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Defenders of Small Business?: A Perspective on the Supreme Court's Recent Trademark Jurisprudence

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**DEFENDERS OF SMALL BUSINESS?:
A PERSPECTIVE ON THE SUPREME COURT'S
RECENT TRADEMARK JURISPRUDENCE**

Sharon K. Sandeen[†]

In his article *The Supreme Court and Trademark Law in the New Millennium*, Professor Welkowitz cogently demonstrates that the United States Supreme Court has taken a renewed interest in the subject of trademark law and apparently is intent on limiting its scope.¹ This conclusion is, however, only part of the analysis required to understand the Court's recent trademark jurisprudence and predict its future development. As Professor Welkowitz suggests throughout his article, the more interesting question is this: Why has the Court recently acted to limit the scope of trademark law when, during the same period of time, it has declined the invitation to impose significant limitations on the scope of patent and copyright law?²

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1. David S. Welkowitz, *The Supreme Court and Trademark Law in the New Millennium*, 30 WM. MITCHELL L. REV. 1659 (2004).

I reached a similar conclusion shortly after the United States Supreme Court's decision in *Wal-Mart* based on a chance encounter with Associate Justice Anthony Kennedy at a luncheon in Sacramento, California. Since Justice (then Judge) Kennedy was one of my law professors, he recognized me and asked me what kind of work I was doing. I told him I was teaching intellectual property law and trademark law and that I had recently read *Wal-Mart*. His eyes seemed to light up and he asked me what I thought of the opinion. After a brief discussion during which I told him I thought the opinion was well-reasoned, I recall being struck by the fact that Justice Kennedy seemed to be concerned about the proper scope of trademark law. Because I am a former trademark attorney who had been troubled for years about the over-assertion of trademark rights and the under-appreciation of common law trademark principles, the thought that the Supreme Court would take a greater interest in trademark law was very welcome.

2. The case of *New York Times Co., Inc. v. Tasini, Inc.*, 533 U.S. 483 (2001), concerned an interpretation of a provision of United States Copyright law that, if interpreted in the manner suggested by the *New York Times*, would have narrowed the practical scope of the copyrights enjoyed by freelance authors. The court ruled in favor of the freelance authors. In *Festo Corp. v. Shoketsu Kinzoku*

The four “new millennium” cases reviewed by Professor Welkowitz do not contain a direct answer to this question but do provide some plausible clues.³ As Professor Welkowitz points out, one possible explanation is that the Supreme Court came to the rather late realization that lower federal courts had let trademark law drift from its historic roots.⁴ Differences in the constitutional bases of the three doctrines may also explain why certain members of the Court seem more concerned about the potential overbreadth and anticompetitive effects of trademark law than about these effects in patent or copyright law.⁵ A related explanation is that the Court is beginning to appreciate the important doctrinal differences between the three areas of law.⁶ As Professor Welkowitz explains: “Beginning with *Wal-Mart*, the Court increasingly has viewed trademark law through the lens of unfair competition, rather than intellectual property.”⁷ Unlike patent and

Kogyo Kabushiki Co., 535 U.S. 722 (2002), the Court could have narrowed the practical scope of patent law by accepting the limited view of the doctrine of equivalents applied by the Federal Circuit, but chose not to do so. In *Eldred v. Ashcroft*, 537 U.S. 186 (2003), the Court was asked to rule the Copyright Term Extension Act unconstitutional on the grounds that it violated both the First Amendment’s guarantee of free speech and the “limited times” language of Article I, Section 8, Clause 8. Instead, it interpreted Congress’ power to regulate copyright broadly and upheld the constitutionality of the Act. *Id.* at 222.

3. See *Wal-Mart Stores, Inc. v. Samara Bros., Inc.* 529 U.S. 205 (2000); *Traffix Devices, Inc. v. Mktg. Displays, Inc.*, 532 U.S. 23 (2001); *Moseley v. V Secret Catalogue, Inc.*, 537 U.S. 418 (2003); and *Dastar Corp. v. Twentieth Century Fox Film Corp.*, 123 S. Ct. 2041 (2003).

