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READING TRADEMARK TEA-LEAVES AT THE SUPREME COURT

GRAEME B. DINWOODIE*

I. READING TEA LEAVES

Many law schools have annual conferences reviewing the past term of the US Supreme Court, analyzing what might be called “constitutional rulings,” when the court declares the meaning of fundamental constitutional texts.

But SCIPR requires speakers to approach things a little differently. That is to say, those of us working in the intellectual property field have to assess the Court’s rulings as *the apex federal court of the United States* a little differently from the way in which one might analyze the rulings of the Court as a *constitutional* court.

Why, you might ask, is the task different for those of us in intellectual property law – or, at least, trademark law? Well, this arguably results from the way that the current Supreme Court approaches and decides trademark cases. I will explain more what I mean by that in a moment.

But to highlight why this might be so, consider this possible contrast between reviewing the Court’s constitutional rulings, on the one hand, and its trademark rulings on the other.

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I suspect that many critics of the Court's recent constitutional jurisprudence fear, for example, that the Court knew **exactly** what it was doing to the availability of a full set of reproductive health choices for women when it handed down *Dobbs v. Jackson Women's Health Organization*¹

But one complaint in the trademark context might be exactly the opposite. That is to say, we fear the Court may have **no clue** what it's doing to trademark law. And, worse, perhaps it doesn't even much care.

Of course, I am being provocative. I have no doubt that all the Justices *do* care about what they are doing when they decide trademark cases. I just don't think it is **trademark law** that they care about.

They might care about the judicial role, or the proper approach to statutory interpretation. And indeed, there are those of the "balls and strikes" school of interpretation, who might think that that is entirely appropriate. Congress, they might claim, has enacted the Lanham Act and the Court's role is simply to interpret it, whatever that means.

If this complaint were correct, it might simply parallel what Prof. Shyam Balganesh recently called "The Institutional Turn in Supreme Court Copyright Jurisprudence."² Shyam suggests that, of late, the Court has focused less directly on resolving substantive copyright doctrine, and has instead stressed its role as faithful implementer of the Copyright Act and the respective roles of the courts and the legislator in developing copyright law.

Regardless of whether that is appropriate in the copyright context, the equivalent choices made by the Court in trademark law have not been helpful. To be sure, a *real* engagement with "the respective roles of the courts and the legislator" might alert the Court to the unique conceptual character of the Lanham Act, and to the historical relationship between trademark and unfair competition law. But the Court's textualism seems to have become ascendant, with an implicit and unexamined assumption of legislative supremacy. This has displaced any serious attempt to engage with bigger picture questions. Yet, I will argue that if the Court were more alert to the substantive principles of trademark law, to the broader conceptual questions into which it has been potentially wading of late, and to the nature of the statute, it could find the space to provide much more helpful guidance to lower courts than we are seeing at present.

Of course, historically, there *are* cases where the Court *has* been alert to the subtleties of trademark law. An early example is the *Trade-Mark Cases* in 1879,³ which situates trademark law in the broader intellectual property eco-system by reference to the essential character of marks. But that was a case where the Court *was* acting as a *constitutional* court, striking

1. *Dobbs v. Jackson Women's Health Org.*, 142 S. Ct. 2228 (2022).

2. Shyamkrishna Balganesh, *The Institutional Turn in Supreme Court Copyright Jurisprudence*, 2021 SUP. CT. REV. (forthcoming 2022), <https://ssrn.com/abstract=3842276>.

3. *The Trade-Mark Cases*, 100 U.S. 82 (1879).

down the 1870 Trademark Act as beyond Congress's Article I powers. Recent examples are, shall we say, harder to find.

The point was brought home to me when I was reading an article in the current issue of the Trademark Reporter by Professor Tom McCarthy, which was a retrospective on trademarks fifty years after the publication of Tom's groundbreaking treatise. Professor McCarthy wrote as follows:

Supreme Court trademark decisions are not like the Court's groundbreaking decisions on constitutional issues that grab the headlines of mainstream media. Few, if any, Supreme Court trademark cases have had this kind of significant impact and lasting influence. Almost all have involved relatively peripheral issues, and in those cases the decisions have made only marginal changes in the law.⁴

I agree with Professor McCarthy's basic point that Supreme Court decisions in trademark law are different from big decisions on constitutional issues. But they *do* often have the potential to effect change in the law – just via a different dynamic than decisions of a constitutional nature.

With momentous constitutional decisions, the justices are aware of the bigger constitutional picture within which particular decisions operate; indeed, they frequently advert to them in argument and in opinions. And the Supreme Court will often revisit, refine and amplify its constitutional rulings as lower courts apply, implement, subvert or over-read them.

