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## Brandright

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# BRANDRIGHT

Jessica M. Kiser\*

*“Overprotecting intellectual property is as harmful as underprotecting it . . . . Overprotection stifles the very creative forces it’s supposed to nurture.”*<sup>1</sup>

## INTRODUCTION

Trademark law is guilty of overprotection. This overprotection pits both a company’s in-house attorneys against its own marketing professionals and the company itself against its most loyal customers. The result appears illogical, at best, to consumers witnessing the effects of this clash between a company’s marketing needs and perceived legal requirements. For example, in 2013, Ferrero SpA, the owner of NUTELLA branded products, was widely mocked after it sent a cease-and-desist letter demanding that a well-intentioned fan refrain from organizing World Nutella Day.<sup>2</sup> The event, created by the fan in 2007 and held annually, engaged other fans of the product in numerous online and offline activities—all proselytizing the message of their love for this chocolate hazelnut spread.<sup>3</sup> Lego

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1. *White v. Samsung Elecs. Am., Inc.*, 989 F.2d 1512, 1513 (9th Cir. 1993) (Kozinski, J., dissenting).

2. Trevor Little, *Fans Go Nuts Before Cease and Desist Letter U-Turn*, WORLD TRADEMARK REV. (May 22, 2013), <http://www.worldtrademarkreview.com/blog/detail.aspx?g=043BC5F9-CA03-4BDE-B9A7-A9CF6E3A4603> [https://perma.cc/CCR6-QHAM] (Ultimately, the parent company contacted the fan running the “World Nutella Day” Facebook page but did not require her to remove it, and the incident was interpreted as a misunderstanding of “routine brand defence [sic] procedure that was activated as a result of some misuse of the Nutella brand on the fan page.”).

3. *Id.*

Group, the corporation behind the LEGO brand of toys, acted in a similarly hostile manner when it sent a cease-and-desist letter to a LEGO-inspired website created and used by loyal LEGO fans.<sup>4</sup> This is a recurring problem that disappoints consumer fans and hinders branding efforts.<sup>5</sup> IKEA, an international furniture retailer, has provided a successful marketing case study to illustrate the brand benefits that can arise from a fan-created website.<sup>6</sup> An IKEA fan created [www.IKEAhackers.net](http://www.IKEAhackers.net) as a forum for IKEA customers to post pictures of their own customized IKEA products.<sup>7</sup> Unfortunately for IKEA's marketing team, in June of 2014 the company attempted to shut down the website, claiming that the unaffiliated site was harmful to the company's intellectual property interests.<sup>8</sup>

Marketing departments at these companies likely love this type of fan-initiated free advertising. Notably, this free advertising can sometimes grow into a powerful marketing asset.<sup>9</sup>

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4. See Deven R. Desai & Sandra L. Rierson, *Confronting the Genericism Conundrum*, 28 CARDOZO L. REV. 1789, 1840-41 (2007) (describing Lego Group's dispute with the creator of the website "located at [www.ratemylego.com](http://www.ratemylego.com)").

5. *Id.* at 1839-41; see also Little, *supra* note 2; Gail Sullivan, *IKEAhackers.net in Trademark Flap with Store It Pays Tribute To*, WASH. POST (June 16, 2014), [https://www.washingtonpost.com/news/morning-mix/wp/2014/06/16/ikeahackers-net-is-getting-shut-down-by-the-store-it-pays-tribute-to/?utm\\_term=.dc5d0a35bf6d](https://www.washingtonpost.com/news/morning-mix/wp/2014/06/16/ikeahackers-net-is-getting-shut-down-by-the-store-it-pays-tribute-to/?utm_term=.dc5d0a35bf6d) [<https://perma.cc/TX6Z-R78L>].

6. See SARAH ROBINSON, *FIERCE LOYALTY: UNLOCKING THE DNA OF WILDLY SUCCESSFUL COMMUNITIES* 59-61 (2012) (touting the wisdom behind allowing unofficial websites like IKEAHackers to operate, thereby supporting the underlying brand). IKEA, in fact, was the inspiration for studies on the "IKEA effect," which refers to consumers' increased perception of value for products that they participated in making. Michael I. Norton, Daniel Mochon, & Dan Ariely, *The IKEA Effect: When Labor Leads to Love*, 22 J. CONSUMER PSYCHOL. 453-54 (2012).

7. *About*, IKEA HACKERS, <http://www.IKEAHackers.net/about> [<https://perma.cc/HTU8-ADL8>] (began in 2006 as a way for different customized IKEA product ideas to come together in one place and for IKEA customers to share experiences).

8. Jules Yap, *Big Changes Coming to IKEAHackers*, IKEA HACKERS (June 14, 2014), <http://www.IKEAHackers.net/2014/06/big-changes-coming-ikeahackers.html> [<https://perma.cc/AU7U-MRG8>] [hereinafter Yap, *Big Changes*]; see also Jules Yap, *Inter IKEA Systems BV Called Me!*, IKEA HACKERS (June 19, 2014), <http://www.IKEAHackers.net/2014/06/inter-ikea-systems-bv-called-me.html> [<https://perma.cc/7LH8-R3PY>].

9. MELISSA S. BARKER ET AL., *SOCIAL MEDIA MARKETING: A STRATEGIC APPROACH* 181-83 (student ed. 2013) (citing Abbey Klaassen, *How Two Coke Fans Brought the Brand to Facebook Fame: Soda Has Most Popular Page After President, in Collaboration Between Creators and Marketer*, ADAGE DIGITAL (Mar. 16, 2009), <http://adage.com/article/digital/coke-fans-brought-brand-facebook-fame/135238/> [<https://perma.cc/LZ9K-XBBS>]).

For example, a 2009 study found that the second most popular “fan” page on Facebook was a page dedicated to Coca-Cola.<sup>10</sup> Over three million people had registered as “fans” on the Facebook page, even though it was not an official element of any Coca-Cola marketing effort.<sup>11</sup> Instead, two Coca-Cola consumers, Dusty Sorg and Michael Jedrzejewski, created and managed the page in an effort to honor a favorite product.<sup>12</sup> Passionate fans like Sorg and Jedrzejewski may desire additional outlets for their passion. They may form fan websites, create brand-related fan art, or even create and participate in unofficial, interactive brand communities (or unofficial “brandfests”<sup>13</sup>) to celebrate the product.<sup>14</sup> However, such activities can potentially put a company’s trademark at risk, as “trademark owners ‘are required to protect their trademarks, if they are to continue to have them, so that’[they do not] fall into the public domain . . . .”<sup>15</sup> This may be a simplistic view of the requirements imposed on trademark owners to fulfill their duties to protect and police their marks.<sup>16</sup> However, it is a view that is often embraced by companies and their attorneys when they attempt to shut down fan-initiated activities.<sup>17</sup>

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10. The first place honor went to Barack Obama. *Id.* As of Feb. 20, 2017, the Coca-Cola Facebook fan page ran by Sorg and Jedrzejewski is ranked in fifth place for fan popularity, with almost 103 million fans. See *Statistics of the Top Facebook Pages*, SOCIALBAKERS, (“Facebook monitoring is the use of Socialbakers Suite to process gathered data from Facebook. This means posting, responding, and engaging with your Facebook community and then analyzing the results and the results of others.”), <https://www.socialbakers.com/statistics/facebook/pages/total/> [<https://perma.cc/W6QT-ZWES>].

11. BARKER ET AL., *supra* note 9, at 181 (citing Klassen, *supra* note 9).

12. *Id.*

13. James H. McAlexander & John W. Schouten, *Brandfests: Servicescapes for the Cultivation of Brand Equity*, in *SERVICESCAPES: THE CONCEPT OF PLACE IN CONTEMPORARY MARKETS* 377, 378-82 (John F. Sherry, Jr. ed., 1998) (discussing the importance of the “brandfest,” a brand-centered event that is a strategically “important mechanism[] for cultivating customer loyalty”).

14. See *id.* at 396-99.

15. Caroline McCarthy, *Etsy’s Crafty Balance: Fans vs. Trademark Holders* (Oct. 27, 2010, 2:59 PM), <https://www.cnet.com/news/etsys-crafty-balance-fans-vs-trademark-holders/> [<http://perma.cc/AAJ5-K4RC>] (quoting David Foux, a former patent attorney and current artist, who recognized the impact of this trademark law premise on both of his occupations).

16. 6 J. THOMAS MCCARTHY, *MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION* § 31:38 (4th ed. 1996) (acknowledging a trademark owner’s duty to police his or her trademark rights against infringers).

17. See McCarthy, *supra* note 15.

Sarah Feingold frequently observes the conflict between brand owners and their fans through her work as in-house counsel at the online retailer Etsy.<sup>18</sup> According to Feingold, both fans and the brand would benefit “if lawyers and intellectual-property holders start to have more of an open mind, and start to see this as beneficial to their brand . . . .”<sup>19</sup> She laments, “It’s a shame when I have to do these takedowns, when it’s clear that the fan art was made with a lot of love.”<sup>20</sup> Given this tension, companies are seemingly trying to be more open-minded about consumer-initiated brand activities. Indeed, Blizzard Entertainment, the creator of World of Warcraft and other popular multiplayer online role-playing games, is trying to manage the delicate balance between trademark protection and brand development.<sup>21</sup> Blizzard actively solicits fan-created artwork for its official Fan Art Program.<sup>22</sup> However, to enable this kind of fan-created artwork, Blizzard grants fans a license to use its copyrighted materials.<sup>23</sup> Additionally, Blizzard occasionally offers customers the ability to download a free “Fansite Kit” that provides copyright-protected imagery and information to consumers. The customers can then use those images and that information on their own websites that are dedicated to the Blizzard brand. The Fansite Kit includes a license that consumers must agree to, and purports to grant the consumer a “non-exclusive, non-transferable and non-assignable license to use and display” the provided content “for home, noncommercial and personal use only.”<sup>24</sup> That license specifically recognizes the underlying copyrights in the

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18. *Id.*

19. *Id.*

20. *Id.*

21. Russ Frushtick, ‘World of Warcraft’ Creators Talk Their 20-Year History, MTV NEWS (Mar. 10, 2011), <http://www.mtv.com/news/1659635/blizzard-20th-anniversary/> [<https://perma.cc/M8X5-7DWT>]; Joel Hruska, *Blizzard Claims It Shut Down Classic World of Warcraft Server to Protect Its Intellectual Property*, EXTREME TECH (Apr. 27, 2016, 9:19 AM), <https://www.extremetech.com/gaming/227336-blizzard-claims-it-shut-down-classic-world-of-warcraft-server-to-protect-its-intellectual-property> [<http://perma.cc/MKH9-LS3D>].

22. *Fan Art Program Terms & Conditions*, BLIZZARD ENTMT, <http://us.blizzard.com/en-us/community/fanart/rules.html> [<https://perma.cc/HY5F-3RU3>] [hereinafter *Terms & Conditions*] (requiring that fan artists who create fan art for submission read through and accept Blizzard’s “terms and conditions”).

23. *Id.* (license is granted to user by accepting the “terms and conditions”).

24. *Legal FAQ*, BLIZZARD ENTMT, <http://us.blizzard.com/en-us/company/about/legal-faq.html> [<https://perma.cc/D44G-2Z2E>].

downloaded content by requiring copyright notices to be used, but fails to discuss licensing of the company's trademarks.<sup>25</sup> Both fan licenses only indirectly discuss trademark rights, possibly a subtle acknowledgment of the uncertainty surrounding the duty on trademark owners to police third-party uses of trademarks.<sup>26</sup>

Notably, the mere existence of Blizzard's fan licensing program is evidence of the desire for consumers to use branded materials to express themselves. In doing so, consumers express their love of the brand, but they use the brand as part of their own self-expression.<sup>27</sup> In its 2017 decision in *Matal v. Tam*, the United States Supreme Court acknowledged the capacity of trademarks to "convey a message" that does not simply identify a good or service.<sup>28</sup> Although there is no debate in *Matal* as to whether trademarks are expressive, by giving importance to the First Amendment's role in trademark usage the Court has dramatically altered the conception of trademarks from its earlier characterization as lacking "any work of the brain."<sup>29</sup> The Supreme Court's recognition of this changing function, or changing social significance, of trademarks provides support to the argument made in this article that the First Amendment may require brand owners to permit expressive uses of trademarks by third parties in a manner that could conflict with the owner's duty to police.<sup>30</sup>

The need for—and inevitability of—consumer engagement with brands clashes with the uncertainties of trademark law.<sup>31</sup> That disconnect necessitates the recognition of the brandright as a new intellectual property right. Part I of this article discusses the benefits, boundaries, and limitations of the proposed

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25. *Id.*

26. *Id.*

27. *Id.*

28. *Matal v. Tam*, 137 S. Ct. 1744, 1752 (2017) ("[T]rademark ha[s] expanded far beyond phrases that do no more than identify a good or service. Then, as now, trademarks often consisted of catchy phrases that convey a message.").

29. See generally *id.*; see also *In re Trade-Mark Cases*, 100 U.S. 82, 92-95 (1879) (Relying on a commerce-only view of trademarks, the Court held that a trademark could not be considered a "writing" created by an "author" as would be required to justify federal protection under Article 1, Section 8 of the U.S. Constitution.).

30. 6 MCCARTHY, *supra* note 16, at § 31:38 (5th ed. 2017).

31. See Giulio Ernesto Yaquinto, *The Social Significance of Modern Trademarks: Authorizing the Appropriation of Marks as Source Identifiers for Expressive Works*, 95 TEX. L. REV. 739, 740 (2017).

brandright. Part II then explains why the brandright is necessary to provide a clear distinction between violations of brands and trademarks, and to allow the continued development of brands. This section of the article will highlight the importance of brand development to companies and to the free expression of consumers. It will also explain how brand expansion and brand communities can be accommodated within a brandright regime. Part III responds to potential criticism of the proposed recognition of brandrights apart from trademark rights, which necessitates a discussion of the current legal disconnect between trademarks and brands, and how brandrights may help to resolve that conflict.

