling Enters., Inc. v. Int’l Select Grp., Inc.*, 192 F.3d 1330, 1335 (11th Cir. 1999) (“The stronger the mark, the greater the scope of protection accorded it, the weaker the mark, the less trademark protection it receives.”); Timothy Denny Greene & Jeff Wilkerson, *Understanding Trademark Strength*, 16 STAN. TECH. L. REV. 535, 544 (2013) (“[T]he stronger a mark, the wider its scope of protection and thus the more third-party uses it can block from the stream of commerce.”).

169. While the circuits have adopted different approaches for determining likelihood-of-confusion, trademark strength is considered in each circuit’s analysis. See *Pignons S.A. de Mecanique de Precision v. Polaroid Corp.*, 657 F.2d 482, 487 (1st Cir. 1981); *Polaroid Corp. v. Polarad Elecs. Corp.*, 287 F.2d 492, 495 (2d Cir. 1961); *Interpace Corp. v. Lapp, Inc.*, 721 F.2d 460, 463 (3d Cir. 1983); *Pizzeria Uno Corp. v. Temple*, 747 F.2d 1522, 1527 (4th Cir. 1984); *Oreck Corp. v. U.S. Floor Sys.*,

Distinctiveness can implicate a trademark's strength, but it is not dispositive and the method by which a mark meets the distinctiveness requirement does not necessarily indicate trademark strength for enforcement purposes.<sup>170</sup> For example, an inherently distinctive mark that is immediately registerable is not necessarily stronger than a descriptive mark that has acquired distinctiveness.<sup>171</sup>

Courts also consider a variety of other types of evidence when assessing trademark strength. Trademark owners can demonstrate the strength of their mark through direct evidence—such as consumer surveys—or circumstantial evidence—such as evidence of advertising expenditures or sales.<sup>172</sup> Additionally, courts may look to the “amount of third party usage of the particular mark in connection with the same or similar goods” when weighing trademark strength.<sup>173</sup> In fact, some courts go so far as to view policing and enforcement efforts as evidence of a stronger mark.<sup>174</sup> While third-party use of a mark may erode the mark and thereby indicate that a mark is weak, Professor Michael S. Mireles<sup>175</sup> contends that “[t]he courts’ consideration of evidence of a mark’s *strength*

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Inc., 803 F.2d 166, 170 (5th Cir. 1986); Frisch’s Rests., Inc. v. Elby’s Big Boy of Steubenville, Inc., 670 F.2d 642, 648 (6th Cir. 1982); Helene Curtis Indus., Inc. v. Church & Dwight Co., 560 F.2d 1325, 1330 (7th Cir. 1977); SquirtCo v. Seven-Up Co., 628 F.2d 1086, 1091 (8th Cir. 1980); AMF Inc. v. Sleekcraft Boats, 599 F.2d 341, 348 (9th Cir. 1979), *abrogated in part on other grounds by* Mattel, Inc. v. Walking Mountain Prods. 353 F.3d 792 (9th Cir. 2003); Sally Beauty Co. v. BeautyCo, Inc., 304 F.3d 964, 972 (10th Cir. 2002); Conagra, Inc. v. Singleton, 743 F.2d 1508, 1514 (11th Cir. 1984); Kenner Parker Toys Inc. v. Rose Art Indus., Inc., 963 F.2d 350, 352 (Fed. Cir. 1992) (considering trademark strength under the fame factor and noting that “strong marks enjoy a wide latitude of legal protection”).

170. Greene & Wilkerson, *supra* note 168, at 537.

171. *Id.*

172. Mireles, *supra* note 167, at 460.

173. *Id.* at 461.

174. *Id.*; see also Am. ORT, Inc. v. ORT Israel, No. 07 CV 2332, 2007 WL 2049733, at \*7 (S.D.N.Y. July 17, 2007) (policing of mark supported a finding of a strong mark); Renaissance Greeting Cards, Inc. v. Dollar Tree Stores, Inc., 405 F. Supp. 2d 680, 692 (E.D. Va. 2005) (noting that a trademark’s common use is a factor in considering trademark strength), *aff’d*, 227 F. App’x 239 (4th Cir. 2007); Gateway, Inc. v. Companion Prods., Inc., No. Civ. 01-4096-KES, 2003 WL 22508907, at \*6 (D.S.D. Aug. 19, 2003) (relying on evidence of cease and desist letters and litigation to find a mark strong); Checkpoint Sys., Inc. v. Check Point Software Technologies, Inc., 104 F. Supp. 2d 427, 459 (D.N.J. 2000) (active policing program considered as proof of trademark strength), *aff’d*, 269 F.3d 270 (3d Cir. 2001); Gideons Int’l, Inc. v. Gideon 300 Ministries, Inc., 94 F. Supp. 2d 566, 583 (E.D. Pa. 1999) (trademark owner’s enforcement efforts, including cease-and-desist letters considered as evidence trademark strength); Hester Indus., Inc. v. Wing King, Inc., No. 1:91-CV-2644-RHH, 1992 WL 200129, at \*3 (N.D. Ga. Mar. 26, 1992) (considering policing efforts to find that trademark is strong), *aff’d*, 979 F.2d 1539 (11th Cir. 1992).