In contrast, in its trademark rulings the Court tends to issue really narrow decisions, apparently reluctant to engage with broader questions and systemic implications. And the Court is, albeit with some notable exceptions, less likely to revisit the same trademark issue over time to provide ongoing guidance to the lower courts.⁵ So it is up to lower courts to develop solutions to new trademark problems in a more ground-up fashion, weaving together the theory and the doctrine in the ongoing context of single cases randomly presented to them.

I don't know whether the Supreme Court's myopia is a function of the increasing politicization of the federal judicial appointment process, with the elevation of big public law issues as the determinants of confirmation. Appointment to the federal bench rarely turns on knowing the jurisprudential character of the Lanham Act, though I suspect that nominees are well-advised to cram on *constitutional* issues as though they are back at law school.

Parenthetically, I should note that there *are* trademark decisions other than the *Trademark Cases* in 1879 that are *also constitutional* decisions.

4. J. Thomas McCarthy, *Commentary: Fifty Years of McCarthy on Trademarks*, 113 TMR 702, 710 (2023).

5. For exceptions, consider the trade dress trilogy of *Two Pesos*, *Qualitex* and *Wal-Mart* within the same decade. More recently, and even more compressed, there is *Tam*, *Brunetti* and *Elster*, each considering First Amendment challenges to different provisions of Section 2 that provided a basis to deny trademark registration.

And in his article Professor McCarthy exempts from his observation both *Tam*⁶ and *Brunetti*,⁷ cases where the Court has in the last few years struck down certain statutory bars to trademark registration as violations of the First Amendment.

To my mind, the opinions in both *Tam* and *Brunetti* are equally myopic, despite their constitutional pedigree, and decided without regard to the bigger trademark picture. They tell us close to nothing about the outcome of more substantial free speech challenges to the Lanham Act likely to arise soon. But that's for the afternoon panel on the *Elster*⁸ case, and I look forward to that discussion.

Bottom line, however: as a result of this different dynamic, trademark lawyers and scholars try to discern meaning about the direction of trademark law from opinions written without any obvious concern for the direction of trademark law. We are left to find meaning from reading the tea leaves of the Court's trademark judgments, which might be more fun but also involves more guesswork. But that is what I am going to try to do in the rest of my remarks.

II. TRADEMARK CASES BEFORE THE ROBERTS COURT

The Roberts court has decided between 10-12 Lanham Act cases. I don't have time to read the tea leaves of that entire body of case law. And in any event, it is rare for the character of a Court's decisions to transform overnight with the change of Chief Justice. Thus, if the Roberts Court had taken many substantive trademark cases in its early years – which it didn't – one might have expected it to remain reflective of the Rehnquist Court's approach, which (with some over-generalizing) was largely characterized by a concern for competition, even in decisions which were pro-trademark owner.⁹

And, perhaps most importantly, insofar as some of my remarks will focus on methodological shifts in the Court, these may have been cemented most by the most recent appointments, and thus might only be reflected in the most recent decisions. The principal focus of my remarks will be the two decisions handed down in June of this year in *Jack Daniel's*¹⁰ and *Abitron*,¹¹ as well as the 2020 *Booking.com*¹² decision, although I will refer in passing to other recent cases.

6. *Matal v. Tam*, 582 U.S. 218 (2017).

7. *Iancu v. Brunetti*, 139 S. Ct. 2294 (2019).

8. *Vidal v. Elster*, No. 22-704, *cert granted* 143 S.Ct. 2579 (U.S. Jun. 5, 2023).

9. See Graeme B. Dinwoodie, *The Seventh Annual Honorable Helen Wilson Nies Memorial Lecture on Intellectual Property Law: The Trademark Jurisprudence of the Rehnquist Court*, 8. INTELL. PROP. L. REV. 205 (2004).

10. *Jack Daniel's Props., Inc v. VIP Prods. LLC*, 143 S. Ct. 1578 (2023).

11. *Abitron Austria GmbH v. Hetronic Int'l, Inc.*, 600 U.S. 412 (2023).

12. *U.S. Pat. and Trademark Office v. Booking.com B.V.*, 140 S. Ct. 2298 (2020).

III. METHODOLOGICAL APPROACHES TO TRADEMARK LAW

The Court's methodological approach to cases involving the Lanham Act inevitably reflects the broader trends in approaches to statutory interpretation. And we see that in the Court's trademark cases, which have seen increased resort to textualism.