### I. INTRODUCING THE BRANDRIGHT

This article proposes the recognition of a new right—the “brandright”—under the umbrella of intellectual property. It may seem paradoxical to address overprotection by recognizing more intellectual property rights. However, brandrights counter the expansion of trademark law, which has been criticized by numerous scholars,<sup>32</sup> by recognizing the countervailing rights of the public to use brand-related information in a non-competitive manner.<sup>33</sup> Given the malleable concept of a trademark,<sup>34</sup> and the increasing acceptance of confusion of any type as justifying claims of trademark infringement, trademark law now touches on more social discourse and cultural creativity than ever before.<sup>35</sup> Trademark owners have an increasing ability to stifle that discourse.<sup>36</sup> Trademark expansion, and its possible chilling effects, should be tempered somehow; that is the goal of the brandright. As proposed in this article, “brandright” refers to the collection of use rights possessed by members of the public that emanate from the expressive function of trademarks, and from the

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32. See e.g., Kenneth L. Port, *The Expansion Trajectory: Trademark Jurisprudence in the Modern Age*, 92 J. PAT. & TRADEMARK OFF. SOC'Y 474, 476, 492 (2010).

33. *Id.*

34. See *id.* at 478.

35. Similarly, the Supreme Court has recognized the value of transformative works to social discourse in copyright cases. See *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 579 (1994).

36. Laura A. Heymann, *The Public's Domain in Trademark Law: A First Amendment Theory of the Consumer*, 43 GA. L. REV. 651, 653 (2009).

trademark owner's official or unofficial invitation to consumers to participate in brand development.<sup>37</sup>

### A. What is a Brandright?

A brandright is a recognition of the public's right to engage in expressive uses of trademarks as protected by the First Amendment. This new intellectual property right is not merely a defense. The brandright recognizes the value of the investment made by consumers in both the commercial and non-commercial dialogue about trademarks and brands. Therefore, consumers possess brandrights as affirmative rights that they may seek to enforce and defend against other consumers and even the brand owner. This is an important distinction necessitated by the unique nature of brands and the expressive quality of trademarks recognized in *Matal*.<sup>38</sup>

Brands are categorically distinct; unlike trademarks, they cannot be sensibly understood simply as the development of a consistent identification of source.<sup>39</sup> A trademark is a narrower concept than a brand.<sup>40</sup> A brand is likely to include a trademark (or multiple trademarks) among the creative content that a company releases to the public to differentiate its product's uniqueness and personality from that of another.<sup>41</sup> To illustrate the difference between the role of a trademark and that of a brand, consider that a trademark can be said to answer the question, "Who made this product?"<sup>42</sup> A brand answers the more existential questions of "Who is this product?" or "Who am I if I buy this product?"<sup>43</sup> A trademark answers the first question by

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37. See *infra* Part I.A.

38. *Matal v. Tam*, 137 S. Ct. 1744, 1752 (2017).

39. See Vithala R. Rao et al., *How Is Manifest Branding Strategy Related to the Intangible Value of a Corporation?*, 68 J. MKTG. 126, 126 (2004).

40. Richard A. Spinello, *Brands and Trademark Conflicts: A Hegelian Perspective*, 16 BUS. ETHICS Q. 343, 344 (2006).

41. *Id.* at 344-45.

42. See RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 9 (AM. LAW INST. 1995).

43. Existential philosophy has begun to influence branding at a practical level. Randall Rozin, *Existentialism and Brand Marketing*, ADAGE (Mar. 4, 2013) <http://adage.com/article/btob/existentialism-brand-marketing/289307/> [<https://perma.cc/7Q2P-KJ2K>] ("As you create new brands, reposition others or integrate acquired brands into your portfolio, start by defining a brand's reason for being. What purpose does it serve for your company and, more important, why does it exist for your customers? What promise is your brand making in the market? . . . If we think of existentialism as a movement that holds that the starting point of



indicating the source of the good or service.<sup>44</sup> To answer the brand-related questions requires more than a reference to a trademark or a source. Rather these questions invite discussion, creativity, and expression.<sup>45</sup> In developing a strong brand, a company will invite consumers to participate, engage, and identify with the brand's image or identity.<sup>46</sup> It is this invitation for consumer engagement that makes the brandright necessary.

Consumers are invited to participate in the development of, and discourse about, a brand, but trademark law is not designed to protect or allow for such discourse and co-development.<sup>47</sup> Trademark law was developed with a more limited view of trademarks in mind. Trademarks were created and used by the owner of the mark to indicate source so that consumers could distinguish between purveyors of goods and services at the time of purchase.<sup>48</sup> The modern concept of branding includes substantial creative content produced by the trademark owner and its marketing professionals, but also content created by consumers in response to the company's creative content.<sup>49</sup> The proposed brandright is a right granted to those consumers (and the public at large) that join with a company to further its brand-development efforts. Essentially, a company invites consumers to collaboratively engage with it in marketing and other brand-related communications. This invitation necessitates that consumers be allowed to use the brand messages, materials, and even the product or company name and trademark for these

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understanding must be the authentic experiences of the individual, then it's a natural extension to move from individuals to groups of customers and apply existentialism to corporations and to brands. Good luck on your journey of discovery to find your brand's reason for being.”).

44. RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 9.

45. ROB WALKER, *BUYING IN: THE SECRET DIALOGUE BETWEEN WHAT WE BUY AND WHO WE ARE* xii-xiii (2008) (describing this as a “secret dialogue” because many of the rules are not explicit, rather “[i]t’s complex, subtle, and sometimes misleading.”).

46. See J. Josko Brakus et al., *Brand Experience: What Is It? How Is It Measured? Does It Affect Loyalty?*, 73 J. MKTG. 52, 52-55 (2009).

47. See RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 9 cmt. c (AM. LAW INST. 1995).

48. See *id.*

49. Heymann, *supra* note 36, at 653-55. Heymann argued for more access to trademark meanings for consumers: “If trademark law recognized the active work that consumers do in engaging with trademarks, it would incorporate a theory of the consumer that sees him as capable of engaging with these trademark associations without the law’s interference.” *Id.* at 655.

responsive brand-related purposes. These purposes can include spreading information about the brand, or creating art, websites, and communities to celebrate or criticize the brand.<sup>50</sup> A rather obvious example of a company inviting its consumers to participate and interact with the brand is a recent advertising campaign by Yum!Brands for its Kentucky Fried Chicken restaurants in Canada.<sup>51</sup> The KFC Stories campaign includes official commercials that illustrate how the company's fried chicken is woven into consumers' lives.<sup>52</sup> At the end of the advertisements, the company invites consumers to share their own KFC stories by posting them to twitter with the hashtag #KFCstories.<sup>53</sup> Although this example directly invites consumer participation, this type of engagement is the goal of all brand development.<sup>54</sup> Therefore, the brandright exists as a result of these invitations, and formal recognition can better align the interests of all parties.

Additionally, consumers are adding valuable content to a company's brand message.<sup>55</sup> Rather than attacking a company's consumers under the purview of trademark law, it is time to recognize that consumers' contributions to a brand justify the

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50. See James H. McAlexander et al., *Building Brand Community* 66 J. MKTG. 38, 38-39 (2002).

51. Harmeet Singh, *KFC Goes After Common Ground*, STRATEGY (Mar. 15, 2016), <http://strategyonline.ca/2016/03/15/kfc-goes-after-common-ground/> [<https://perma.cc/8Q6U-NRTZ>].

52. *Id.*

53. *KFC Stories—New Kid*, CAMPAIGNS WORLD, <https://campaignsoftheworld.com/tv/kfc-stories-new-kid/> [<https://perma.cc/S8BQ-CFM3>].

54. See McAlexander et al., *supra* note 50, at 38.

55. Although brand-related expression has immeasurable value to society generally, and to the individual creators on a personal and psychological level, there are clear examples of the monetary value attributable to some consumer-created brand developments. For example, in 2012, Coca-Cola became the first brand to pass 50 million “likes” on Facebook in connection with a Facebook page created and operated by fans Dusty Sorg and Michael Jedrzejewski without official Coca-Cola permission. Brad Ruffkess, *How Coke and 50 Million Facebook Fans Share Happiness*, COCA-COLA COMPANY (Oct. 30, 2012), <http://www.coca-colacompany.com/coca-cola-unbottled/how-coke-and-50-million-facebook-fans-share-happiness> [<https://perma.cc/TQM9-VCRG>]; see also *Fans First: Coca-Cola on Facebook*, SHORTY AWARDS, <http://shortyawards.com/4th/fans-first-coca-cola-on-facebook> [<https://perma.cc/8Q4C-X4VJ>]; Jules Cowan-Dewar, *Social Media Brand Execution: Coca-Cola & Facebook*, CATALYST (Mar. 28, 2011), <http://catalyst.ca/blog/social-media-coca-cola-facebook/> [<https://perma.cc/ED7G-9YZ3>]. Marketing professionals have estimated that a single Facebook fan was worth \$174 on average. *The Value of a Facebook Fan 2013*, SYNCAPSE (APR. 17, 2013), <https://www.syncapse.com/value-of-a-facebook-fan-2013/#.WaDhFiiGPIU> [<https://perma.cc/GU3L-5N3J>].

recognition of some rights in the brand.<sup>56</sup> For this reason, the brandright does more than simply enlarge the public domain to include trademark-protected imagery and content. Surely the increasingly expressive nature of trademarks necessitates increasing public access to those forms of expression.<sup>57</sup> However, the brandright is an affirmative right possessed by the consumer-creator to recognize that the time and creativity invested by that consumer have value. Brand owners currently invite consumer creativity and discourse, benefit from the brand-development activities of consumers, and deny those same consumers any rights to their creations.<sup>58</sup> Without affirmative rights granted to consumers, brand development essentially becomes the intellectual property equivalent of an attractive nuisance.<sup>59</sup> The brand owner distributes attractive, creative content to consumers that is intended to garner consumer response. However, when that consumer uses a trademark in their response, trademark law tells the brand owner to put a stop to it.<sup>60</sup> This evokes concerns about unjust enrichment and free speech violations.<sup>61</sup> Members of the public have some affirmative right to engage in expressive uses of trademarks and brand-related information.<sup>62</sup> With that right should come the ability to profit from their creations, subject to the infringement-oriented limitations below, and the ability to seek damages from a trademark owner that unfairly interferes with the individual's brandrights.<sup>63</sup> Provided that the consumers do not cause source confusion and do not engage in competition with the relevant company, they should be allowed to respond to a brand's siren songs.<sup>64</sup> This is the freedom provided by this concept of brandright.

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56. See Yaquinto, *supra* note 31, at 754-55.

57. *Id.* at 740-41.

58. See Little, *supra* note 2.

59. See RESTATEMENT (SECOND) OF TORTS § 339 (AM. LAW INST. 1965).

60. RESTATEMENT (THIRD) OF UNFAIR COMPETITION §§ 19-20 (AM. LAW. INST. 1995).

61. See Yaquinto, *supra* note 31, at 757-58.

62. *Id.*

63. See *infra* Part II.B.

64. See, e.g., *Dall. Cowboys Cheerleaders, Inc. v. Pussycat Cinema, Ltd.*, 604 F.2d 200, 202-03, 206 (2d Cir. 1979).

## B. Limits on the Brandright

Trademark protection is not absolute. The proposed brandright regime acknowledges that there must be limitations built into the use rights granted to consumers to ensure that trademark law can continue to ensure market integrity by protecting against source confusion.<sup>65</sup> As such, this article proposes that brandrights must include inherent limits such that consumers refrain from uses of the related trademarks rising to the level of traditional trademark infringement. Indeed, consumers must refrain from creating a likelihood of confusion between products or services or suggesting official endorsement or sponsorship with the brand owner (where such an explicit agreement does not exist).<sup>66</sup> Brandright thereby permits expressive and responsive uses of trademarks, but those uses cannot be competitive uses capable of causing consumer confusion.<sup>67</sup> These limitations are in accordance with the current First Amendment limitations on trademarks regarding the defenses of descriptive and nominative fair use.<sup>68</sup>

Descriptive fair use has long been recognized as a concession to the First Amendment that recognizes that trademarks can serve an expressive role while also serving a signaling role as a source identifier.<sup>69</sup> The Lanham Act codified the descriptive fair use defense, explaining that a defendant would not be liable for trademark infringement where “the use [of the mark was made] . . . otherwise than as a mark, of . . . a term or device which is descriptive of and used fairly and in good faith only to describe the goods or services [of the defendant].”<sup>70</sup> Utilizing this defense, a company may, for example, describe their product as being “sweet” and “tart” even though a competitor may have a trademark registration for the use of

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65. See RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 9 (AM. LAW INST. 1995).

66. 4 MCCARTHY, *supra* note 16, § 23:1; *see also* 5 *id.* § 28:15.

67. 4 *id.* at § 23:1.

68. See Alexander J. Kasparie, *Freedom of Trademark: Trademark Fair Use and the First Amendment*, 18 U. PA. J. CONST. L. 1547, 1561, 1565-66 (2016).

69. See Rochelle Cooper Dreyfuss, *Expressive Genericity: Trademarks as Language in the Pepsi Generation*, 65 NOTRE DAME L. REV. 397, 400-01 (1990) (providing a thorough linguistic analysis of the differences between signaling and expressive use of trademarks).

70. 15 U.S.C. § 1115(b)(4) (2006).