4. Welkowitz, *supra* note 1, at 1660. See also, Mark A. Lemley, *The Modern Lanham Act and the Death of Common Sense*, 108 YALE L. J. 1687, 1688 (1999) (describing the state of trademark law immediately prior to the new millennium and lamenting the movement of trademark law away from its “traditional economic moorings”).

5. Welkowitz, *supra* note 1, at 1689 (“Several of the Justices may be concerned that Congress is beginning to reach the boundaries of its enumerated powers. Although the Commerce Clause gives Congress broad power to regulate, the existence of a specific power to regulate intellectual property [identified by Welkowitz as including only patent and copyright law. See *id.*], a power that only allows rights for “limited times,” and that impliedly contains other limitations, may be viewed as an implicit limit on Congress’s power to expand the scope of trademark rights.”).

6. See *id.* at 1687-90.

7. *Id.* at 1687-88. Perhaps inadvertently, Professor Welkowitz enters the fray about whether intellectual property is really “property,” by labeling patent and copyright law as “the real intellectual property doctrines.” *Id.* at 1678-79. For details about the debate whether intellectual property is “property,” see Timothy J. Brennan, *Copyright, Property and the Right to Deny*, 68 CHI.-KENT L. REV. 675 (1993); Stephen L. Carter, *Does It Matter Whether Intellectual Property Is Property?*, 68 CHI.-KENT L. REV. 715 (1993); Anupam Chander, *The New, New Property*, 81 TEX. L. REV.

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copyright law, which were specifically designed to protect defined proprietary interests, trademark law was designed to protect consumers and prevent unfair competition.⁸

In the remainder of this comment, I explore another possible explanation for the Supreme Court's renewed interest in trademark law or, even if it is not, one I hope all courts consider when they decide trademark cases: the impact that the improper application of trademark law has on small and fledgling businesses. If the United States is truly a country that values free competition and wants to encourage the development of new businesses—many with new and innovative ideas—it must reduce the barriers to entry that an expansive view of trademark law erects. While many businesses innovate and create works of authorship and, therefore, should be aware of the potential benefits of copyright and patent law, all businesses need a name and identity. Thus, of the three intellectual property doctrines (four including trade secret law), trademark law is the one that is most likely to immediately and directly affect small businesses and fledgling entrepreneurs.

The barriers to entry posed by an expansive view of trademark law can take several forms. Most simply, when trademark law is applied too broadly the number of available marks is diminished and the transaction costs associated with finding an available mark increase.⁹ For an unsophisticated entrepreneur who proceeds to

715 (2003); Wendy J. Gordon, *On Owning Information: Intellectual Property and the Restitutionary Impulse*, 78 VA. L. REV. 149 (1992); and Lawrence Lessig, *The Architecture of Innovation*, 51 DUKE L.J. 1783 (2002). See also 1 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 2:14 (4th ed. 2003) [hereinafter MCCARTHY]. In so doing, I believe that he illuminates the need of lawyers, courts and many intellectual property scholars to stop focusing so much on labels and start looking instead at the underlying purpose of the various intellectual property doctrines.

The problem with the label “intellectual property” is that it inappropriately conjures up real and personal property concepts that should not be applied to patent, copyright, trademark or trade secret law by rote. By identifying a dividing line between patents and copyrights on the one hand and trademarks on the other, albeit while still using the oft-misunderstood “intellectual property” moniker, Professor Welkowitz highlights a critical distinction between the doctrines. Patent and copyright law was designed to encourage innovation and creativity by protecting the resulting inventions and works of authorship for a limited time. Trademark law, on the other hand, was not designed to protect a proprietary right but was designed to prevent unfair competition and protect consumers. Welkowitz, *supra* note 1, at 1678.