Textualism is not new in the Court's recent trademark opinions of course. Justice Stevens' opinion in the trademark dilution case, *Moseley v. V Secret Catalogue*,¹³ in 2003 is an example of textualism playing a big role with the Rehnquist court. I thought the *Moseley* Court's comparison of the language in the state and federal legislation to be an unimaginative analysis of what Congress was up to in enacting dilution protection. But the case for textualism arguably is stronger in interpreting a form of augmented protection that upended common law principles of trademark law and which was almost wholly dependent upon Congressional enactment.

But there is a sense that this approach is becoming more dominant in the Court's reasoning. Justice Gorsuch's treatment in *Romag Fasteners, Inc. v. Fossil Group, Inc.*¹⁴ in 2020 is one recent example. OK, in the category for "most unhelpful use of textualism by the Supreme Court in a recent IP case," it doesn't hold a candle to Justice Thomas in his *Star Athletica*¹⁵ copyright opinion.

But *Romag* is up there. Justice Gorsuch's claim that "the place for reconciling competing and incommensurable policy goals [surrounding willfulness] . . . is before policymakers" and that as a result "this Court's limited role is to read and apply the law those policymakers have ordained, and here our task is clear,"¹⁶ was astounding to anyone who had read the tortured splintering of prior circuit court opinions. It prompted Prof. Tom Cotter (one of the most mild-mannered Midwesterners you will ever find) to comment on his blog that "to say I am disgusted [with the analysis] would be an understatement."¹⁷

Justice Gorsuch is of course unlikely to change his spots. In his *Jack Daniel's* concurrence three months ago, joined by Justices Thomas and Barrett, he dangled the Sword of Damocles over what remained of the *Rogers* test after Justice Kagan had already limited its scope, by commenting that "we necessarily leave much about *Rogers* unaddressed. For example, it is not entirely clear where the *Rogers* test comes from—is it commanded by

13. *Moseley v. V Secret Catalogue*, 537 U.S. 418 (2003).

14. *Romag Fasteners, Inc. v. Fossil Grp., Inc.*, 140 S. Ct. 1492 (2020).

15. *Star Athletica, LLC v. Varsity Brands, Inc.*, 580 U.S. 405 (2017).

16. *Romag*, 140 S. Ct. at 1497.

17. Thomas F. Cotter, *U.S. Supreme Court: Willfulness Is Not Required for an Award of Profits for Trademark Infringement*, COMPARATIVE PATENT REMEDIES (Apr. 23, 2020), <https://comparativepatentremedies.blogspot.com/2020/04/us-supreme-court-willfulness-is-not.html> [<https://perma.cc/5U7X-8WQ7>].

the First Amendment, or is it merely gloss on the Lanham Act, perhaps inspired by constitutional-avoidance doctrine?”¹⁸

Maybe there is an opening there? Perhaps “glosses” will pass muster? I doubt it. Congress doesn’t enact glosses any more than it passes intentions. Perhaps the First Amendment will provide a sandbox in which a constitutional court might feel more comfortable with being expansive?

But the majority opinion by Justice Kagan in *Jack Daniel’s* doesn’t give me a lot of comfort that the Court sees the unique First Amendment issues presented by trademark law. And when deciding the constitutional issues in *Tam* and *Brunetti*, the Court seemed unable to go beyond the existing structure of its free speech jurisprudence and appreciate that trademark law is by its very essence and purpose a content-specific regulation. Perhaps a more open constitutional mind, such as that exhibited by Justice Breyer in his *Brunetti* opinion, would have helped.

So would a trademark-conscious analysis such as that offered by Professors Christine Farley and Rebecca Tushnet in their amicus in *Tam*.¹⁹ The suite of options available to the Court to resolve the speech question raised by denials of registration in *Tam* and *Brunetti* would have been helped by a fuller engagement, first, with the essential character of trademark law as a device to exclude particular forms of speech, and, second, with possible parallel unfair competition claims under Section 43(a).

Textualism is also dominant in the Court’s other 2023 decision, *Abitron v. Hetronic*: As Justice Alito explained,

[T]his conclusion [about the extraterritorial scope of the Act] follows from the text and context of [Sections 32 and 43]. Both provisions prohibit the unauthorized “use in commerce” of a protected trademark . . . Under step two of our extraterritoriality standard, then, “use in commerce” provides the dividing line between foreign and domestic applications of these Lanham Act provisions.²⁰

Actually, that textual reference alone wasn’t sufficient to answer the question before the Court. For that, Justice Alito also had to overlay the statute with parsing of dicta from prior Supreme Court decisions on extraterritoriality of other federal statutes. After performing that task, Justice Alito, for five justices (though Justice Jackson appears from her concurrence a very reluctant, and perhaps late-acquired, fifth vote) concluded that “The ultimate question regarding permissible domestic application turns on the location of the *conduct* relevant to the focus. And the conduct relevant to any focus the parties have proffered is infringing *use* in commerce, as the Act

18. *Jack Daniel’s Props., Inc. v. VIP Prods. LLC*, 143 S. Ct. 1578, 1594 (2023).