SWEETARTS.<sup>71</sup> This is the initial recognition of the ability of trademarks to impinge on the rights of individuals or businesses to use words expressively. However, descriptive fair use is limited to references to trademarked terms that are used, in a descriptive fashion, to refer to something other than the trademarked good or service itself.<sup>72</sup>

Nominative fair use recognizes that there sometimes exists the expressive need to actually refer to a trademarked good or service directly.<sup>73</sup> This established defense to trademark infringement permits a third party to use another's trademark in order to refer to the actual trademark owner or its products.<sup>74</sup> The Ninth Circuit explained nominative fair use occurs "where a defendant has used the plaintiff's mark to describe the plaintiff's product, even if the defendant's ultimate goal is to describe his own product."<sup>75</sup> This defense has excused the use of the NEW KIDS ON THE BLOCK trademark by a newspaper that ran a survey asking its readers to pick their favorite band member.<sup>76</sup> It has also allowed a luxury car broker to operate a non-deceptive website with a domain name that included a trademark owned by a car manufacturer because the broker was accurately representing its services as a broker for purchases from that trademark owner.<sup>77</sup>

In essence, nominative fair use allows a third party to make a product-related use of a trademark owned by another if that use is truthful, non-deceptive, and for referential purposes.<sup>78</sup> In the Ninth Circuit, the test for nominative fair use determines whether

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71. See *Sunmark, Inc. v. Ocean Spray Cranberries, Inc.*, 64 F.3d 1055, 1057-59 (7th Cir. 1995).

72. See 4 MCCARTHY, *supra* note 16, § 11:45; see also Lisa P. Ramsey, *Descriptive Trademarks and the First Amendment*, 70 TENN. L. REV. 1095, 1167 (2003).

73. See, e.g., 15 U.S.C. § 1115(b)(4) (2006); see also *New Kids on the Block v. News Am. Publ'g, Inc.*, 971 F.2d 302, 308 (9th Cir. 1992).

74. See 4 MCCARTHY, *supra* note 16, § 23:11.

75. *Cairns v. Franklin Mint Co.*, 292 F.3d 1139, 1151 (9th Cir. 2002) (emphasis omitted) (holding that Franklin Mint's use of the name and likeness of Princess Diana in describing its own product was a nominative fair use).

76. See generally *New Kids on the Block*, 971 F.2d at 304-09.

77. See generally *Toyota Motor Sales, U.S.A., Inc. v. Tabari*, 610 F.3d 1171, 1177-80 (9th Cir. 2010).

78. See Derek J. Westberg, *New Kids on the Block v. News America Publishing, Inc.: New Nominative Use Defense Increases the Likelihood of Confusion Surrounding the Fair Use Defense to Trademark Infringement*, 24 GOLDEN GATE U. L. REV. 685, 686, 698-99, 702-05 (1994).

“(1) the product was ‘readily identifiable’ without use of the mark; (2) defendant used more of the mark than necessary; or (3) defendant falsely suggested he was sponsored or endorsed by the trademark holder.”<sup>79</sup> In the Third Circuit, the last prong of this test instead asks whether the “defendant’s conduct or language reflect the true and accurate relationship between plaintiff and defendant’s products or services.”<sup>80</sup> The nominative fair use doctrine provides a model template for understanding how brandright should also be limited.<sup>81</sup> However, nominative fair use is not a substitute for brandright protection as it was intended to be used in connection with goods and services sold in commerce.<sup>82</sup> Its requirements, though helpful in determining coherent boundaries for the brandright, anticipate a dispute between two sophisticated businesses.<sup>83</sup> As such, the nominative fair use defense is too limited and too burdensome to protect brand consumer engagement activities.

Because the brandright provides limited use rights to an individual seeking to comment on, criticize, or contribute to a specific brand, the purpose of recognizing nominative fair use—to allow truthful, referential uses of trademarks—applies here as well.<sup>84</sup> The brandright, if used within these limitations, is not

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79. *Toyota Motor Sales*, 610 F.3d at 1175-76.

80. *Century 21 Real Estate Corp. v. LendingTree, Inc.*, 425 F.3d 211, 222 (3d Cir. 2005). The court found that “[t]he defendant has no burden to show fairness until the plaintiff first shows confusion. Furthermore, by properly treating nominative fair use as an affirmative defense, our approach allows for the possibility that a district court could find a certain level of confusion, but still ultimately determine the use to be fair.” *Id.* at 232.

81. *See* 4 MCCARTHY, *supra* note 16, § 23:11.

82. *See* J. David Mayberry, *Trademark Nominative Fair Use: Toward a Uniform Standard*, 102 TRADEMARK REP. 820, 824-25 (2012) (citing *New Kids on the Block*, 971 F.2d at 305, 307-08).

83. Additionally, the test for determining when nominative fair use applies may also be too unsettled for predictable use by even sophisticated parties. In its *amicus curiae* brief in support of the Petition for a Writ of Certiorari in *Security University, LLC v. International Information Systems Security Certification Consortium, Inc.*, the International Trademark Association urged the Supreme Court to resolve a multi-circuit split regarding: “(1) whether the doctrine of nominative fair use is recognized at all; (2) what the test for nominative fair use should be; and (3) whether nominative fair use should be treated as a [separately analyzed] affirmative defense” (over which the defendant bears the burden of proof), or as part of plaintiff’s demonstration of a likelihood of consumer confusion (over which plaintiff bears the burden of proof). Brief of the Int’l Trademark Ass’n as Amicus Curiae In Support of Petitioners at 3, *Sec. Univ., LLC v. Int’l Info. Sys. Sec. Certification Consortium, Inc.*, 137 S. Ct. 624 (2017) (No. 16-352).

84. *See* Westberg, *supra* note 78, at 699, 702-05.

adding confusion about source or sponsorship into the marketplace. In the brandright context, the consumer is not using the brand owner's trademark to somehow describe or refer to the consumer's own product.<sup>85</sup> The consumer is not offering a competing product.<sup>86</sup> Rather, the consumer is using the mark to respond or refer to the original brand owner itself.<sup>87</sup> Therefore, there is less of a need to prevent "free-riding" on the brand owner's goodwill. Unlike copyright and patent protection, which are founded on the principle that legal protection allows for monetization of the protected works or inventions, trademark protection was not intended to create property rights in the trademarks themselves.<sup>88</sup> Trademarks derive their value from their ability to serve as the symbolic connector between a commercial good or service and its source.<sup>89</sup> As such, "the rationale underlying trademark law is fully effectuated by protecting the significance of marks in the principal markets of their proprietors."<sup>90</sup> The expressive use of branded material by consumers does not work to sever this significance.

A consumer contributing to brand development actually furthers the unique recognition of that brand as the source of the underlying good or service.<sup>91</sup> In the IKEAhackers dispute, for example, consumers should be protected in their ability to share their creative additions or changes to authentic IKEA furniture

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85. *Cf.* 4 MCCARTHY, *supra* note 16, § 11:45.

86. *Cf. id.*

87. *Cf. id.*

88. Rochelle Cooper Dreyfuss has made the same point in a similar context:

[T]he justifications supporting other intellectual property rights, such as patents and copyrights, do not apply to expressive uses of trademarks because free ridership on the commercial aspect of marks is not a problem and besides, there is little need to create economic incentives to encourage businesses to develop a vocabulary with which to conduct commerce.

Dreyfuss, *supra* note 69, at 399.

89. *See* 4 MCCARTHY, *supra* note 16, § 3:2.

90. Dreyfuss, *supra* note 69, at 399 (arguing that the expressive ability of trademarks to function as language—rather than simply to signal source—necessitates the creation of an "expressive genericity" defense that could be raised to protect the First Amendment-protected rights against trademark overenforcement).

91. *See* Deven R. Desai, *From Trademarks to Brands*, 64 FLA. L. REV. 981, 1000-01 (2012).

with other consumers on a fan-created website.<sup>92</sup> Their unique contributions to the brand involved a valuable investment of their time, creativity, and effort, and should be recognized with the use rights inherent in brandright.<sup>93</sup> That investment was given freely to the wider community as an additional element of the IKEA brand story. It was clear to contributors of this website that the projects shared were created by consumers, not IKEA, but those projects always used IKEA furniture and supported the source-identifying function of the IKEA trademark.<sup>94</sup> Provided that the fan-created website was clearly labeled as such, there is no confusion.

Given its ability to support source identification rather than impede it, the brandright should be more permissive than the tight constraints placed on the defense of nominative fair use.<sup>95</sup> The consumer should not be limited to only using “as much of the mark as necessary.” The important limitation on the brandright is that consumers cannot cause confusion as to the endorsement, affiliation or sponsorship of their own materials by the brand owner. Brand owners should not feel compelled by trademark law to disenfranchise their own fans, and those fans should not be punished for responding when invited to interact with a brand.

## II. THE IMPORTANCE OF RECOGNIZING THE BRANDRIGHT

There is value in recognizing brandrights—both to the consumer and to the brand owner. Jessica Litman once eloquently stated that “the essence of any intellectual property regime is to divide the valuable stuff subject to private appropriation from the valuable stuff that, precisely because of its importance, is reserved for public use.”<sup>96</sup> As discussed below,

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92. See Arjun Kharpal, *Ikea ‘Crushes’ Blogger in Trademark Spat*, CNBC (June 19, 2014, 9:41 AM), <https://www.cnbc.com/2014/06/19/ikea-crushes-blogger-in-trademark-spat.html> [<https://perma.cc/G3YT-45JF>].

93. *Cf. id.*; see also *About*, *supra* note 7.

94. See *About*, *supra* note 7.

95. See, e.g., 4 MCCARTHY, *supra* note 16, § 23:11 (showing strict requirements for the nominative fair use defense).

96. Jessica Litman, *Breakfast with Batman: The Public Interest in the Advertising Age*, 108 YALE L.J. 1717, 1728 (1999) (arguing that legal protection for trademarks improperly interferes with the public’s access to cultural icons if that protection extends beyond confusion).



although trademarks traditionally required minimal creativity, brands are highly-engineered creative endeavors, and they are incredibly valuable to a brand owner because of that creativity.<sup>97</sup> However, the ultimate value of the brand lies in its ability to connect with consumers and motivate them to creatively engage and consistently purchase the brand.<sup>98</sup> Brandright protection recognizes that consumers deserve more than an expanded public domain. Their contributions to brand development are substantial and critical.<sup>99</sup> As such, the affirmative rights granted under a brandright regime more accurately reflect that division of labor and rights.

### A. Trademarks and Brands Are Different

To clarify the distinction between trademarks and brands, examples may prove illustrative. If a consumer encounters the SUBARU name or logo on the back of a car in a used car lot, that name and logo serve as trademarks.<sup>100</sup> Based on those trademarks, the consumer knows that Subaru manufactured this particular car. If consumers have experience with the brand, the trademarks may also symbolize the consumers' perception of the brand's quality, and will allow them to trust that they can take the car to authorized Subaru dealers or mechanics for repairs.<sup>101</sup> All of that information relates to the source and quality of the particular item sold under the trademark. The trademark answers the question, "Who made this?"<sup>102</sup> However, the Subaru brand is more than an indicator of source.<sup>103</sup> The brand is developed over

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97. Rochelle Cooper Dreyfuss, *We Are Symbols and Inhabit Symbols, So Should We Be Paying Rent? Deconstructing the Lanham Act and Rights of Publicity*, 20 COLUM.-VLA J.L. & ARTS 123, 140-42 (1996).

98. *See id.* at 124.

99. Consumers engaged in brand development have even been described as co-owners or co-authors by past scholarship. *See e.g., id.* at 142 ("At the least, the purveyor and the audience should be considered co-creators of the value. If rights are determined by the existence of value, then purveyors and audience should be treated as joint authors or co-inventors.").

100. *See* 1 MCCARTHY, *supra* note 16, § 3:1 (describing what constitutes a trademark).

101. *See 2 id.* § 3:2 (showing that trademarks establish the level of quality for goods).

102. *See id.* § 3:1; RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 9 cmt. B (AM. LAW. INST. 1995).

103. Unbranded advertisements that offer emotionally salient content without identifying the company sponsoring the advertisement do not make sense through the source-identification lens of trademark. From a brand perspective, these unbranded advertisements

time through marketing and other efforts to answer less practical, more existential questions: “Who is the Subaru company?”; “Who buys a Subaru?”; and “What does owning a Subaru mean?”<sup>104</sup> Based on Subaru’s recent marketing efforts, the consumer may already be thinking that “Subaru is love” or that Subaru is the car for nature-loving dog owners.<sup>105</sup> The brand tells consumers through its advertisements that Subaru loves dogs, which has nothing to do with the quality or source of the car.<sup>106</sup> Instead, the brand makes consumers identify and personalize Subaru-branded products in an effort to differentiate Subaru from other car companies that sell cars of similar quality.

Trademarks and brands are routinely discussed as if one is synonymous with the other.<sup>107</sup> That is a much too simplistic

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are eminently sensible because they raise consumer search costs for the purpose of consumer engagement with the brand. As an example, L’Oreal created a website called Fab Beauty as “a stylish, low-key site that targets only the most dedicated and in-the-know beauty aficionados” for the purpose of consumer engagement with the brand. Emma Hall, *L’Oreal Creates Unbranded Content Hub to Woo Beauty Fans*, ADAGE (Mar. 9, 2016), <http://adage.com/article/global-news/l-oreal-unbranded-content-hub/303009/> [<https://perma.cc/JJZ3-TDN6>] (“L’Oreal is looking to Fab not for mass sales but to secure quality engagement. [Professional products division President] Ms. Verhulst-Santos said, ‘This is about neutrality, experience, and craft, not about a product destination—we have other places to do that.’”).