8. Welkowitz, *supra* note 1, at 1678.

9. For a recent account of the consequences of the lack of available names, see James Glieck, *Get Out of My Namespace*, N.Y. TIMES MAGAZINE, Mar. 21, 2004, at

open a business unaware of the details of trademark law, the lack of available marks engenders a greater risk that he will select a name that is already in use by another company and be forced to change the name in the early stages of his new business. Upon receipt of a cease-and-desist letter, the fledging entrepreneur will either hire an attorney to help resolve the matter or voluntarily change the name of his business. Because many small-business owners harbor the view that attorneys are too expensive and tend to identify more problems than they solve, the name change option is frequently seen as the least costly alternative. However, even without hiring an attorney, recourse to the name change option may entail expensive re-signage and printing costs. It will also entail the loss of whatever goodwill the new business owner gained during the initial stages of his business.¹⁰ Moreover, in order to avoid similar claims of trademark infringement by other companies based on the “new” name, the business electing to change its name is well-advised to incur costs for a trademark search.¹¹

For a sophisticated entrepreneur who prepares a business plan and understands the potential importance of trademark law to the future success of his business, the expansive application of trademark law means that the costs associated with the selection, clearance, and registration of a mark are heightened. When an attorney is hired to assist a business in the selection of a trademark, such costs typically include a preliminary search of online databases and, if the preliminary search fails to identify a potential conflict, may include a detailed search conducted by a professional search company.¹² Once a search report is obtained, a business is likely to spend hundreds of dollars to have the search report analyzed by a trademark attorney. If this analysis reveals that a mark is unavailable—a more likely proposition when trademark principles are applied broadly—the whole process of selecting a mark and

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10. In trademark parlance, “goodwill” refers to the source identifying function of a mark that, over time, can become stronger and more valuable. 1 MCCARTHY, *supra* note 7, §§ 2:15-2:17.

11. *See infra* notes 14-18 and accompanying text.

12. For more information on the trademark selection and clearance process, see 1 JAMES E. HAWES & AMANDA V. DWIGHT, TRADEMARK REGISTRATION PRACTICE, ch. 2 (2003) [hereinafter HAWES & DWIGHT]. The total cost of both a preliminary and professional search can easily exceed \$1000 per proposed mark. Depending upon the level of complexity, the scope of the search and the required turn-around time, the cost of a professional search by a company like Thomson & Thomson ranges from \$485 to \$1920 per mark.

conducting a trademark search must begin anew.

When a search report indicates that a mark is available for use, most trademark attorneys recommend that their clients file an application to register the mark with the United States Patent and Trademark Office.¹³ A business that hires a trademark attorney to assist it to register its marks should expect to spend in excess of \$1000 per mark for the service.¹⁴ If a business elects to register a mark without the aid of an attorney, it will spend at least \$335 per mark, plus the value of the time needed to prepare a trademark application.¹⁵ If a small business chooses not to register its mark, it can still acquire common law trademark rights based upon the extent of its actual use of the mark.¹⁶ However, the decision to rely on common law protection may prove costly to the small-business in the long run if such rights are unappreciated by other companies that wrongly assert they have superior rights.¹⁷ When these other companies bring a lawsuit and obtain either a capitulation from the small-business owner or an injunction from a court, the small business inevitably suffers loss of goodwill and a costly name change.

13. See 1 HAWES & DWIGHT, *supra* note 12, §§ 1.7-1.10. The cost to prepare and file the application, including the filing fee charged by the United States Patent and Trademark Office, will run anywhere from \$500 to multiple thousands of dollars depending upon a number of factors, including the number of classes in which registration is sought, whether the application is based on use or an intent to use, and the nature of the mark.

14. This figure is based upon projected costs for a professional trademark search of between \$300 and \$600, the \$335 fee currently charged by the United States Patent and Trademark Office (*see infra* note 15) for filing a trademark application for a single trademark class, and anticipated professional fees for attorney or paralegal time of at least \$350.

15. This figure represents the current fee, per class, for filing a trademark application with the United States Patent and Trademark Office. See United States Patent and Trademark Office, USPTO Fees—FY 2004, <http://www.uspto.gov/web/offices/ac/qs/ope/fee2004apr01.htm> (last visited July 8, 2004).