19. Brief of Law Professors as Amici Curiae in Support of the Petitioner, *Matal v. Tam*, 582 U.S. 218 (2013) (No. 15-1293).

20. *Abitron Austria GmbH v. Hetronic Int’l, Inc.*, 143 S. Ct. 2522, 2531 (2023).

defines it.”²¹ Justice Sotomayor for the other four justices, and perhaps initially Justice Jackson, thought that the statute could reach domestic effects, which I think is a clearly preferable position.

As a practical matter, Justice Alito’s distinction between conduct and effects seeks to draw a line that’s not actually that helpful after about 1925, and certainly not in 2023. As the 2001 WIPO Joint Recommendation on Use on the Internet²² noted, where use of a mark on the Internet is deemed to occur should take into account whether the use of the sign had a “commercial effect” in the state in question. Avoiding that question by declaring that “confusion is not a separate requirement [of trademark infringement, but] rather . . . simply a necessary characteristic of an offending use”²³ reveals a lack of awareness of how courts determine infringement in trademark cases, domestic and transborder. It is a long time (certainly pre-Lanham Act) since we focused on the nature of the defendant’s use without regard to effects.

Is the bareness of these rulings simply a function of the now dominant approach to statutory interpretation? I wonder whether it is that lawyers before the Court have internalized the narrowness of the Court’s methodology. As Justice Kagan said in 2015 (though she later recanted) “we are all textualists now.”²⁴ And certainly, one can understand the impulse of an advocate to advance the client’s case in language and method to which the Court will be receptive. So, there is a whole lot of textualism in the briefs submitted to the court and arguments made to the Court.

But I don’t think the current Court needs much help with its parsing of language. They have the dictionary method down cold. I do think they need help with understanding the bigger picture of trademark law.

Of course, one might say that my complaint about method is true of all current exercises in statutory interpretation. And that therefore all I am voicing is a standard critique of textualism.

But the Lanham Act is different than other statutes. It has been commonly recognized that the Lanham Act is a form of what Judge Leval has called a delegating statute, where legislatures recognize that they function together with courts in a law-making partnership.²⁵ This perception of law-making authority has historically allowed US courts substantial latitude for ongoing recalibration of trademark law.

Most trademark doctrines and rules have been developed by the courts, with an eye to ongoing legislative interventions, but only minimally

21. *Abitron*, 143 S. Ct. at 2527 (emphasis added).

22. WORLD INTELL. PROP. ORGANIZATION, JOINT RECOMMENDATION CONCERNING PROVISIONS ON THE PROTECTION OF MARKS, AND OTHER INDUSTRIAL PROPERTY RIGHTS IN SIGNS, ON THE INTERNET (2002).

23. *Abitron*, 143 S. Ct. at 2531.

24. Harvard Law School, *The 2015 Scalia Lecture: A Dialogue with Justice Elena Kagan on the Reading of Statutes*, YOUTUBE (Nov. 25, 2015), <https://www.youtube.com/watch?v=dpEtszFT0Tg>.

25. Pierre N Leval, *Trademark: Champion of Free Speech*, 27 COLUM J.L. & ARTS 187, 198 (2004).

constrained by them. And Congress has periodically indicated its satisfaction with this *modus operandi*, intervening surgically when unhappy with the trajectory of judicial lawmaking.

Thus, in *Two Pesos*, Justice Stevens' concurrence explicitly endorsed the judicial transformation of Section 43(a) beyond its original text because it was "consistent with the purposes of the statute" and had been endorsed in legislative history by Congress.²⁶ He noted that "Congress has revisited this statute from time to time, and has accepted the 'judicial legislation' that has created this federal cause of action."²⁷ Justice Breyer's opinion for the Court in *Qualitex*²⁸ was to similar effect.

Congress's recognition and adoption of judicial innovation in trademark law has not stopped. As late 2020 in the House Report on the Trademark Modernization Act, Congress declared that "in enacting this legislation, the Committee intends and expects that courts will continue to apply the *Rogers* standard to cabin the reach of the Lanham Act in cases involving expressive works."²⁹ Congress indicated that it saw *Rogers* as reflecting how the Lanham Act should properly operate to protect important First Amendment considerations.

That Congressional endorsement could have been relied to validate the judicial innovation of *Rogers*. Yet, in *Jack Daniel's* none of the opinions handed down referred to this very recent congressional endorsement of *Rogers*, even though it spoke directly to the musings that constituted Justice Gorsuch's concurrence. Nor was there a mention at oral argument, though it was cited in briefs (even there, in fewer than one might have expected).