104. The focus in existentialism on the imperative to create one’s own meaning in a universe that may be meaningless has influenced the marketing of brands. Teresa Siles, *Existentialism Thriving Among Today’s Most Successful Companies and Brands*, NSTPR (June 2, 2016), <http://nstpr.com/en/blog/existentialism-thriving-among-todays-most-successful-companies-and-brands/> [<https://perma.cc/E7KZ-4LTL>] (“Forward-looking organizations are adding their purpose—the end benefit they provide to people or society—to their company’s fundamental assets: mission, vision, values and brand positioning. For many organizations, purpose is now the foundation upon which everything else can and should be built, and the benefits are more than altruism.”). Beyond philosophical posturing, there is some evidence that companies focusing on their reason for being (their “brand ideals”) experience economic advantages. *Id.* (“Jim Stengel, previous global marketing officer for Proctor & Gamble, is among many business leaders eyeing purpose-driven enterprises. Stengel conducted a 10-year study on more than 50,000 brands and found those that focused on what he calls ‘brand ideals’ outperform others. In fact, the top 50 highest performing companies (dubbed ‘Stengel 50’) grew three times faster than their competitors, and an investment in the Stengel 50 would have been 400 percent more profitable than an investment in the S&P 500.”).

105. Jamie LaReau, *Subaru Ad Agency’s Pet Project: Weekend Experiment Became a Dog-Tested Pillar of the Brand’s Identity*, AUTOMOTIVE NEWS (May 9, 2016, 12:01 AM), <http://www.autonews.com/article/20160509/RETAIL03/305099991/subaru-ad-agencys-pet-project> [<https://perma.cc/86AP-RJ2T>].

106. *Id.*

107. Chandrakanth Seethamraju, *The Value Relevance of Trademarks*, in INTANGIBLE ASSETS: VALUES, MEASURES, AND RISKS 228, 232 (John R.M. Hand & Baruch Lev eds.,

equivalence. A trademark is a word or symbol used “to identify and distinguish” the goods or services of one company from those made by another.<sup>108</sup> Brands are younger, modern constructs developed by companies to better compete in an increasingly cluttered marketplace.<sup>109</sup> Although the theoretical justification underlying trademark protection has evolved over the past one hundred years, the essential function of a trademark remains the same.<sup>110</sup> As federal trademark law gets its Congressional authority through the Commerce Clause, trademarks are symbols of commerce that are protected in order to prevent trade diversion and consumer deception.<sup>111</sup> Both common law and federal statutory law protect trademarks as a means of protecting consumers and ensuring an efficient marketplace.<sup>112</sup> Trademarks achieve these two goals by performing four functions:

- (1) To identify one seller’s goods and distinguish them from goods sold by others;
- (2) To signify that all goods bearing the trademark come from or are controlled by a single, albeit anonymous, source;
- (3) To signify that all goods bearing the trademark are of an equal level of quality; and
- (4) As a key part of advertising and selling the goods and services.<sup>113</sup>

To serve all four functions, a trademark must be distinctive enough for consumers to recognize it as an indication of the

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2003); *see also* Daniel J. Howard, Roger A. Kerin & Charles Gengler, *The Effects of Brand Name Similarity on Brand Source Confusion: Implications for Trademark Infringement*, 19 J. PUB. POL’Y & MKTG. 250, 250-51 (2000).

108. Lanham Act § 45, 15 U.S.C. § 1127 (2006); *see also* 1 MCCARTHY, *supra* note 16, § 3:1. For the purposes of this article, the words “mark” and “trademark” are used interchangeably to refer to all forms of marks, registered or not, including service marks.

109. Jessica M. Kiser, *Brands as Copyright*, 61 VILL. L. REV. 45, 55 (2016).

110. Mark P. McKenna, *A Consumer Decision-Making Theory of Trademark Law*, 98 VA. L. REV. 67, 70 (2012) (“Thus, over the course of the last century, we have moved from a system in which confusion was actionable only insofar as it related to the particular end of trade diversion to one in which confusion itself defines the cause of action.”).

111. *Id.*; *see also* Mark A. Lemley, *The Modern Lanham Act and the Death of Common Sense*, 108 YALE L.J. 1687, 1708 (1999) (“The point of trademark law has never been to maximize profits for trademark owners at the expense of competitors and consumers.”).

112. 1 MCCARTHY, *supra* note 16, § 2:1.

113. *Id.* § 3:2.

source or origin of that particular good or service.<sup>114</sup> A word, symbol or other device that is not distinctive, such as a generic term for the class of goods of which the seller's good is a part, will not be granted any protection under federal or common law.<sup>115</sup> For example, a single seller will not be permitted to claim a monopoly via trademark protection over a word like "soda" in connection with the sale of soft drinks because "soda" refers to the type of beverage, not a specific source, and, therefore, must be available for use by all sellers of soft drinks.<sup>116</sup> Conversely, a word that is distinctive provides helpful information to consumers.<sup>117</sup> It serves as a shorthand way of referring to the unique source of a good as compared to products made by other companies in the same product category.<sup>118</sup> The trademark allows for repeat purchases and customer loyalty because the mark allows a seller to rely on the product's consistent quality across numerous purchases.<sup>119</sup>

When a new product is released, the creator of that product will select a trademark intended to serve the traditional role of such a mark by indicating the source of the product to consumers.<sup>120</sup> That trademark's purpose is effectuated as soon as the product is placed into commerce.<sup>121</sup> A product's brand, however, will take more time to develop.<sup>122</sup>

Famous brands possess numerous markers of identity that contribute to the overall brand image—including trademarked names (COCA COLA, HARLEY DAVIDSON), logos (the NIKE Swoosh, the NBC peacock), and trade dress (the COCA COLA bottle shape, the round

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114. 2 MCCARTHY, *supra* note 16, § 11:2.

115. *Id.* §§ 11:2, 12:1.

116. *Id.* § 12:1.

117. *Id.* § 11:2.

118. *See id.*

119. This reduction of consumer search cost is considered a critical function of trademarks by scholars advancing a law and economics perspective. *See e.g.*, William M. Landes & Richard A. Posner, *Trademark Law: An Economic Perspective*, 30 J.L. & ECON. 265, 269 (1987) ("The benefits of trademarks in reducing consumer search costs require that the producer of a trademarked good maintain a consistent quality over time and across consumers. Hence trademark protection encourages expenditures on quality.").

120. *See* Kiser, *supra* note 109, at 56.

121. *Id.*

122. *Id.*

shape of a MOBIL gas pump)—but they also possess a story or history that has been shared with consumers.<sup>123</sup>

A mark also serves as a semiotic identifier by which a company can tie its promotional activities or advertising message quickly to the symbol that reflects the product in the consumer's mind.<sup>124</sup>

All of these messages, added up, create the amorphous concept of a brand.<sup>125</sup> A product's brand ties the name of the company or the relevant trademark to more than just the product's source. It connects numerous messages about how the company wants the consumer to view the brand, and also view himself or herself if he or she purchases the brand.<sup>126</sup> It is the stories that brand owners tell, and the imagery that they promulgate in order to create a unique story and personality with, which consumers can engage and identify.<sup>127</sup> A consumer who identifies with a particular brand's message will be more likely to buy that brand's products and remain loyal to it.<sup>128</sup>

Because a trademark is often the most obvious visual symbol of a company's marketing efforts, trademarks and brands are often conflated into a generalized indicator of goodwill.<sup>129</sup> However, brands cannot be characterized merely in terms of economic exchange. Brands are often described as relationships

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123. *Id.*

124. *See id.* at 55 (“[T]he product’s brand includes both the trademark and all the other information about the product presented to the marketplace by the trademark owner, including the product’s packaging and the various forms of marketing materials produced to sell the product.”). “However, some marketing theorists are so focused on the importance of the brand that they conflate the brand with the trademark.” Kiser, *supra* note 109, at 55 n.62. (quoting DAVID A. AAKER, *MANAGING BRAND EQUITY: CAPITALIZING ON THE VALUE OF A BRAND NAME* 7 (1991) (“A brand is a distinguishing name and/or symbol . . . intended to identify the goods or services of either one seller or group of sellers, and to differentiate those goods or services from those of competitors. A brand thus signals to the customer the source of the product, and protects both the customer and the producer from competitors who would attempt to provide products that appear to be identical.”)).

125. DOUGLAS B. HOLT, *HOW BRANDS BECOME ICONS: THE PRINCIPLES OF CULTURAL BRANDING* 3 (2004).

126. WILLIAM J. MCEWEN, *MARRIED TO THE BRAND: WHY CONSUMERS BOND WITH SOME BRANDS FOR LIFE* 18 (1st ed. 2005).

127. HOLT, *supra* note 125, at 3.

128. MCEWEN, *supra* note 126, at 47.

129. Kiser, *supra* note 109, at 55.

or even marriages.<sup>130</sup> They exist as a much more ethereal concept: “A brand is what a business is all about in the hearts and minds of the people most important to its future.”<sup>131</sup> Douglas Holt explains:

A brand emerges as various “authors” tell stories that involve the brand. . . . Brand stories have plots and characters, and they rely heavily on metaphor to communicate and to spur our imaginations. As these stories collide in every social life, conventions eventually form. . . . A brand emerges when these collective understandings become firmly established.<sup>132</sup>

A brand owner begins this “brand story” with the initial release of the product and its marketing efforts.<sup>133</sup> Consumers encounter the product at stores and will receive the company’s advertising messages through print, television, or other media.<sup>134</sup> Once the product is in the marketplace, consumers can contribute to the brand story through reviews, word of mouth advertising, and in various ways through online media.<sup>135</sup> Therefore, branding cannot exist in a vacuum. Branding entails building relationships and shared discourse with consumers.<sup>136</sup> This discourse is facilitated by the specific trademarks that are a part of the overarching brand. Trademarks serve an important function as semiotic identifiers of the brand being discussed, and, without them, one would need to use awkward linguistic expressions to identify the brand of interest (e.g., “famous Swedish mass-market furniture company” instead of IKEA).<sup>137</sup> Consumers need the ability to explicitly refer to the trademarks

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130. MCEWEN, *supra* note 126, at 3 (“There are real differences between what motivates a first purchase or visit and what turns that ‘first date’ encounter into an ongoing relationship—a brand ‘marriage.’”).

131. JIM STENGEL, *GROW: HOW IDEALS POWER GROWTH AND PROFIT AT THE WORLD’S GREATEST COMPANIES* 8 (2011).

132. HOLT, *supra* note 125, at 3.

133. Kiser, *supra* note 109, at 56.

134. *Id.* at 56-57 (quoting Alexander L. Biel, *Converting Image into Equity*, in *BRAND EQUITY & ADVERTISING: ADVERTISING’S ROLE IN BUILDING STRONG BRANDS* 67 (David A. Aaker & Alexander L. Biel eds., 1993) (“In addition to direct and indirect (e.g., word of mouth, media reports, etc.) personal experience with a brand, media advertising is an obvious source of [brand] image, both reflecting and forming the brand’s gestalt.”).

135. Biel, *supra* note 134, at 67.

136. Kiser, *supra* note 109, at 57.

137. *Id.* at 55-56.

associated with a brand in order to fully engage with the brand. Companies who heed the advice of marketing professionals desire this consumer engagement because it “transforms the enterprise into a customer-understanding machine, personalizing who your best customers are and what values you share with them.”<sup>138</sup> Some scholars argue that the consumer is so central to brand development that, “[u]ltimately, it is the consumer who controls the brand relationship.”<sup>139</sup> Acknowledging a fundamental difference between sending a message to a consumer through a trademark and having a dialogue with that consumer through branding is important because of the tangible economic advantages of developing strong brands.

### B. Brands Provide Substantial Benefits to Businesses

From a business owner’s perspective, brands are important because they translate into increased profits.<sup>140</sup> “Possessing a well-developed and well-known brand name translates into numerous benefits to the brand owner.”<sup>141</sup> Brands are “the only corporate asset that, managed properly, will never depreciate.”<sup>142</sup> Owners of famous brands are required to spend less money introducing new product extensions<sup>143</sup> and are buffered against competitor price fluctuations and promotions.<sup>144</sup> Customers will also pay more for a branded product.<sup>145</sup> This additional amount that customers are willing to pay is known as the brand

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138. STENGEL, *supra* note 131, at 19.

139. MCEWEN, *supra* note 126, at 6 (emphasis omitted).

140. *Id.* at 65-66.

141. Kiser, *supra* note 109, at 58.

142. STEVE MCKEE, POWER BRANDING: LEVERAGING THE SUCCESS OF THE WORLD’S BEST BRANDS 2 (2014).

143. Rajeev Batra et al., *The Brand Personality Component of Brand Goodwill: Some Antecedents and Consequences*, in BRAND EQUITY & ADVERTISING: ADVERTISING’S ROLE IN BUILDING STRONG BRANDS 83, 83 (David A. Aaker & Alexander L. Biel eds., 1993) (“Brand names are regarded among the most valuable assets owned by a company. A well-known and well-regarded brand name—one with a high level of *equity or goodwill*—can often be extended into new product categories, in a way that saves the extending company many of the expenses of establishing a new brand name. As a consequence, companies acquiring others pay significant asset valuation premiums for the portfolio of brand names that are acquired.” (citation omitted)).