16. 2 MCCARTHY, *supra* note 7, § 16:1 and HAWES & DWIGHT, *supra* note 12, § 1.7.

17. Pursuant to principles of United States trademark law, the first or “senior” user of a mark will prevail over the subsequent or “junior” user of the same or similar mark even if the junior user registered its mark first. 2 MCCARTHY, *supra* note 7, §§ 16:4, 16:18.1. Additionally, pursuant to the principle of concurrent use, it is possible for two or more users of the same or similar marks to acquire common law rights in such marks and use them concurrently without infringing the rights of others provided that such usage is in geographically remote territories. 4 MCCARTHY, *supra* note 7, § 26:2 (explaining the “*Tea Rose-Rectanus* doctrine” of United States trademark law).

Given the costs and uncertainty associated with the selection of a business name, many small businesses, consciously or unconsciously, adopt a strategy of avoidance. They either proceed with their choice of business name under the theory that they will deal with any problems that arise at a later date or they will select a name that is not inherently distinctive.¹⁸ Theoretically, since marks that are not inherently distinctive are not protectable unless and until they acquire “secondary meaning,” by selecting a “weak mark” small-business owners are exposed to less risk of infringing the trademark rights of others.¹⁹ Additionally, to the extent other companies have established secondary meaning with respect to their use of such marks, there is arguably more leeway for new businesses to use the same or similar marks in conjunction with different goods or services.²⁰ Obviously, the strategy of selecting a weak mark in order to avoid potential infringement claims is of little value if trademark law is applied expansively to provide broad protection for such marks.

While it is tempting to dismiss the foregoing costs as “the costs of doing business,” when trademark law is applied too expansively, such costs not only go up but they also have a greater impact on

18. As Justice Scalia explained, “a mark is inherently distinctive if ‘[its] intrinsic nature serves to identify a particular source.’” *See Wal-Mart Stores, Inc. v. Samara Bros., Inc.*, 529 U.S. 205, 210 (2000). In other words, inherent distinctiveness is a term of art that focuses attention on the source identifying function of a mark. If a mark immediately conveys that it represents the source of goods or services, then it is said to be inherently distinctive. 2 MCCARTHY, *supra* note 7, §§ 11:2-11:4. If a mark does not immediately convey the source of goods or services, then it is not inherently distinctive and cannot be protected without proof that it has acquired distinctiveness. *Id.*

19. *See* Kenneth L. Port, *The Illegitimacy of Trademark Incontestability*, 26 IND. L. REV. 519, 533 (1993) (explaining the practical significance of weak marks) (“[i]f a plaintiff must show that its mark has attained secondary meaning because the plaintiff’s mark is weak, an infringing defendant has a much better success on the merits.”). *See also* *Brennan’s, Inc. v. Brennan’s Rest.*, 360 F.3d 125, 132 (2d. Cir. 2004) (denying trademark holder’s motion for preliminary injunction during pendency of the suit because the holder’s use of a common last name was inherently weak).

20. *See* 2 MCCARTHY, *supra* note 7, § 11:6 (describing the importance of a “strong” mark and, by implication, the inherent problems of “weak” marks) (“Being a ‘strong’ mark has significance, in that the mark will then be given an expansive scope of judicial protection into different product or geographical markets and as to more variations of format.”). *But see* 2 MCCARTHY, *supra* note 7, §§ 11:79-11:83 (discussing the strong-weak distinction and noting a difference between conceptual strength [based upon placement of a mark on the trademark continuum] and market strength [based upon the extent, nature and length of use of a mark]).

small businesses. This is because the costs to create, select and clear proposed marks will constitute a significant proportion of a new entrepreneur's start-up costs.²¹ In contrast to small businesses, large companies often have the marketing and legal personnel needed to address the myriad legal issues that trademark law presents. Even where small businesses have the resources to hire outside counsel to assist them with their trademark needs, the "gray areas" that result from an expansive view of trademark law make it much more time-consuming and difficult for legal counsel to determine whether a proposed mark can be used without risk of infringement.²² In fact, the task is often so uncertain that many lawyers will not give formal legal opinions of non-infringement, and those who do undoubtedly charge a lot of money for the opinion.²³