This apparently confirms the suggestion advanced by Professor Mike Grynberg that broader changes in judicial methodologies may undermine the role of federal courts in such a trademark "law-making" partnership.³⁰

I was more hopeful than Mike, though with the benefit of hindsight, his fears have been borne out. Recent Supreme Court case law certainly suggests this, though even well-informed lower courts have for some years read the Lanham Act as the majority of the Supreme Court might well now do. For one example, consider the Second Circuit in *ITC v. Punchgini*, refusing to recognize a well-known mark doctrine in light of what it characterized (or mis-characterized) as the "comprehensive and frequently modified federal statutory scheme for trademark protection set forth in the Lanham Act."³¹

26. *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 776 (1992) (Stevens, J. concurring).

27. *Id.* at 783.

28. *Qualitex Co. v. Jacobson Prods. Co.*, 514 U.S. 159 (1995).

29. H.R. REP. NO. 116-645, at 20 (2020).

30. Michael Grynberg, *The Judicial Role in Trademark Law*, 52 B.C. L. REV. 1283, 1285 (2011). See also Michael Grynberg, *Things Are Worse Than We Think: Trademark Defenses in a Formalist Age*, 24 BERK. TECH. L.J. 897 (2009).

31. *ITC Ltd. v. Punchgini, Inc.*, 48d F.3d 135, 165 (2d Cir. 2007).

That characterization might well stand up if we are talking about the administrative processes surrounding registration. But the core trademark inquiries of distinctiveness and likely confusion are only barely treated in the statute. The doctrine in both areas arguably is in need of reconsideration. But there is no reason to think that those types of improvements can or should be effected by Congressional action alone, absent some indication by Congress that it is seeking to do so.

Let me turn now to two bigger picture conceptual questions that it would have been helpful for the Court to have considered in deciding its recent cases: the role of empiricism, and the relationship between trademark and unfair competition law. Then, I will conclude with a discussion of one issue that has already been spotted by some commentators in the tea leaves left behind by the recent *Jack Daniel's* and *Abitron* cases, namely, the question of “trademark use.”

The Role of Empiricism (especially surveys)

Over many years, trademark courts have tended to frame analysis of certain key issues as a largely descriptive or empirical endeavor. There are many reasons for why courts might like to view their task in these terms rather than transparently grappling with hard normative questions.³² But the approach carries the risk of turning over the entire adjudicative process to a single variable of consumer understanding, and to an inquiry that is potentially over-determined by the imperfect science of surveys. I would rather have decisions made through the imperfect art of judging.

In 2020, the Supreme Court in the *Booking.com* case held that a “‘generic.com’ term is a generic name for a class of goods or services only if the term has that meaning to consumers.”³³ As a result, a survey showing that 75% of respondents associated the term “booking.com” with a single reservation service rendered the mark protectible despite competitive fears raised in Justice Breyer’s dissent. Taken to its extreme, this approach holds open the possibility that marks can throw off the generic status through proof of secondary meaning, though some lower courts have disavowed this reading of the *Booking.com* opinion.³⁴

To find pushback to this approach requires reaching into the concurring and dissenting opinions in recent cases, and reading tea leaves quite creatively. Justice Breyer expressed appropriate doubt in his *Booking.com* dissent about the role of surveys in determining a term’s inherent meaning.³⁵

32. Graeme B. Dinwoodie, *Trade Mark Law as a Normative Project*, SING. J. LEG. STUD. 314 (2023) (forthcoming).

33. U.S. Pat. and Trademark Office v. *Booking.com*, B.V., 140 S. Ct. 2298, 2301 (2020).

34. See *Snyder’s Lance, Inc. v. Frito-Lay N. Am., Inc.*, 2021 WL 2322931, at *6 (W.D.N.C. June 7, 2021).

35. *Booking.com*, 140 S. Ct. at 2314 (Breyer, J. concurring).

Justice Sotomayor’s concurring opinion in the same case proffered that surveys “are [not] the be-all and end-all” in determining whether a mark is generic or descriptive.³⁶ Justice Sotomayor picked this up again in her concurrence in *Jack Daniel’s*, where she wrote “separately to emphasize that in the context of parodies and potentially other uses implicating First Amendment concerns, courts should treat the results of surveys with particular caution.”³⁷

Justice Sotomayor’s skepticism of surveys in *Jack Daniel’s* appears to stem largely from a concern that surveys would provide inadequate empirical assessments. But she also hints that allowing surveys to drive infringement analysis might flatten normative complexity.