175. Michael S. Mireles is a professor at University of the Pacific, McGeorge School of Law and teaches courses on intellectual property law, Property and Wills & Trusts. *Mireles, Michael*, UNIV. OF THE PAC.: CAMPUS DIRECTORY, <https://law.pacific.edu/campus-directory/mireles-michael> [<https://perma.cc/KWQ6-CAPV>].

by examining” third-party use of the mark “is particularly troubling because it provides an incentive for mark holders to police potentially infringing uses outside their markets.”<sup>176</sup> To combat this, Professor Mireles suggests that courts steer away from considering policing efforts when assessing the scope of trademark rights.<sup>177</sup>

Additionally, Professor Connie Davis Nichols<sup>178</sup> and Charley Carroll<sup>179</sup> argue that trademark law “favors those with the financial resources to spare” because trademark enforcement and litigation are costly.<sup>180</sup> Due to high enforcement costs, larger companies with strong market power end up as the most zealous enforcers.<sup>181</sup> Meanwhile, smaller players who may be the target of infringement lawsuits do not have the power to fight such allegations, even if the claim against them is weak.<sup>182</sup>

Professor Nichols and Carroll attribute this imbalance to two competing theories of trademark law.<sup>183</sup> The first theory—the foundation of trademark law—is concerned with trademarks’ role in identifying the source of goods or services to prevent consumer confusion and competitor counterfeit.<sup>184</sup> Under this first theory, trademarks are a mechanism for consumer protection.<sup>185</sup> Conversely, the second theory views trademarks as a method of protecting a business’s goodwill.<sup>186</sup> Under this second theory, trademarks are meant to protect trademark owners—which essentially means protecting corporations.<sup>187</sup> Courts have increasingly adopted this second theory of trademark law, thereby expanding trademark doctrines that incentivize trademark enforcement.<sup>188</sup> Increasingly incentivized to enforce, trademark owners run the risk of pursuing overreaching claims and trademark bullying. Professor Nichols and Carroll suggest that courts should “impose sanctions for excessive

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176. Mireles, *supra* note 167, at 461–63 (emphasis added).

177. *Id.* at 499.

178. Connie Powell Nichols is a professor at Baylor Law School and teaches courses on Advance Trademark Practice & Litigation, Copyright Law, E-Commerce, and Information Privacy Law. *Connie Powell Nichols*, BAYLOR UNIV.: L. FAC. & STAFF, <https://www.baylor.edu/law/facultystaff/index.php?id=933656> [<https://perma.cc/Y2SB-TUHE>].

179. Charley Carroll is a licensed Texas attorney who graduated in 2011 from Baylor Law School with a concentration in Intellectual Property. Nichols & Carroll, *supra* note 167, at 1.

180. *Id.* at 5.

181. *Id.*

182. *Id.*

183. *Id.* at 5–6

184. *Id.* at 8–9.

185. *Id.*

186. *Id.* at 20.

187. *Id.*

188. *Id.*

policing, where claims . . . are superficial or speculative.”<sup>189</sup>

Professor Stacey Dogan<sup>190</sup> explains how the U.S. trademark system financially incentivizes owners to assert trademark claims.<sup>191</sup> “The vagueness of trademark law’s boundaries” lends credence to what would otherwise seem to be tenuous claims.<sup>192</sup> And trademark owners are further propelled towards litigious activity because of “the notion that ‘stronger’ trademarks get more robust legal rights than ‘weaker’ ones.”<sup>193</sup> Professor Dogan notes that parties are afforded broader legal protection if they can “creat[e] space between their marks and others—even when those others sell products that bear no relation to the trademark holder’s.”<sup>194</sup> Thus, trademark bullies act rationally under current trademark law “not because they risk losing their marks” if they do not enforce, “but because their rights will be more valuable if their objection succeeds.”<sup>195</sup>

#### IV. TRADEMARK ENFORCEMENT SHOULD PLAY NO ROLE IN DETERMINING TRADEMARK STRENGTH

Trademark owners rightfully engage in policing to prevent trademark infringement that may cause consumer confusion or trademark misuse that could lead to genericide.<sup>196</sup> However, as this Part argues, when courts view instances of policing and enforcement as evidence of a strong mark, incentives to enforce become perverse and lead to trademark bullying. Instead, courts should not consider trademark policing and enforcement as evidence of trademark strength. This Comment thus extends Professor Mireles’s proposal<sup>197</sup> and argues that removing policing and enforcement evidence from trademark strength analyses altogether will reduce trademark bullying incentives and better serve the original goal of trademark law—consumer protection.

The roots of U.S. trademark law, even before a formal law existed, were based on consumer protection.<sup>198</sup> Consumer protection is best served when competition is encouraged, not chilled. But trademark bullying is

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189. *Id.* at 29.