The Supreme Court's recent trademark cases present a number of factual scenarios where there is a risk that trademark law will be misapplied in a way that stifles competition. In *Wal-Mart*, the Court examined the risks associated with the incorrect application of the principle of inherent distinctiveness.²⁴ In *Traffix*, the Court considered the question whether trademarks should be recognized for product features that were once protected by patent law and the risk that trademark law might be used to protect a product feature that has already entered the public domain.²⁵ While *Moseley* primarily involved the proper interpretation of the Federal Trademark Dilution Act, more generally it explored the

21. This point can be easily illustrated with the following hypothetical. Suppose a small business has anticipated start-up costs of \$10,000. If it spends \$1000 for trademark advice and counsel, a full ten percent of its start-up costs are dedicated to the selection of a trademark. A larger company with a start-up budget of \$1 million, although likely to engage in a more sophisticated trademark selection process, is unlikely to budget \$100,000 for such purpose. Even if such company expends \$10,000 for trademark advice and counsel, such amount is only one percent of its start-up budget.

22. See 1 HAWES & DWIGHT, *supra* note 12, § 2.12 ("Evaluating trademark searches is an art. As with so many other areas of law, there are significant uncertainties inherent in it.")

23. While I was in private practice I would give advice to clients about how to select and protect their trademarks and provide my views on potential infringement problems, but I would not give a formal opinion of non-infringement. This was due in large part to the American Bar Association standards on legal opinions. My trademark clients, many of them small-business owners, were unwilling and unable to pay for the level of due diligence that is required before a formal opinion can be rendered.

24. *Wal-Mart Stores, Inc. v. Samara Bros., Inc.*, 529 U.S. 205, 211-13 (2000).

25. *Traffix Devices, Inc. v. Mktg. Displays, Inc.*, 532 U.S. 23, 30-32 (2001).

circumstances under which the owners of “famous marks” can successfully enjoin the activities of companies that have, admittedly, not infringed their marks.²⁶ The *Dastar* Court was asked to determine whether the term “origin” as used in the Lanham Act²⁷ should be interpreted to mean the original creator of the work or, more narrowly, the manufacturer of the underlying good.²⁸

As noted by Professor Welkowitz, the Supreme Court in each of the foregoing cases expressed concern about the anticompetitive effects of an expansive interpretation and application of trademark law.²⁹ Perhaps the best evidence that the court may want to position itself as the defender of small business is the reference in *Wal-Mart* to the “plausible threats of suit against *new entrants*.”³⁰ Clearly, the Supreme Court understands that consumers are harmed not only by the use of confusingly similar trademarks but also by the extension of trademark law in a manner that creates greater barriers to competition. Moreover, *Wal-Mart* is not just about the importance of appropriately limiting the scope of trademark law so it does not unduly stifle competition; it is also about the consequences of failing to apply a correct conception of the law at the right point in time.³¹ Due to the high costs of trademark litigation, post-trial is too late in time for most small businesses to establish that no infringement has occurred. To

26. *Moseley v. V Secret Catalogue, Inc.*, 537 U.S. 418, 433-34 (2003).

27. The “Lanham Act” is the popular name for the federal law governing trademarks. It was adopted in 1946 and has been subsequently amended on a number of occasions. See Lanham Trademark Act of 1946, ch. 540, 60 Stat. 427 (codified and amended at 15 U.S.C.A. §§ 1051-1127, 1141 (2000)).

28. *Dastar Corp. v. Twentieth Century Fox Film Corp.*, 123 S. Ct. 2041 (2003).

29. Welkowitz, *The Supreme Court and Trademark Law*, *supra* note 1, at nn.103, 113, 135 and 159, and accompanying text.