Indeed, it is not clear how on remand the lower court in *Jack Daniel’s* should decide the infringement question. *Jack Daniel’s* might be thought to exacerbate the empirical fixation by making the multifactor test of likely confusion the sole vehicle for determining infringement in cases where the defendant has made use of the plaintiff’s mark as a mark. In *Rogers*, in contrast, the court had ignored the proffered confusion survey.

But it is unclear how lower courts might adapt the confusion test to validate expressive concerns. Lower courts will be under pressure to implement the policy purposes underlying *Rogers* in the application of the confusion test to an infringement case involving a defendant’s use of the plaintiff’s mark as a source-identifier. Justice Kagan noted that the confusion inquiry “is not blind to the expressive aspect of the Bad Spaniels toy.”³⁸ And she did highlight the role of summary dismissals.³⁹

To be sure, it might require some creative lawyering work to see this as a call for a far more normative assessment of likely confusion. But Justice Kagan did cite favorably in this context *Louis Vuitton v. Haute Diggity Dog*,⁴⁰ which has always struck me as more normatively grounded.

We need more explicit discussion of the normative basis of trademark law. I fear that a Supreme Court seeking to present itself as an umpire calling balls and strikes will not go there. Let’s hope, at least, that they allow the lower courts to do so.

The Bigger Picture: Trademarks and Unfair Competition

Within the scholarly literature in trademarks in the past few years, there has been renewed discussion of the relationship between registered trademarks and unfair competition. Historically, the Court had described

36. *Id.* at 2309 (Sotomayor, J. concurring).

37. *Jack Daniel’s Props., Inc. v. VIP Prods. LLC*, 143 S. Ct. 1578, 1593 (2023) (Sotomayor, J. concurring).

38. *Id.* at 1587.

39. *See id.* at 1589 n.2.

40. *Louis Vuitton Malletier S.A. v. Haute Diggity Dog, LLC*, 507 F. 3d 252 (4th Cir. 2007).

trademarks as a subset of the law of unfair competition, and this became a ritualistic incantation.

But with the evolution of trademark protection throughout the twentieth century, by 1992 Justice White in *Two Pesos* was able to pronounce the effective assimilation of the two bodies of law: “it is common ground that §43(a) protects qualifying unregistered trademarks and that the general principles qualifying a mark for registration under §2 of the Lanham Act are for the most part applicable in determining whether an unregistered mark is entitled to protection under §43(a)”⁴¹

It may be that we need to consider a greater role in the United States for unregistered systems of protection to offer *different* forms or scope of protection than that secured by registration. This might present an attractive way for US law to achieve the appropriate balance among trader, consumer and competitor interests.

There have always been a few lower court cases holding out this possibility, especially in cases where there was some de facto secondary meaning that for countervailing normative reasons we were loathe to acknowledge as the basis for trademark rights. And several commentators, myself included, thought that the more recent Supreme Court false advertising decision in *Lexmark*⁴² would have been the launchpad for the development of some of that analysis. The lack of engagement with *Lexmark* by lower trademark courts has thus been disappointing, though there are exceptions such as the Fourth Circuit in *Bayer v. Belmora*.⁴³

But in *Booking.com* there seemed an opportunity, which has been raised by the PTO and academics in amicus briefs, to consider whether unfair competition protection might be a sufficient mechanism by which to balance the interests of the brand owner web site and the competitive effects on rivals of full-blown trademark protection. Indeed, those pushing this line were able to cite as one of the leading modern cases on the topic the *Blinded Veterans*⁴⁴ opinion of then Judge Ruth Bader Ginsburg of the DC Circuit.

Under that theory, even if “Booking.com” was deemed generic, unfair competition law could prevent others from passing off their services as those of the eponymous website. It would oblige competitors to “make more of an effort” to reduce confusion, not to cease marketing their service using the disputed term. But Justice Ginsburg gave that compromise short shrift, with a nod of the head to the dictates of Congress: “We have no cause to deny Booking.com the same benefits Congress accorded other marks qualifying as nongeneric.”⁴⁵

41. *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 768, 112 S. Ct. 2753, 2757 (1992).

42. *Lexmark Int'l, Inc. v. Static Control Components, Inc.*, 572 U.S. 118 (2014).

43. *Belmora Ltd. Liab. Co. v. Bayer Consumer Care AG*, 987 F.3d 284 (4th Cir. 2021).

44. *Blinded Veterans Ass'n v. Blinded Am. Veterans Found.*, 872 F.2d 1035 (D.C. Cir. 1989).