144. AAKER, *supra* note 124, at 39.

145. Jeremy N. Sheff, *Biasing Brands*, 32 CARDOZO L. REV. 1245, 1257 (2011).

premium.<sup>146</sup> The existence of brand premiums is well documented in marketing research where consumers frequently value identical products differently (and the branded product more favorably) when one product is unlabeled and the other is shown under a known brand name.<sup>147</sup> For example, imagine that a researcher duplicates the infamous PEPSI versus COCA-COLA taste test experiment.<sup>148</sup> Following real taste tests, that researcher is likely to find that participants generally prefer the taste of the PEPSI sample over the taste of the COCA-COLA sample when both samples remain generic and unmarked.<sup>149</sup> However, the overall preference of these same participants will change to favor the flavor of COCA-COLA if the comparison is conducted with both products labeled with their respective brand.<sup>150</sup> This could be taken even further to show that when two COCA-COLA samples are compared, and where only one sample is labeled as COCA-COLA, tasters will select the one labeled COCA-COLA as better tasting even though the samples are identical products.<sup>151</sup> This is the power of brand development, and this is what companies value when they discuss brand equity.<sup>152</sup>

In an annual study of brand equity conducted by Interbrand, a leading global branding company, “Coca-Cola has perennially

146. *Id.* at 1253, 57, 59 (arguing that a “brand bias” is “an example of the type of boundedly rational decision-making behavior” that differs from predictions about decision-making under the assumptions of law and economics models).

147. *Id.* at 1293.

148. This taste test (called the “Pepsi Challenge” in advertising) has been discussed in a number of marketing and popular sources. See, e.g., Bernice Kanner, *Coke vs. Pepsi: The Battle of the Bubbles*, N.Y. MAG., Oct. 5, 1981, at 21; ROGER ENRICO & JESSIE KORNBLUTH, *THE OTHER GUY BLINKED: HOW PEPSI WON THE COLA WARS 6-7* (1986); Lone Frank, *How the Brain Reveals Why We Buy*, SCI. AM. (Nov. 2, 2009), <https://www.scientificamerican.com/article/neuromarketing-brain/> [<https://perma.cc/MJC3-UDSU>]; MALCOLM GLADWELL, *BLINK: THE POWER OF THINKING WITHOUT THINKING* 155-58 (2005); PEPSI-CO., INC., *THE PEPSI-COLA STORY* 12-13 (2005), [http://www.pepsi.com/PepsiLegacy\\_Book.pdf](http://www.pepsi.com/PepsiLegacy_Book.pdf) [<https://perma.cc/7V44-SLFE>].

149. PEPSI-CO, INC., *supra* note 148, at 13.

150. Frank, *supra* note 148. The preference for Coca-Cola is not entirely because Pepsi has brand loyal customers. Those who have a stated brand preference tend to base their preference on the cola label, not merely the taste, as was demonstrated in an experiment where Coca-Cola was poured into Pepsi bottles and vice versa. Mary E Woolfolk, William Castellan & Charles I. Brooks, *Pepsi Versus Coke: Labels, Not Tastes, Prevail*, 52 PSYCHOL. REP. 185, 185-86 (1983). Participants based their decision on the label of their preferred brand, not the taste of the soda in the bottle. *Id.* at 186.

151. Samuel M. McClure et al., *Neural Correlates of Behavioral Preference for Culturally Familiar Drinks*, 44 NEURON 379, 385 (2004).

152. Biel, *supra* note 134, at 70-71.



been at or near the top of the list with a value of more than \$75 billion.”<sup>153</sup> This value does not include “the bottling plants, the inventory, the truck fleets, the factories, [or] the secret recipe.”<sup>154</sup> Rather, it reflects only the value of the COCA-COLA brand.<sup>155</sup> Over the past few decades, corporations have begun to recognize the value of branding; thus, it may come as no surprise that, “[i]n 1980 virtually the entire market capitalization of the S&P 500 companies consisted of tangible assets (cash, offices, plants, equipment, inventories, etc.)” [But by] 2010 “tangible assets accounted for only 40 to 45 percent of the S&P 500 companies’ market capitalization.”<sup>156</sup> The rest consisted of intangible assets—primarily the value of the relevant brand.<sup>157</sup>

In his seminal book on modern branding, David Aaker suggested that brand equity is comprised of four interconnected concepts: brand awareness, perceived brand quality, brand associations, and brand loyalty.<sup>158</sup> Brand awareness is especially valuable to a brand owner because it aids in consumer recall and establishes assumptions of reliability for consumers.<sup>159</sup> This is more important now than ever, given the cluttered modern marketplace and the consumer’s increasing ability to ignore advertisements.<sup>160</sup> In 1965, consumers had 34% recall of advertisements. However, by 1990, recall had fallen to 8%.<sup>161</sup> A 2007 ACNielsen survey found that “the average person could name a mere 2.21 commercials of those they had *ever* seen,” without prompting.<sup>162</sup> The change in consumer attention spans and the increase in devices that allow advertisements to be ignored support the argument that “companies must move from interruptive advertising to engagement marketing . . . .”<sup>163</sup> That may be one of very few ways to gain brand awareness.

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153. MCKEE, *supra* note 142, at 2.

154. *Id.*

155. *Id.*

156. STENGEL, *supra* note 131, at 10.

157. *Id.*

158. AAKER, *supra* note 124, at 19-20.

159. *Id.*

160. MARTIN LINDSTROM, *BUYOLOGY: TRUTH AND LIES ABOUT WHY WE BUY* 38 (2008).

161. *Id.* at 37.

162. *Id.* (emphasis added).

163. TOMI T. AHONEN & ALAN MOORE, *COMMUNITIES DOMINATE BRANDS: BUSINESS AND MARKETING CHALLENGES FOR THE 21ST CENTURY* 8 (2005).

Additionally, when consumers are aware of a brand's existence, they presume the brand to be reliable, proven, and of reasonable quality based on its ability to persist in the marketplace.<sup>164</sup> Therefore, an unknown brand will have little chance at attracting a consumer away from a known brand without offering price discounts and promotions to make the perceived risk worthwhile.<sup>165</sup> Perceived brand quality builds on these assumptions and is supplemented by a consumer's past purchasing experience. Because buyers are often unable or unwilling to conduct detailed investigations into the actual quality of a brand, prior use, advertising about quality, and word-of-mouth reviews all contribute to the perception of quality.<sup>166</sup> This perceived quality is transferred to brand extensions, so that a new product offered under a known brand of perceived high quality will be assumed to possess the same level of quality.<sup>167</sup> Launching a new product is a risky undertaking, so this transfer of brand quality and awareness can help safely establish a new product line.<sup>168</sup>

Brand associations are mental images conjured by consumers each time they encounter a brand.<sup>169</sup> Brand associations help a consumer to make a quick choice between competing products in a crowded marketplace.<sup>170</sup> Brands can be linked, through marketing efforts as well as consumer involvement, to attitudes or feelings (like trustworthiness), to uses (like how ALKA-SELTZER has linked its product to the treatment of upset stomach), or even to ideals or personalities (such as the associations made with luxury goods).<sup>171</sup> By creating an association between a brand and idealized personality traits, a brand can become an important way for consumers to express themselves and their own identity.<sup>172</sup> Marketing expert Jim Stengel argues that companies should focus on creating a brand "ideal." He suggests that "[a] viable brand ideal cuts through the

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164. AAKER, *supra* note 124, at 19.

165. *See id.*

166. *Id.*

167. *Id.*

168. *See id.*

169. AAKER, *supra* note 124, at 28.

170. *See id.* at 19.

171. *Id.*

172. *See id.*

clutter and clarifies what you and your people stand for and believe . . . , personalizing who your best customers are and what values you share with them.”<sup>173</sup> Although it is fairly easy for a competitor to compare its product to another based on functionality or performance, brand associations are less susceptible to an evidence-based attack.<sup>174</sup> It is difficult for a competing company to prove, or disprove, the accuracy of intangible, emotional associations.<sup>175</sup>

“Brand loyalty . . . is a measure of the attachment that a customer has to a brand.”<sup>176</sup> Although all businesses want to attract new customers, brand loyalty is essential because “[i]t costs a lot more money to attract a customer than to keep one.”<sup>177</sup> Although some loyalty may be based on inertia, brand loyalty typically occurs when a consumer is satisfied with the brand and its performance.<sup>178</sup> However, brand loyalty touches on nearly every aspect of a company’s brand development. One empirical study found that, “brand trust and brand affect contributed to both purchase loyalty and attitudinal loyalty, which in turn contributed significantly to market share and relative price, respectively.”<sup>179</sup> Thus, a brand must maintain product quality as well as consumer trust in order to build and keep a consumer’s loyalty. A loyal consumer is less vulnerable to a competitor’s price discounts and promotions.<sup>180</sup> Demonstrated loyalty can also be used to gain leverage in negotiations with retailers because consumers will “expect the brand to be always available.”<sup>181</sup> A truly loyal consumer sees the brand as important to his or her life in either a functional sense or as a means of expressing his or her own identity.<sup>182</sup> Because brand loyalty is at the heart of brand equity,

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173. STENGEL, *supra* note 131, at 19 (“Ideals unlock the code for twenty-first-century business success because they leverage timeless truths about human behavior and values in business and in life. They enable life to influence business and business to influence life.”).

174. *See* AAKER, *supra* note 124, at 21.

175. *See id.*

176. *Id.* at 39.

177. MCKEE, *supra* note 142, at 24.

178. AAKER, *supra* note 124, at 19.

179. Arjun Chaudhuri & Morris B. Holbrook, *The Chain of Effects from Brand Trust and Brand Affect to Brand Performance: The Role of Brand Loyalty*, 65 J. MKTG. 81, 90 (2001).

180. AAKER, *supra* note 124, at 19.

181. *Id.*

182. *See id.*

developing a loyal base of consumers may require a company to create brand associations that connect to those consumers at a relational or emotional level.

### C. Consumers Have Unique Relationships with Brands

As discussed above, advertisements about a price discount or commercials touting how one product is better than another are less effective at driving sales or increasing brand loyalty.<sup>183</sup> In order to have a real impact on a consumer's purchasing decisions, the company must enter into a relationship with that particular consumer.<sup>184</sup> This can be subtly disguised as product placements in television programming, for example, so that a consumer's relationship with their beloved character builds similar positive associations with the branded product.<sup>185</sup> This type of hidden advertising has been referred to as "murketing" or murky marketing.<sup>186</sup> This term reflects the "increasingly sophisticated tactics of marketers who blur the line between branding channels and everyday life."<sup>187</sup> Katya Assaf argues that society now engages in a phenomenon called "brand fetishism" whereby trademarks are tools of "psychological influence," rather than informative commercial signifiers.<sup>188</sup> This psychological aspect of modern branding places trademarks squarely within the realm of expressive speech.<sup>189</sup>

To develop relationships and psychological connections between brands and consumers, companies may be required to go beyond simply inviting consumers into the brand-development process. In a shift that has been described as a "sea change" in the industry, companies have "offered to 'collaborate' or 'co-create' with [consumers]—by, say, letting [them] make design suggestions, or send in ideas for product names, or provide instant online feedback about their wares."<sup>190</sup> This can be attractive to

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183. See *supra* notes 172-82 and accompanying text.

184. See *supra* notes 176-82 and accompanying text.

185. WALKER, *supra* note 45, at xvii.

186. *Id.*

187. *Id.*

188. Katya Assaf, *Brand Fetishism*, 43 CONN. L. REV. 83, 89 (2010) (arguing that trademark law should act against brand fetishism rather than encourage it).

189. *Id.* at 88-89.

190. WALKER, *supra* note 45, at 36.

consumers in a variety of ways. Consumers may feel that the product is now better able to address their specific needs because of this collaboration.<sup>191</sup> Additionally, they may be more loyal to the brand based on their investment of time in its development.<sup>192</sup>

Through a phenomenon known as the “IKEA effect,” studies have demonstrated that people consider a product more valuable if they have invested labor into it.<sup>193</sup> IKEA’s furniture is sold in disassembled pieces to reduce production costs for the company.<sup>194</sup> As a result, IKEA consumers must assemble the furniture after their purchase.<sup>195</sup> These consumers actually rate the company’s products higher after they have invested time and energy into constructing their purchase.<sup>196</sup> By asking consumers to participate in product development or brand development, a company may similarly receive increased positive associations from those consumers who have invested their time and effort into that engagement. Perhaps to the surprise of traditional marketers, consumers want this involvement and want to develop relationships with brands.<sup>197</sup>

### *1. The Brand-Consumer Dyad*

The theory of brand relationships developed out of studies of brand loyalty.<sup>198</sup> To maintain loyalty, the business must take care in managing the brand-consumer dyadic relationship.<sup>199</sup> Viewing brands as relationships with individual consumers can help to answer why and how consumers become loyal to brands.<sup>200</sup> Brands are treated as relationship partners with personalities and identities that interact.<sup>201</sup> Both parties

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191. *Id.*

192. Norton et al., *supra* note 6, at 453, 458-59.

193. *Id.*

194. *Id.* at 453-54 (suggesting that the method employed by IKEA shifts production costs to the consumer).

195. *Id.* at 453.

196. *Id.*

197. WALKER, *supra* note 45, at xviii. “[Consumers] were doing something new, but it wasn’t really about resisting and rejecting branding. It was about reinventing it and maybe even revitalizing it.” *Id.*

198. TILDE HEDING ET AL., BRAND MANAGEMENT: RESEARCH, THEORY AND PRACTICE 152 (2009).

199. *Id.* at 154.

200. *Id.* at 152.

201. *Id.* at 117.