190. Stacey Dogan is a professor at Boston University School of Law and focuses on intellectual property, competition, and technology law. *Stacey Dogan*, BOS. UNIV. SCH. OF L., <https://www.bu.edu/law/profile/stacey-dogan/> [<https://perma.cc/3STV-NZDM>].

191. Dogan, *supra* note 10, at 1316–22.

192. *Id.* at 1316.

193. *Id.* at 1319.

194. *Id.*

195. *Id.* (emphasis omitted).

196. *See supra* section II.A.

197. *See supra* notes 176–177 and accompanying text.

198. *See Bone, supra* note 1, at 549; Nichols & Carroll, *supra* note 167, at 4, 9–11.

problematic because it chills competition.<sup>199</sup> And even where competition does arise, a cease-and-desist letter or litigation is likely to quickly snuff it out. Additionally, proof of policing and enforcement does not logically indicate trademark strength; it does not show that a trademark is more recognizable to consumers or unlikely to confuse consumers faced with two similar marks. All it proves is that the company had the resources to undertake the policing and enforcement efforts. To further consumer protection, then, courts and the USPTO should stop considering evidence of enforcement efforts when determining whether a mark is strong and distinctive.

For a trademark owner like Adidas, a strong mark matters. To retain and increase that strength, the current trademark system incentivizes Adidas to continue its litigious behavior regardless of consumer confusion. There would likely be very few consumers who would have mistaken Tesla's vehicle as one made or sponsored by Adidas, even if three stripes adorned Tesla's vehicle. Yet, who can reasonably blame Adidas for operating within a system that incentivizes this behavior?

When assessing trademark strength, courts should explicitly place more weight on actual consumer perception, measured through consumer surveys and evidence of advertising. This encourages trademark owners to build trademark strength through positive marketing efforts to improve brand awareness. Building trademark strength through marketing, rather than by preventing competition, aligns with the original purpose of the trademark—signaling the source of the goods to protect consumers.

Further, moving away from weighing enforcement when assessing trademark strength benefits trademarks' goodwill. Under current methods of assessment, trademark owners must make a difficult decision: either take a more conservative approach to enforcement, but risk erosion of trademark strength, or aggressively enforce, but suffer vilification from competitors and consumers.<sup>200</sup> If trademark law is meant to help owners protect goodwill, courts should not force companies to choose between having a weak trademark or being viewed by competitors and consumers

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199. Jessica M. Kiser, *To Bully or Not to Bully: Understanding the Role of Uncertainty in Trademark Enforcement Decisions*, 37 COLUM. J.L. & ARTS 211, 211 (2014) (“Trademark bullying harms competition and chills the free speech interests of those seeking to use trademarks for criticism and parody as permitted by the fair use doctrine.”); Manta, *supra* note 129, at 855 (“Trademark bullying engenders a number of costs for society.”); Dogan, *supra* note 10, at 1294 (stating that under the current trademark regime, “rights-holders are asserting unreasonable claims and chilling legitimate conduct”); Mireles, *supra* note 167, at 434 (explaining how “[t]he danger of the chilling of activity beneficial to the public is great” when trademark owners are overly litigious).

200. *See, e.g.*, Leah Chan Grinvald, *Shaming Trademark Bullies*, 2011 WIS. L. REV. 625, 625 (discussing how those with less market power may use shaming as a defense mechanism against trademark bullying).

as a bully.

This proposal to eliminate evidence of trademark enforcement in assessing trademark strength does not imply that all trademark enforcement is negative. In fact, as discussed earlier, trademark enforcement is the means by which trademark owners assert their rights and protect their trademark's goodwill.<sup>201</sup> Trademark enforcement and policing are necessary to detect behavior that harms consumers or causes consumer confusion.<sup>202</sup> Additionally, this proposal does not discount evidence of trademark enforcement from all infringement-related lawsuits. Courts should still consider evidence of trademark enforcement when assessing other trademark issues like the equitable defense of laches.<sup>203</sup>

If trademark owners enforced their rights only where actual infringement or risk of consumer confusion occurs, they would be able to instead focus their resources and energy on positive marketing. And even where some enforcement is necessary, perhaps companies could consider less litigious paths and instead hire a town crier.<sup>204</sup>

## CONCLUSION

Currently, courts consider trademark enforcement practices when analyzing trademark strength. This encourages trademark owners to aggressively enforce their marks, often leading to overreaching trademark claims and trademark bullying. Aggressive enforcement tactics chill competition, which negatively impacts consumers. Because trademark law exists to protect consumers, courts and the USPTO should place less emphasis on enforcement when determining the strength of a trademark. Instead, emphasis should be placed on marketing efforts and actual consumer protection.

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201. *See supra* Introduction and section II.A.

202. *Id.*

203. *See supra* notes 111–112 and accompanying text.

204. *See supra* notes 124–125 and accompanying text.