45. *U.S. Pat. and Trademark Office v. Booking.com B.V.*, 140 S. Ct. 2298, 2308 (2020)

Likewise, in *Tam*, when striking down the disparagement bar to trademark registration as a violation of the First Amendment, Justice Alito's opinion explicitly refused to engage with the question whether the owner of the mark THE SLANTS for rock bands would have unregistered common law trademark rights even if they were denied a federal registration in that mark.⁴⁶

Thinking about these issues might have given the Courts more policy levers through which to reach a compromise of the different interests at stake in trademark cases.

To be fair, in the rare modern instances where the Court has hinted at a gap between trademark and unfair competition, the Court had not left much room for innovation. Thus, in *Dastar*, Justice Scalia noted that §43(a) goes beyond trademark protection, but cautioned that “because of its inherently limited wording, §43(a) can never be a federal ‘codification’ of the overall law of ‘unfair competition,’ but can apply only to certain unfair trade practices prohibited by its text.”⁴⁷

But that caution was issued in the context where the unfair competition claim was an attempt to augment already generous trademark protection, and in particular to offer mutant copyright protection where other normative concerns suggested not extending the Lanham Act as far as the plaintiff wanted.

But what if the gap between trademark and unfair competition were exploited by courts to provide variable conditions and scope of protection within the contours suggested by Congress and in line with variables that Congress and the Court has hinted may be systemically crucial to the scope of protection available to brand owners?

This suggestion is relevant brings to my final reading of the tea leaves in these remarks, and that is as regards the concept of trademark use.

Trademark Use (Again)?

For several years about fifteen years ago, there was a vibrant debate in the lower court and the scholarly literature about whether trademark liability was dependent upon the defendant having used the plaintiffs' mark “as a mark.” As exemplars of the debate, and with perhaps a hint of selection basis, I give you the robust exchange between myself and Mark Janis, on the one hand, and Stacey Dogan and Mark Lemley on the other.⁴⁸

46. See *Matal v. Tam*, 582 U.S. 218, 226 n.1 (2017).

47. *Dastar Corp. v. Twentieth Century Fox Film Corp.*, 539 U.S. 23, 29 (2003) (quoting J. THOMAS MCCARTHY, TRADEMARKS AND UNFAIR COMPETITION § 27:7 (4th ed. 2002)).

48. See Graeme B. Dinwoodie & Mark D. Janis, *Confusion over Use: Contextualism in Trademark Law*, 92 IOWA L. REV. 1597 (2007) [hereinafter Dinwoodie & Janis, *Confusion Over Use*]; Graeme B. Dinwoodie & Mark D. Janis, *Lessons from the Trademark Use Debate*, 92 IOWA L. REV. 1703 (2007); Stacey L. Dogan & Mark A. Lemley, *Trademark and Consumer Search Costs on the Internet*, 41 HOUS. L. REV. 777 (2004); Stacey L. Dogan & Mark A. Lemley, *Grounding Trademark Law Through Trademark Use*, 92 IOWA L. REV. 1669 (2007).

In *Jack Daniel's*, Justice Kagan, displaying the level of diplomacy that I am sure served her well as a Dean of a law school, managed to cite and quote from both myself and Mark, and from Stacey and Mark. As Rebecca Tushnet commented: “I see that both Lemley/Dogan and Dinwoodie/Janis were right about trademark use. That won’t cause any problems!”

More specifically, Justice Kagan commented that “without deciding whether *Rogers* has merit in other contexts, we hold that it does not when an alleged infringer uses a trademark in the way the Lanham Act most cares about: as a designation of source for the infringer’s own goods.”⁴⁹

Unless *Rogers* is entirely irrelevant to Lanham Act liability, then implicit in this statement is that it might apply in cases where the defendant does not use the mark as a designation of source for the infringer’s own goods, that is to say, as a mark. For that to be something other than a null set, liability for use otherwise than as a source must be actionable under the infringement provisions.

Of course, three weeks later, the Court handed down *Abitron*. This decision contains hints in the opposite direction. *Abitron* strictly addressed only the territorial reach of the Lanham Act. But in concluding that the statute did not apply to conduct abroad, the court held that “the infringing ‘use in commerce’ of a trademark provides the dividing line between foreign and domestic applications of these provisions.”⁵⁰

However, the Court then blended the statutory definition of “use in commerce” and “trademark” and explained that “under the Act, the ‘term ‘use in commerce’ means the bona fide use of a mark in the ordinary course of trade,” where the mark serves to “identify and distinguish [the mark user’s] goods . . . and to indicate the source of the goods.”⁵¹

Some scholars, such as Professors Maggie Chon and Christine Farley have suggested that the Court may also have demarcated the substantive reach of the statute and reopened the trademark use debate.⁵²

The Second Circuit in *Rescuecom*⁵³ has explained why the evolution of the *text* of the statute supports the entirely clear legislative history that the definition of use in commerce did not create a precondition to liability. Note the first line of that definition and point me to the “bona fide infringer”? Even textualists should get that point.