“contribute to brand value creation, which takes place in an ongoing meaning-based exchange.”<sup>202</sup> Research in this field was the first to acknowledge this co-development of meaning.<sup>203</sup> In this way, brands function to imbue purchasing decisions with psychological meaning. Purchasing decisions—even the selection of a 99 cent pack of gum—can speak to the life goals and life themes of consumers.<sup>204</sup> This relationship between the consumer and the brand can have significant benefits. For example, “[c]onsumers who have used brand associations to construct their self-identities may be more forgiving of marketer blunders, be it a poor advertising campaign or a temporary product quality problem.”<sup>205</sup>

Brand owners can utilize social science study techniques to interview their consumers and uncover the consumer’s perceptions of the brand and its “personality.”<sup>206</sup> A host of quantitative and qualitative techniques, including surveys, focus groups, interviews, home studies, and passive observation, have been used by researchers to characterize the dyadic relationship between consumers and brands.<sup>207</sup> If the research indicates that the current positioning of the brand in the marketplace is desirable, then official brand messages can be developed to reinforce that brand identity (defined as the collection of associations that a brand owner seeks to establish and maintain over time).<sup>208</sup> If the brand positioning is suboptimal, then the company can engage consumers in the process of redirecting the brand by transforming the brand identity, with direct input from consumers, into “someone” with whom the consumer would

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202. *Id.* at 154.

203. *See* HEDING ET AL., *supra* note 198, at 153-54.

204. *See e.g.* Gabriele Morandin et al., *Brand Community Membership and the Construction of Meaning*, 29 SCANDINAVIAN J. MGMT. 173, 182 (2013) (finding that members of a DUCATI motorcycle brand community “achieved life meaning through intellectual and emotional connections and comparisons made to their life pursuit and purpose in life with aspects of the brand and Club Ducati”); *see also* Jennifer Edson Escalas & James R. Bettman, *You Are What They Eat: The Influence of Reference Groups on Consumers’ Connections to Brands*, 13 J. CONSUMER PSYCHOL. 339, 340 (2003) (finding that “[c]onsumers construct themselves and present themselves to others through their brand choices based on the congruency between brand image and self-image”).

205. Escalas & Bettman, *supra* note 204, at 347.

206. HEDING ET AL., *supra* note 198, at 117.

207. *See id.* at 121, 132-36.

208. *Id.* at 12-13.

choose to associate. This was the path taken by the owners of the OLD SPICE brand of deodorant in 2008.<sup>209</sup> The brand was first sold in 1938 and became quite popular.<sup>210</sup> However, in recent years, young consumers started to associate the brand with their grandparents.<sup>211</sup> Sales began lagging substantially behind the youth-focused AXE brand of hygiene products.<sup>212</sup> The advertising agency hired to rebrand Old Spice built upon its brand association with older men to convince younger men to “Smell Like a Man.”<sup>213</sup> The company also employed the lead actor in these advertisements, Isaiah Mustafa, in customer engagement activities.<sup>214</sup> In particular, Mustafa made 186 short videos where he responded to consumer questions and comments on social media websites.<sup>215</sup> Consumers responded by sharing the videos widely, and sales increased dramatically.<sup>216</sup>

Modern marketing research recognizes that consumers often fail to make decisions based on the logical balancing of costs and benefits.<sup>217</sup> Instead, decisions are often made in response to habit or impulse based on emotional needs.<sup>218</sup> Habits are defined as “automatic behaviors triggered by situational cues.”<sup>219</sup> Marketers claim that “a behavior that occurs with enough frequency and perceived utility enters the *Habit Zone*, helping to make it a default behavior.”<sup>220</sup> Thus, a brand can build substantial

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209. Megan O’Neill, *How Old Spice Swaggerized Their Brand and Men Everywhere*, ADWEEK (July 22, 2010), <http://www.adweek.com/digital/how-old-spice-swaggerized-their-brand-and-men-everywhere/> [https://perma.cc/W6W2-VQ7C].

210. *History of Old Spice*, PROCTER & GAMBLE, [http://news.oldspice.com/about/history\\_timeline](http://news.oldspice.com/about/history_timeline) [https://perma.cc/BJM3-HZR4].

211. O’Neill, *supra* note 209.

212. *Id.*

213. *Case Study: Old Spice Response Campaign*, D&AD, <https://www.dandad.org/en/d-ad-old-spice-case-study-insights/> [https://perma.cc/JE9A-WBCH].

214. *Id.*

215. *Id.*

216. *Id.*

217. NIR EYAL WITH RYAN HOOVER, *HOOKED: HOW TO BUILD HABIT-FORMING PRODUCTS 1* (2014).

218. *Id.*

219. *Id.* (citing Gordon D. Logan, *The Role of Memory in the Control of Action*, in OXFORD HANDBOOK OF HUMAN ACTION 427, 427 (Ezequiel Morsella, John A. Bargh & Peter Gollwitzer eds., 2009) (“Habits are common responses to familiar stimuli that can be executed with little thought and effort.”)); *see also* Wendy Wood et al., *Habits in Everyday Life: Thought, Emotion, and Action*, 83 J. PERSONALITY & SOC. PSYCHOL. 1281, 1282 (2002).

220. EYAL WITH HOOVER, *supra* note 217, at 30.

unconscious brand loyalty by making itself part of a habitual process or habitual consumer need.<sup>221</sup> For example, using Google's search engine to answer a question likely started based on advertising or word-of-mouth reviews alleging that the search engine was better than others.<sup>222</sup> For many consumers, turning to Google on their phones to answer hundreds of mundane questions has now become a habit because no conscious thought goes into the decision of using a Google search. The fact that the use of Google has become so habitual is one of the barriers for competitor search engines, like Bing, to increase market share.<sup>223</sup> One possible way to ingrain a brand-related habit into the minds of consumers is to create a ritual around the use of the product. "[P]roduct rituals give us an illusion of comfort and belonging."<sup>224</sup> Something as small as the act of dropping two ALKA-SELTZER tablets into a glass of water can become a meaningful ritual.<sup>225</sup> A consumer may feel relief after using the product, and mentally associate that relief with the ritualized process.<sup>226</sup> When that happens, consumers describe products that lack the ritual as less effective.<sup>227</sup> The development of these mini-rituals is often utilized in the alcoholic beverage industry.<sup>228</sup> For example, in the few seconds it takes to drop a lime into a CORONA beer, a consumer may conjure images of past barbecues or fun times with friends, thus priming him or her for enjoyment of the product.<sup>229</sup> Similarly, the process by which a bartender pours a GUINNESS has been described as a ritual.<sup>230</sup>

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221. *Id.* at 29-30.

222. Patrick Coffee, *Ogilvy Cannes Study: Behold the Power of Word of Mouth*, ADWEEK (June 19, 2014) <http://www.adweek.com/digital/ogilvy-cannes-study-behold-the-power-of-word-of-mouth/> [<https://perma.cc/46PU-B67S>].

223. See Kira Radinsky, *Data Monopolists Like Google Are Threatening the Economy*, HARV. BUS. REV. (Mar. 2, 2015) <http://www.hbr.org/2015/03/data-monopolists-like-google-are-threatening-the-economy> [<https://perma.cc/PY8K-NRWB>].

224. LINDSTROM, *supra* note 160, at 99.

225. See MALCOLM GLADWELL, *WHAT THE DOG SAW: AND OTHER ADVENTURES* 95-96 (2009).

226. *Id.*; see also FABRIZIO BENEDETTI, *PLACEBO EFFECTS* § 2.2.2 (2d ed. 2014).

227. EYAL WITH HOOVER, *supra* note 217, at 47-48.

228. Vanessa Krumb, *Corona with Lime and How to Build a Brand Experience*, ROI DNA (May 6, 2015) <http://www.roidna.com/blog/corona-with-lime-and-how-to-build-a-brand-ritual/> [<https://perma.cc/DL47-HMWU>].

229. *Id.*

230. LINDSTROM, *supra* note 160, at 89 ("[T]he ritual of the slow pour is part of the pleasure of drinking a Guinness").



The brand educates bartenders and industry professionals on the best way to pour the beer with a six-step process that creates a substantially foamy head on the beer.<sup>231</sup> This process is intended to be slower, 119.5 seconds to be exact, when compared to the pouring of other beers.<sup>232</sup> This slow pour is a ritual that can create positive brand associations. However, the owners of GUINNESS have taken this a step further and even use the advertising slogan “Good Things Come to Those Who Wait.”<sup>233</sup>

Although these businesses are examples of brand owners capitalizing on the psychology of consumers to sell products, it is important to recognize that brand owners are not the only ones benefitting from modern brand development. Rather, consumers also benefit in a myriad of ways. Brand owners create lasting relationships between consumers and the brand by speaking directly to the consumer’s needs.<sup>234</sup> Successful brand development satisfies those needs.<sup>235</sup> If there was only one brand of toothpaste in the world, then advertising for toothpaste could simply focus on the functions of the product to encourage people to buy and use it. However, there are numerous products available to satisfy every quotidian need. To build brand loyalty and differentiate a brand from others in its product category, companies must use brand development to address the emotional

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231. *Guinness Academy*, GUINNESS STOREHOUSE, <https://www.guinness-storehouse.com/en/guinness-academy> [<https://perma.cc/5XAF-NA5L>] (“Learn how to pour the perfect pint of Guinness [beer] at the academy.”); *How to Pour the Perfect Guinness*, ESQUIRE (Mar. 12, 2007) <http://www.esquire.com/news-politics/how-to/a2763/guinness031207/> [<https://perma.cc/93AQ-L72T>].

232. Sujata Kundu, *The Science Behind Pouring the Perfect Pint of Guinness*, FORBES (Mar. 11, 2016, 7:18 AM), <http://www.forbes.com/sites/sujatakundu/2016/03/11/the-science-behind-pouring-the-perfect-pint-of-guinness/> [<https://perma.cc/5JHK-98ZP>].

233. *Id.*

234. Kevin Lane Keller, *Building Customer-Based Brand Equity: What Makes A Strong Brand? How Do You Build a Strong Brand?*, <http://www.brandsandbranding.co.za/building-customer-based-brand-equity-what-makes-a-strong-brand-how-do-you-build-a-strong-brand/> (last visited Sept. 29, 2017) [<https://perma.cc/8DSH-M582>].

235. *Id.*

and existential needs<sup>236</sup> of consumers.<sup>237</sup> Irina Manta has written extensively on the various hedonic and emotional benefits that trademarks can offer to consumers.<sup>238</sup> She argues that “[b]uying branded goods is one way that consumers build that connection and satisfy those personal needs for self-expression, prestige, status, and even community membership.”<sup>239</sup> Psychological needs are no less significant than utilitarian needs.<sup>240</sup> The “All of Garden” website is a helpful example of a consumer meeting his needs through brand involvement.<sup>241</sup> The owner of the website, a fan named Vino, created the site to document his opinions of the pasta dishes offered at the OLIVE GARDEN chain of restaurants.<sup>242</sup> In 2014, Vino purchased his first PASTA PASS and was thus entitled to unlimited pasta dishes over a seven-week period.<sup>243</sup> If Vino was only interested in satisfying his need for food, that would be the end of this discussion. However, he created the All of Garden website, and updates it annually, to review every possible pasta and sauce combination as part of his humorous “quest to eat all the pasta.”<sup>244</sup> Vino uses this brand, and its related trademarks, to express himself, and to seek attention and praise from like-minded individuals.<sup>245</sup> This website offers him a portal through which to connect, through

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236. Empirical studies have identified a link between operationalized existential anxiety and consumption of branded products. Aric Rindfleisch et al., *The Safety of Objects: Materialism, Existential Insecurity, and Brand Connection*, 36 J. CONSUMER RES. 1, 10 (2009) (“[B]oth of our studies indicate that brand connections function as an important outlet for materialistic individuals to assuage their existential fears. Hence, materialism appears to have an important influence on the degree of connections that consumers form with their brands.”).

237. Martin Reimann et al., *How We Relate to Brands: Psychological and Neurophysiological Insights into Consumer-Brand Relationships*, 22 J. CONSUMER PSYCHOL. 128, 138 (2012) (“The present research shows that emotional arousal abates as one uses a new loved brand over time, while inclusion of the beloved brand into the self increases over time.”).

238. See Irina D. Manta, *Branded*, 69 SMU L. REV. 713, 735, 746-47 (2016).

239. *Id.* at 736-37 (discussing possible incentivizing functions of trademarks).

240. See Yakup Durmaz & Ibrahim Diyarbakırhoğlu, *A Theoretical Approach to the Strength of Motivation in Consumer Behavior*, 11 GLOBAL J. HUM. SOC. SCI. 37, 39 (2011).

241. *About*, ALL LOVE GARDEN, <http://allofgarden.com/about> [https://perma.cc/CCH3-DSN2].

242. *Id.*

243. *Id.*

244. *Id.*

245. *Id.*

emails and website comments, with other fans of the restaurant.<sup>246</sup> After the legal team for OLIVE GARDEN sent an ill-advised cease-and-desist letter to Vino in 2017, the website surged in popularity, and Vino was notably enthusiastic about the increased attention to his somewhat esoteric hobby (and self-proclaimed “life goal”).<sup>247</sup> Being forced to shut down would be a substantial sacrifice for the website’s owner who invested a significant amount of time into its development, and seems to view this “pasta quest” as part of his own sense of self.

Many of the psychological and emotional needs of consumers can be addressed by inviting the consumer to participate in brand development. For example, marketing research indicated that customers of CONVERSE brand shoes consider themselves more creative than their peers.<sup>248</sup> Therefore, when Nike acquired Converse in 2003, the parent company realized that it would need to sell the CONVERSE brand in a less traditional fashion than it sells NIKE shoes.<sup>249</sup> CONVERSE fans were invited to make their own ads because, according to Greg Stern, president of the ad agency hired to sell the shoe, “Converse is a brand that is uniquely qualified to rely on its consumers to express themselves creatively.”<sup>250</sup> After the agency invited CONVERSE fans to express themselves by making their own commercials, fans submitted more than 1200 films, and at least 41 of these became official ads for the brand.<sup>251</sup> Therefore, it is important for a brand owner to recognize that the “modern customer is also actively interested in using the new digital tools

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246. See e.g. *Special Edition Bonus Content*, ALL LOVE GARDEN, <http://allofgarden.com/article/2017/special-edition-bonus-content> [https://perma.cc/R4DB-ZDMY].