30. *Wal-Mart Stores, Inc. v. Samara Bros., Inc.*, 529 U.S. 205, 213 (2000) (“Consumers should not be deprived of the benefits of competition with regard to the utilitarian and esthetic purposes that product design ordinarily serves by a rule of law that facilitates the plausible threats of suit against new entrants based upon alleged inherent distinctiveness.”).

Of course, it is ironic to suggest that the Supreme Court has become the defender of small-business interests when the defendant in the *Wal-Mart* case was the largest retailer in the United States. However, the trademark principles that the court sets down apply to all users of trademarks, large and small. Moreover, if the subject market in *Wal-Mart* is defined narrowly as the market for seersucker dresses, rather than the market for clothing generally, then Wal-Mart can more easily be seen as a “new entrant.”

31. *Id.* at 214 (“Competition is deterred, however, not merely by successful suit but by the plausible threat of successful suit, and the unlikelihood of inherently source-identifying design, the game of allowing suit based upon alleged inherent distinctiveness seems to us not worth the candle.”).

address this concern, Justice Scalia suggests the need for more bright-line tests.³²

There are several other likely factual scenarios under trademark law—not yet examined by the Supreme Court in the new millennium—that can stifle the ability of small-business owners to compete. The first is where trademark rights are recognized in marks that are not protectable without proof of secondary meaning.³³ This includes situations where a mark is found to be protectable or registerable even though, in the language of the Lanham Act, it is “descriptive,” “primarily merely a surname,” or “primarily geographic.”³⁴ The second scenario is where the geographic or market scope of trademark rights are broadly interpreted to include areas that are not obvious from the actual use of a mark or from the description of use contained in a trademark registration.³⁵ For instance, a company that uses its trademark only in Northern California is said to have rights throughout California, or a company that uses a mark on bicycles is said to have the right to prohibit the use of the same mark on dolls. The third set of cases are those in which the plaintiff’s trademark rights are applied not only to prevent the use of the identical mark, but also to prevent the use of a mark that is found to be “similar.”³⁶

Entrepreneurs and small-business owners rightly should be expected to check their local phone book, the Internet, and the trademark database of the United States Patent and Trademark Office to determine whether another company is already using the same mark on its goods and services. However, they cannot be expected to understand and apply the intricate and highly fact-specific analysis that is required when trademark law is extended beyond its obvious contours.³⁷ In other words, while fledging

32. *Id.*

33. See 15 U.S.C. § 1052 (a) through (e) (2000) (listing the types of marks that cannot be registered) and § 1052 (f) (listing the types of marks that, although not immediately registerable, can be registered upon proof of acquired distinctiveness (otherwise known as “secondary meaning”).

34. 15 U.S.C. § 1052 (e)(1), (e)(2) and (e)(4) (2000).

35. See generally 4 MCCARTHY, *supra* note 7, ch. 24 (describing situations where infringement is alleged with respect to the use of a mark on related but non-competitive goods) and ch. 26 (explaining the territorial extent of trademark rights.)

36. *Id.*, 4 MCCARTHY, *supra* note 7, ch. 24.

37. By “obvious contours” I mean the law of trademark that a small-business person of reasonable intelligence, or even an attorney who does not specialize in trademark law, might be able to glean from a reading of the actual text of the

entrepreneurs and small-business owners can be expected to understand that their use of “McDonald’s” for a hamburger restaurant is not permissible under United States trademark law, it is unrealistic to require Mr. McDonald to know that the opening of his “McDonald’s Shoe Store” might violate both trademark and trademark dilution principles.³⁸

While the courts in cases that apply trademark law broadly may take solace in the fact that they are protecting the plaintiff’s “property” or “proprietary rights” every time they interpret and apply trademark law in a way that expands the scope of the plaintiff’s rights, the courts effectively increase the barriers to entry. But it is not just the monetary costs that should concern the courts and policy makers. They should also be concerned that an expansive application of trademark law will dampen the entrepreneurial spirit by making the process of starting a new business, including the seemingly simple task of selecting a name and domain name, more difficult. One need only sit across the table from an inventor, an artist, or an entrepreneur and discuss their ideas and plans to understand what I mean. A lot of what makes the United States economically strong is the entrepreneurial spirit of its people—the drive to work hard, create, and innovate and the ability to dream of a new and better future. For many people, that dream is grounded in a desire to start their own business.