49. *Jack Daniel's Props., Inc. v. VIP Prods. LLC*, 143 S. Ct. 1578, 1587 (2023).

50. *Abitron Austria GmbH v. Hetronic Int'l, Inc.*, 143 S. Ct. 2522, 2534 (2023).

51. *Id.*

52. Margaret Chon and Christine Haight Farley, *Trademark Extraterritoriality: Abitron v. Hetronic Doesn't Go the Distance*, TECH. & MKTG. L. BLOG (July 18, 2023), <https://blog.ericgoldman.org/archives/2023/07/trademark-extraterritoriality-abitron-v-hetronic-doesnt-go-the-distance-guest-blog-post.htm>, available at SSRN: <https://ssrn.com/abstract=4515300> or <http://dx.doi.org/10.2139/ssrn.4515300>.

53. *Rescuecom Corp. v. Google, Inc.*, 562 F.3d 123 (2009).

But what to make of the apparent tension in two decisions issued within three weeks of each other? If *Abitron* is seen as having significance for domestic purposes, reconciling the two cases will require a complicated reading of the Lanham Act. But as we only have tea leaves to go on, here are two possibilities.

First, if infringing use is, as Justice Alito suggests, simply a form of use that results in the confusing effects deemed actionable by the statute, then our broad notion of confusion informs what is actionable use. Mark Janis and I suggested this was likely to happen in light of how we understand “source.”⁵⁴ But it undermines a principal goal of trademark use advocates, namely, to detach use from confusion and make it a free-standing element of liability. It effectively means that “use as a source-identifier” encompasses uses that causes confusion as to a number of things such as affiliation or endorsement, which is a broad understanding of use as a mark.

But what if we work with a narrower concept of “trademark use”? Indeed, in our 2007 article, Mark and I mentioned unauthorized merchandizing, which is often tackled by endorsement-based confusion claims, as conduct that might be rendered non-actionable by a strict trademark use doctrine.⁵⁵ Is there a way to put the two 2023 cases together sensibly? I think that’s harder and pushes against the contemporary understanding of “source.”⁵⁶

But here is another alternative: Treat trademark use not as an essential element of liability, but as a variable that *informs* the scope of potential liability. Assume *Jack Daniel’s* tells us that use as a source-identifier in the narrow sense gives rise to liability that cannot be avoided by *Rogers*. However, use as a mark in the broader sense as suggesting endorsement is use that is more removed from the core of trademark liability and might be amenable to a broader set of defenses.

Here, I suggest channelling the great British judge Lord Diplock, who sought to explain how a common law unfair competition right (passing off, in his case) ought to develop in ways that have regard for the adjacent trademark legislation. In his opinion in *Warnink v. Townend* he noted that:

Where . . . there can be discerned a steady trend in legislation which reflects the view of successive Parliaments as to what the public interest demands in a particular field of law, development of the common law in that part of the same field which has been left to it ought to proceed upon a parallel rather than a diverging course.⁵⁷

54. See Dinwoodie & Janis, *Confusion Over Use*, *supra* note 48, at 1647-1650 (suggesting that analysis of trademark use is likely to devolve into analysis of likely confusion).

55. *Id.* at 1654-1655.

56. See Mark P. McKenna, *Trademark Use and the Problem of Source*, 2009 U. ILL. L. REV. 773, 800.

57. *Erven Warnink B.V. v. J. Townend & Sons (Hull) Ltd.*, [1979] AC 731, 743.

It would seem, as Justice Kagan suggests quoting both myself and Prof. Janis, and Dogan and Lemley, trademark uses are likely to cut at the core of trademark rights. The obverse is that there might appropriately be greater latitude for defendants making non-trademark use. This principle is reflected both in the statutory defenses available in infringement cases under Section 33 and in the exception to dilution claims.⁵⁸

Of course, this reconciliation would rely on a methodological latitude that the Supreme Court, or some members of the Court, seem keen to circumscribe. But it develops or re-engages with the historical approach to the relationship between trademark and unfair competition to which the Court seems oblivious. And it gives measured significance to the rather protean concept of trademark use to which the Court seems drawn. Indeed, under such an approach, maybe Rebecca Tushnet may be partially right when she skeptically suggested that both Lemley/Dogan and Dinwoodie/Janis were right about trademark use.

58. See 15 U.S.C. § 1115(b)(4), 1125(c)(3).