247. See Vincent Malone, *An Unfortunate Misunderstanding*, ALL LOVE GARDEN (July 19, 2017, 4:48 PM), <http://allofgarden.com/article/2017/an-unfortunate-misunderstanding> [https://perma.cc/8JC7-W4GX]. The Darden Corporation, which owns the Olive Garden chain of restaurants, later stated that the letter generated automatically and was sent in error. Katie Dangerfield, *Olive Garden’s Legal Battle with Blogger Ends, Gives Him \$50 Gift Certificate*, GLOBAL NEWS (July 27, 2017, 10:20 AM), <https://globalnews.ca/news/3628495/olive-garden-trademark-legal-battle-blog-all-of-garden/> [https://perma.cc/ZSH9-7C7T].

248. See Julia Hanson, *How Converse Kicks It With Millennial Shoppers*, CURALATE (Feb. 29, 2016), <https://www.curalate.com/blog/how-converse-kicks-it-with-millennial-shoppers/> [https://perma.cc/37NQ-RF85]; See also WALKER, *supra* note 45, at 91.

249. WALKER, *supra* note 45, at 91.

250. *Id.*

251. *Id.*

and methods to create and customise content.”<sup>252</sup> Brands that invite such creative input are able to offer ego-enhancing benefits to consumers who will feel valued, creative, and possibly even united in a community of brand fans as a result.<sup>253</sup>

## 2. *The Brand Consumer Triad & Brand Communities*

The most recent development in marketing research is the recognition of a community approach to branding.<sup>254</sup> This builds on the brand-consumer dyad but develops the interaction into a triad.<sup>255</sup> The community approach not only studies how brands and consumers relate, but also how consumers relate to each other concerning brands.<sup>256</sup> Instead of the traditional development of brand messages by a brand owner alone or in conjunction with a consumer, it is now possible to create brand meanings between consumers without the direct involvement of the brand owner.<sup>257</sup> Not only can the company be left out of the message, but consumers can outlast the company’s participation in the brand—as was the case with the Apple Newton product, where consumers continued to maintain, and even develop, uses for the Newton after Apple discontinued the product.<sup>258</sup> Given this power of

252. AHONEN & MOORE, *supra* note 163, at 122.

253. See Julian Connors, *The Benefits of User-Generated Content*, RAVEN (July 2013), <https://raventools.com/blog/benefits-user-generated-content/> [<https://perma.cc/45KQ-ZPWK>].

254. HEDING ET AL., *supra* note 198, at 26.

255. See BILL NISSIM, BRAND TRIAD: TOOLBOX FOR STRATEGIC BRAND ASSESSMENT AND REPOSITIONING xi-xiii (2008); see also Hope Jensen Schau et al., *How Brand Community Practices Create Value*, 73 J. MKTG. 30, 41 (2009) (“Our research supports three emerging perspectives in marketing: (1) Value is manifest in the collective enactment of practices, which favor investments in networks rather than firm-consumer dyads; (2) ceding control to customers enhances consumer engagement and builds brand equity; and (3) firms derive added brand value by creatively using willing customer (operant) resources.” (citations omitted)).

256. HEDING ET AL., *supra* note 198, at 182.

257. Some companies have taken the advice of various empirical studies to have a less active role in brand communities. See Bernard Cova & Stefano Pace, *Brand Community of Convenience Products: New Forms of Customer Empowerment—The Case “My Nutella The Community”*, 40 EUR. J. MKTG. 1087, 1098 (2006) (“These consumers are enabled by Ferrero to (re)shape the meaning of the brand they love.”).

258. HEDING ET AL., *supra* note 198, at 184.; see also Albert M. Muñoz, Jr. & Hope Jensen Schau, *Religiosity in the Abandoned Apple Newton Brand Community*, 31 J. CONSUMER RES. 737, 745 (2005).

consumers, brands are at risk of being hijacked.<sup>259</sup> However, brands are never static. If trademark law prevents brand meaning from changing through consumer-initiated efforts, then the law is essentially allowing the interests of trademark owners to restrict speech.<sup>260</sup> A hijacked brand can potentially be an element of expressive speech, but the brand owner should not have the power to stop that speech. Instead, the owner should seek to respond to it.

One interesting example of a consumer's power to affect brand meaning is the hip-hop community's adoption of TIMBERLAND brand shoes.<sup>261</sup> A New Hampshire-based company created and sold TIMBERLAND shoes with the stated goal of making a shoe that would keep the feet of blue collar workers warm and dry.<sup>262</sup> Focused on the functionality of the shoe design, the creator, Sidney Swartz, ignored the color preferences of buyers when the shoe was first sold in 1973, and instead selected a bright yellowish leather for its functional benefits.<sup>263</sup> The company maintained a relatively consistent brand-advertising scheme—that this American boot company made boots that work for “honest working people”—from the product's release until the early 1990s.<sup>264</sup> However, this is not

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The consumers of the forsaken Apple Newton brand are now charged with the responsibility for the entire brand-sustaining experience: modifying, repairing, and innovating the product; writing brand promotions; and performing the brand experience. As part of this brand performance, they engage in consumer-to-consumer narrative interactions that bind the community together and reify its values and beliefs.

*Id.*

259. HEDING ET AL., *supra* note 198, at 184.

260. Leonard Machado Pontes, *Trademark and Freedom of Speech: A Comparison Between the U.S. and the EU System in the Awakening of Johan Deckmyn v. Helena Vandersteen*, WORLD INTELL. PROP. ORG. (May 18, 2015), [http://www.wipo.int/edocs/mdocs/mdocs/en/wipo\\_ip/ge\\_15/wipo\\_ip/ge\\_15\\_t3.pdf](http://www.wipo.int/edocs/mdocs/mdocs/en/wipo_ip/ge_15/wipo_ip/ge_15_t3.pdf) [<https://perma.cc/3LPW-GGJP>].

261. *See* WALKER, *supra* note 45, at 81.

262. *Id.* at 81.

263. *Id.* at 81-82.

264. *Id.* at 84. Mr. Swartz's comment in an interview with the *New York Times* in the 1990s that he didn't understand these urban consumers and still directed his brand primarily at “honest working people” created a public relations problem for the company. Michel Marriott, *Out of the Woods*, N.Y. TIMES (Nov. 7, 1993), <http://www.nytimes.com/1993/11/07/style/out-of-the-woods.html?pagewanted=all> [<https://perma.cc/8EW8-A33E>]. Though various groups and hip-hop audience took offense and advocated for a boycott of the brand,

the TIMBERLAND brand identity that exists today. Instead, the shoes became popular among the hip-hop community without any concerted effort by the company to market to these consumers.<sup>265</sup> These consumers were attracted to the high price and limited commercial availability of the brand, which ultimately added to the brand's intended attraction based on its durability and bold look.<sup>266</sup> TIMBERLAND did not understand hip-hop consumers and initially, out of fear of hurting their traditional brand reputation among blue collar workers, did not want to encourage them.<sup>267</sup> However, the company was no longer in control of the brand message. Sales increased from \$200 million in the early 1990s to \$1.6 billion less than 20 years later, and the boots continue to be popular as an unexpected mainstay of urban culture.<sup>268</sup> For TIMBERLAND, the dominant brand identity is one that was created not by the company's marketing efforts, but by the company's consumers.

Companies are keenly aware of the existence of brand communities and of their strong impact on consumer loyalty.<sup>269</sup> A brand community is "a specialized, non-geographically bound community, based on a structured set of social relationships among admirers of a brand."<sup>270</sup> The current generation of young consumers is actively involved in various types of online communities.<sup>271</sup> "Young people of today are actually less

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the shoes still grew in popularity with that consumer segment. WALKER, *supra* note 45, at 84-85.

265. WALKER, *supra* note 45, at 82.

266. *Id.* at 82-83; *see also* CATHRINE V. JANSSON-BOYD, CONSUMER PSYCHOLOGY 55 (2010) (finding that it is a truism and proven fact that "possessions play an important role in how people perceive themselves and others").

267. *See* WALKER, *supra* note 45, at 82-84.

268. *Id.* at 82-83.

269. Those in the field of marketing have now accepted the importance of brand communities. *See, e.g.*, DOUGLAS ATKIN, THE CULTING OF BRANDS: WHEN CUSTOMERS BECOME TRUE BELIEVERS 62 (2004) ("The time has arrived for brands to take their place among others as new iterations of community in contemporary society."); *see also* Michael Laroche et al., *The Effects of Social Media Based Brand Communities on Brand Community Markers, Value Creation Practices, Brand Trust and Brand Loyalty*, 28 COMPUTERS HUM. BEHAV. 1755, 1763 (2012) ("We found that brand communities established on social media enhance feelings of community among members and contribute to creating value for both members and the company. Furthermore, the model shows how brand loyalty is increased in brand communities."). It may take time for other industries to catch up to this new normal.

270. Albert M. Muniz, Jr. & Thomas C. O'Guinn, *Brand Community*, 27 J. CONSUMER RES. 412, 412 (2001).

271. AHONEN & MOORE, *supra* note 163, at 124.

disconnected and less isolated than their preceding generations. The reason is the mobile phone.”<sup>272</sup> Some online communities form around hobbies like knitting, some form around occupations, and some coalesce around a beloved brand. Each community is “marked by a shared consciousness, rituals and traditions, and a sense of moral responsibility.”<sup>273</sup> Consciousness of kind refers a shared sense of belonging between members in the community.<sup>274</sup> Members of an established brand community feel a deep connection to the brand at the center of the community, but an even stronger connection to other members.<sup>275</sup> This creates an “us versus them” dichotomy through which the brand community recognizes “legitimate community members” in opposition to purchasers of competing brands.<sup>276</sup> For example, a loyal HARLEY-DAVIDSON community member may be ostracized for purchasing a SUZUKI motorcycle.

A phenomena called DisneyBounding is an interesting example of a brand community developing in response to consumer disappointment caused by a brand’s official rules.<sup>277</sup> For safety and other reasons, DISNEY brand theme parks do not permit guests over the age of fourteen to come to the parks wearing a costume.<sup>278</sup> As a clever way to obey this rule, while also showing one’s devotion to the brand, members of the DisneyBounding community visit the parks in traditional clothing that, in combination, shows an association with a specific

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272. *Id.* Humans have always sought out the social connections and psychological benefits derived from participating in a community. In the more mobile, modern world, the internet has become an obvious place to seek those connections. *See e.g.*, WALKER, *supra* note 45, at xv (arguing that we turn to brand communities to fill this social need because “in the twenty-first century we still grapple with the eternal dilemma of wanting to feel like individuals and to feel as though we’re part of something bigger than ourselves”); ATKIN, *supra* note 269, at 62-63.

273. Muniz & O’Guinn, *supra* note 270, at 412.

274. *Id.* at 413.

275. *Id.* at 418.

276. *See id.* at 419-20.

277. *See, e.g.*, Nione Meakin, *How Disney’s Ban on Costumes Inspired an Underground Style Subculture*, BROADLY VICE (July 17, 2017, 9:48 AM), [https://broadly.vice.com/en\\_us/article/kzax3w/how-disneys-ban-on-costumes-inspired-an-underground-style-subculture](https://broadly.vice.com/en_us/article/kzax3w/how-disneys-ban-on-costumes-inspired-an-underground-style-subculture) [<https://perma.cc/KQV3-8P2B>].

278. *Theme Park Dress & Costume Guidelines—FAQ*, WALT DISNEY WORLD RESORT, <https://disneyworld.disney.go.com/faq/parks/dress/> [<https://perma.cc/A43F-WH5T>].

DISNEY character.<sup>279</sup> To the rest of the guests at the park, DisneyBounders are not in costume, but the members of the community recognize other members in a crowd and acknowledge their shared sense that they are “real fans” of the DISNEY brand.<sup>280</sup>

There are also rituals and traditions present in brand communities that help to perpetuate this shared consciousness. Brand communities possess a sense of moral responsibility, which is seen as an obligation to help the community and its members.<sup>281</sup> These three community characteristics translate into free marketing for brands.<sup>282</sup> Studies have shown that participation in brand communities, online or offline, increases a consumer’s satisfaction with the brand, commitment to the brand, and likelihood of spreading word-of-mouth advertising.<sup>283</sup> One study concluded:

As consumer-generated media becomes increasingly popular, firms in highly competitive and mature sectors will need to further differentiate their products or services to maintain or gain competitive advantage. This advantage will be driven by consumer relationships with the firm’s brand developed through brand communities. Over time, these relationships will inspire loyalty, as consumers become an active part of co-producing new products and services that better meet their needs.<sup>284</sup>

A company should consider a brand community as a partner in innovation. “In general, members of brand communities are

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279. See e.g., Lisa Liddane, *Can’t Dress Up at Disneyland? Streetwear Meets Disney in ‘Disneybound’ Style*, ORANGE CTY. REG. (Nov. 18, 2015, 10:30 AM), <http://www.oregister.com/2015/11/18/cant-dress-up-at-disneyland-streetwear-meets-disney-in-disneybound-style/> [<https://perma.cc/9ATP-6CVH>].

280. See *Diehard Fans Are Dressing in Clothes Inspired by Their Favourite Characters in a Viral Trend Called DisneyBounding*, BUS. INSIDER AUSTL. (Aug. 18, 2017, 10:15 AM), <http://www.businessinsider.com/diehard-fans-are-dressing-in-clothes-inspired-by-their-favourite-characters-in-a-viral-trend-called-disneybounding-2017-8> [<https://perma.cc/U7BY-8FN6>]; see also Meakin, *supra* note 277.