By expressing my concerns about the plight of small business in selecting a business name, I do not mean to suggest that courts should always err on the side of the defendant in trademark cases. As noted above, small businesses are also adversely affected by the application of trademark law in a manner that does not recognize their legitimate common law rights. Instead, I am suggesting that courts and the United States Patent and Trademark Office should be particularly careful to appropriately define the scope of trademark rights in cases where a plaintiff or trademark applicant seeks to establish rights beyond the obvious boundaries of trademark law. Specifically, when presented with a mark that is not

Lanham Act, particularly a reading of 15 U.S.C. § 1052.

38. It is also unrealistic to expect the small-business person to go through the time, trouble, and expense of searching the trademark registration records of foreign governments, even though the United States’ adherence to the priority rules of the Paris Convention for the Protection of Industrial Property (*see* Article 4) suggests that they do so.

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inherently distinctive, they should be reticent to recognize broad trademark rights.

Congress should also get involved to help rebalance trademark law for the benefit of both consumers and small-business owners. As it has been suggested elsewhere, Congress can begin by repealing the rule of “incontestability” of trademarks or, at the very least, by precluding the application of such rule to non-inherently distinctive marks.³⁹ It might also consider doing away with the principle that allows non-inherently distinctive marks to be protected once they acquire secondary meaning.⁴⁰ In this way, businesses would be required to take more care to select truly distinctive marks and small businesses that did not wish to incur such expense could more safely and easily pursue the strategy of avoidance I describe above. If Congress is unwilling to prohibit the registration of non-inherently distinctive marks altogether, it might consider doing away with the presumption of validity that attaches to the registration of such marks.⁴¹ By imposing the initial burden of proof on the issue of the existence of a valid trademark on the plaintiff, small businesses that are a party to a weak claim of trademark infringement may be able to prevail more easily and earlier.

CONCLUSION

In the quest to encourage innovation and creativity and ensure that the industries of the new millennium succeed, it seems that the scales of intellectual property law have gotten out of kilter. The United States Congress, courts and many commentators are so focused on the “investment” that individuals and companies make to develop and market trademarks, to engage in research and development, and to produce works of authorship that they seem to have forgotten there are other interests to consider. Most importantly, for a society that values free trade and touts the benefits of a free market, they have forgotten that intellectual

39. Port, *supra* note 19 (arguing that the concept of incontestability that is contained in the Lanham Act has altered the traditional scope of trademark protection and should be repealed).

40. As noted by Thomas McCarthy, the practice of allowing trademark rights in non-inherently distinctive marks to be acquired over time upon proof of “secondary meaning” is a fairly new feature of United States trademark law. 2 MCCARTHY, *supra* note 7, § 16.34. If businesses survived without such a rule in the past, presumably they can survive without such a rule in the future.

41. See 15 U.S.C. § 1057(b) (2000).

property is one of the biggest impediments to both. Moreover, for a free market economy that touts the benefits of entrepreneurship and laments the failure of small businesses, they appear not to recognize that one of the largest constituencies to be adversely affected by strong intellectual property rights is small business.

Given the big names that were involved in the four cases before the Supreme Court in the new millennium—*Wal-Mart*, *Victoria's Secret*, *Twentieth Century Fox*—it is easy to forget about the small-business person, but I don't think the United States Supreme Court has forgotten. The concerns that the Court expressed in its recent trademark cases, as Professor Welkowitz so succinctly describes, may mean that the Court sees a role for itself as a defender of consumer and small-business interests. Since Congress has yet to accept such a role, I am glad that someone understands that there is more to trademark law than the "property rights" banter of large intellectual property rights holders.