281. Muniz & O’Guinn, *supra* note 270, at 412-13. For additional discussion of brand communities, see Kiser, *supra* note 109, at 65-69.

282. See Kiser, *supra* note 109, at 66-69.

283. Marcelo Royo-Vela & Paola Casamassima, *The Influence of Belonging to Virtual Brand Communities on Consumer’s Affective Commitment, Satisfaction, and Word-of-Mouth Advertising: The ZARA Case*, 35 ONLINE INFO. REV. 517, 538 (2011).

284. Kirk Plangger, *The Power of Popularity: How the Size of a Virtual Community Adds to Firm Value*, 12 J. PUB. AFF. 145, 152 (2012).



considered a desirable means for adding value along the entire innovation process and for contributing to various innovation activities . . . from final inspectors to co-creators.”<sup>285</sup> If brand communities are partners in development, then the brandright is a logical means of recognizing those consumer contributions.

### 3. *The Neuroscience of Brands*

Previous sections highlighted the business advantages and social utility of consumer engagement with brands and the ways in which brands and trademarks differ.<sup>286</sup> Neuroscience research offers scientific support for more theoretical and economic claims.<sup>287</sup> Combining neuroscience with the study of consumer behavior, which has been called “neuromarketing,”<sup>288</sup> or “neuroeconomics,”<sup>289</sup> has been of interest to businesses for the

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285. Johann Füller et al., *Brand Community Members as a Source of Innovation*, 25 J. PRODUCT INNOVATION MGMT. 608, 609 (2008).

286. *Supra* Part II.A.

287. Tim Ambler et al., *Brands on the Brain: Neuro-Images of Advertising*, 11 BUS. STRATEGY REV. 17, 18 (2000).

288. Andrija Javor et al., *Neuromarketing and Consumer Neuroscience: Contributions to Neurology*, BMC Neurology, Feb. 6, 2013, at 2; Christophe Morin, *Neuromarketing: The New Science of Consumer Behavior*, 48 Society 131, 132 (2011); Peter H. Kenning & Hilke Plassman, *How Neuroscience Can Inform Consumer Research*, 16 IEEE TRANSACTIONS ON NEURAL SYS. REHABILITATION ENGINEERING 532, 532-36 (2008); Dan Ariely & Gregory S. Berns, *Neuromarketing: The Hope and Hype of Neuroimaging in Business*, 11 Nature Rev. Neurosci. 284, 284 (2010); Ambler et al., *supra* note 287, at 18-19.; Tyler K. Perrachione & John R. Perrachione, *Brains and Brands: Developing Mutually Informative Research in Neuroscience and Marketing*, 7 J. Consumer Behav. 303, 313 (2008); Terry Daugherty & Ernest Hoffman, *Neuromarketing: Understanding the Application of Neuroscientific Methods Within Marketing Research*, in *Ethics and Neuromarketing: Implications for Market Research and Business Practice* 5, 5 (Andrew R. Thomas et al. eds., 2017).

289. See Alan G. Sanfey et al., *Neuroeconomics: Cross-Currents in Research on Decision-Making*, 10 TRENDS COGNITIVE SCI. 108, 108 (2006); Michael Schaefer, *Neuroeconomics: In Search of the Neural Representation of Brands*, in 178 PROGRESS IN BRAIN RESEARCH 241, 242, 248 (Joan Y. Chiao ed., 2009); Mirja Hubert, *Does Neuroeconomics Give New Impetus to Economic and Consumer Research?*, 31 J. ECON. PSYCHOL. 812, 812 (2010); Mirja Hubert & Peter Kenning, *A Current Overview of Consumer Neuroscience*, 7 J. CONSUMER BEHAV. 272, 272-92 (2008) (applying neuroscience to business practice); Céline Solnais et al., *The Contribution of Neuroscience to Consumer Research: A Conceptual Framework and Empirical Review*, 36 J. ECON. PSYCHOL. 68, 69 (2013); Martin Reimann & Antoine Bechara, *The Somatic Marker Framework as a Neurological Theory of Decision-Making: Review, Conceptual Comparisons, and Future Neuroeconomics Research*, 31 J. ECON. PSYCHOL. 767, 767-76 (2010).

past 20 years as brain imaging has become more accessible and technologically sophisticated.<sup>290</sup> Martin Lindstrom, a marketing expert, identified the potential for using brain imaging to study the effectiveness of marketing.<sup>291</sup> He arranged one of the largest marketing studies of its kind, where 102 fMRI scans and 1979 SST studies were conducted on volunteers.<sup>292</sup> Lindstrom used functional magnetic resonance imaging (“fMRI”) to determine the areas of activation in the participant’s brains in response to stimuli.<sup>293</sup> SST studies record brain waves in different areas of the brain for a similar purpose.<sup>294</sup> According to Lindstrom, these studies provided novel neuromarketing insights from the observation that enhancing memory with a commercial for a famous brand like COCA-COLA can suppress a memory for less established brands like Cingular Wireless<sup>295</sup> to the finding that brands are equivalent to religious images in patterns of brain activation.<sup>296</sup>

It must be noted that Lindstrom’s strain of neuromarketing has been widely criticized for exaggerating the conclusions that could be drawn from the studies, lacking peer review, and lacking the well-controlled comparison conditions that this method requires.<sup>297</sup> Generally, popular accounts of neuromarketing have

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290. See Ambler et al., *supra* note 287, at 19-21.

291. LINDSTROM, *supra* note 160, at 1-3.

292. *Id.* at 34.

293. *Id.* at 8.

294. *Id.*

295. See *id.* at 43, 47-49 (“But then came the most bizarre, potentially profound finding of all. . . . [W]atching the Coke-saturated show actually *suppressed* subjects’ memories of the Ford ads.”).

296. LINDSTROM, *supra* note 160, at 124-25 (“[T]heir brains registered the exact same patterns of activity as they did when they viewed the religious images. Bottom line, there was no discernible difference between the way the subjects’ brains reacted to powerful brands and the way they reacted to religious icons and figures.”).

297. See generally Michael Brammer, *Brain Scam?*, 7 NATURE NEUROSCI. 683, 683 (2004); Ben Y. Hayden, *Do You Really Love Your iPhone, That Way?: Highly Misleading Neuroscience Journalism in the New York Times*, PSYCHOL. TODAY (Oct. 1, 2011), <https://www.psychologytoday.com/blog/the-decision-tree/201110/do-you-really-love-your-iphone-way> [<https://perma.cc/Y4YC-MWEQ>]; *Neuromarketing Means Never Having to Say You’re Peer Reviewed (But Here’s Your NYT Op-Ed Space)*, NEUROCRITIC (Oct. 1, 2011), <http://neurocritic.blogspot.com/2011/10/neuromarketing-means-never-having-to.html> [<https://perma.cc/6PDC-QVJB>]; Russell A. Poldrack, *NYT Op-Ed + fMRI = Complete Crap*, RUSSPOLDRACK.ORG (Oct. 1, 2011, 7:28 AM), <http://www.russpoldrack.org/2011/10/nyt-editorial-fmri-complete-crap.html> [<https://perma.cc/GZ5R-XGQB>]. Russ Poldrack, as well as others, have characterized the problem of “reverse inference” in fMRI studies. See generally Russell A. Poldrack, *Inferring Mental States from Neuroimaging Data: From*

relied heavily on “reverse inference,” in which observed patterns of brain activation have been interpreted after the fact in unreliable ways.<sup>298</sup> For example, using this approach, Lindstrom wrote an editorial published in the New York Times claiming that activation in the insula in response to an image of iPhone proved that consumers “literally” loved their iPhones.<sup>299</sup> This piece inspired forty-four neuroscientists, seemingly frustrated by the shoddy pop-science interpretation, to write a joint condemnation of the editorial.<sup>300</sup> More recent studies by neuroscientists prioritize scientific rigor over simplified explanations for which companies are willing to pay consultants hefty fees.<sup>301</sup> This policing of the literature by neuroscientists themselves is important given the increased interest by legal scholars in considering neuroscientific implications for brands under the law.<sup>302</sup> The following summary of the neuroscientific understanding of brands is conservative in its claims, and should

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*Reverse Inference to Large-Scale Decoding*, 72 NEURON 692 (2011) [hereinafter Poldrack, *Mental States*]; see also SALLY SATEL & SCOTT O. LILIENFELD, BRAINWASHED: THE SEDUCTIVE APPEAL OF MINDLESS NEUROSCIENCE 28 (2013). In a TED Talk, Molly Crockett stated,

Here’s a study published by a team of researchers as an op-ed in The New York Times. The headline? “You Love Your iPhone. Literally.” It quickly became the most emailed article on the site. . . . [T]hey concluded that because they saw activation in the insula, this meant the subjects loved their iPhones. Now there’s just one problem with this line of reasoning, and that’s that the insula does a lot. Sure, it is involved in positive emotions like love and compassion, but it’s also involved in tons of other processes, like memory, language, attention, even anger, disgust and pain. So based on the same logic, I could equally conclude you hate your iPhone. The point here is, when you see activation in the insula, you can’t just pick and choose your favorite explanation from off this list, and it’s a really long list. My colleagues Tal Yarkoni and Russ Poldrack have shown that the insula pops up in almost a third of all brain imaging studies that have ever been published.

Molly Crockett, *Beware Neuro-Bunk*, TED (Nov. 2012), [https://www.ted.com/talks/molly\\_crockett\\_beware\\_neuro\\_bunk/transcript?language=en](https://www.ted.com/talks/molly_crockett_beware_neuro_bunk/transcript?language=en) [<https://perma.cc/E35E-UC33>].

298. Poldrack, *Mental States*, *supra* note 297, at 692-93, 696.

299. Martin Lindstrom, Opinion, *You Love Your iPhone. Literally.*, N.Y. TIMES, (Sept. 30, 2011), [http://www.nytimes.com/2011/10/01/opinion/you-love-your-iphone-literally.html?\\_r=1&ref=opinion](http://www.nytimes.com/2011/10/01/opinion/you-love-your-iphone-literally.html?_r=1&ref=opinion) [<https://perma.cc/AG9C-SJ87>].

300. Yu-Ping Chen et al., *From “Where” to “What”: Distributed Representations of Brand Associations in the Human Brain*, 52 J. MKTG. RES. 453, 461 (2015).

301. See Nick Lee et al., *This Is Your Brain on Neuromarketing: Reflections on a Decade of Research*, 33 J. MKTG. MGMT. 878, 887-88 (2017).

302. Mark A. Lemley & Mark P. McKenna, *Is Pepsi Really A Substitute for Coke? Market Definition in Antitrust and IP*, 100 GEO. L.J. 2055, 2080-82 (2012); Manta, *supra* note 238, at 739-40.

be read as an initial, tentative account of the neuroscience of brands, which will certainly be refined (and perhaps refuted) by future studies.<sup>303</sup>

In 2004, a team of researchers recreated the famous PEPSI vs. COCA-COLA taste test discussed above.<sup>304</sup> This time, the participants tasted the beverages while positioned in a fMRI machine.<sup>305</sup> Replicating the results of the traditional taste test, consumers of unlabeled cola split evenly between the two beverages, which was reflected in the relative activity of a small region called the ventromedial prefrontal cortex (VMPFC).<sup>306</sup> When participants were informed which sample contained Coca-Cola, a significant number switched their preference, now choosing Coca-Cola over Pepsi, which could be predicted by increased brain activity in several other regions.<sup>307</sup> These additional areas activated are exclusive to the Coca-Cola brand information; when Pepsi brand information was presented, the brain activity pattern was no different than in the blind taste test.<sup>308</sup> These regions unique to the Coca-Cola branded trial are areas linked to emotion and memory, and they are generally considered to support emotionally-influenced decision-making.<sup>309</sup>

This could suggest Coca-Cola is not simply functioning as a source-identifier, but instead is intricately linked through individual positive memories and emotions about Coca-Cola into a shared cultural concept of the brand. Moreover, this study provides evidence that integrating brand information into

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303. Special thanks is offered to Sean P. Wright, B.A., Cognitive Neuroscience, Boston University; M.S., Biomedical Science, The Mount Sinai School of Medicine, for guidance on the interpretation of the neuroscientific studies.

304. McClure et al., *supra* note 151, at 379.

305. *Id.*

306. *Id.* at 384.

307. *Id.* at 382.

308. *Id.* at 383. The specific regions activated included the hippocampus, parahippocampus, midbrain, dorsolateral prefrontal cortex, thalamus, and left visual cortex. *Id.* Because many regions of the brain will be activated with any task, fMRI relies on a subtraction method to control for activity that is not directly related to the phenomenon of interest. In this study, to isolate the effect of the brand information, brain activity in the brand-cued condition was compared to brain activity in a light-cued condition, in which arbitrary colored shapes cued the delivery of the drink. *Id.* at 383-85. By carefully controlling this contrast, the researchers could correlate brain activity that specifically reflected the impact of the brand.

309. McClure et al., *supra* note 151, at 385.

consumers' lives can influence consumers to choose based on the brand associations, not merely on taste preference.<sup>310</sup> The results of this study are further supported by a study with participants who had specific brain damage to the VMPFC.<sup>311</sup> Using the same experimental design as above, the researchers found that the participants did not change their expressed preferences when told the brand of cola.<sup>312</sup> These individuals were not influenced by the cultural significance of Coca-Cola as a brand.<sup>313</sup> Although they likely received the same messages about Coca-Cola, their choices were not impacted by the culturally-embraced brand identity.<sup>314</sup>

Several additional studies elucidated how various characteristics of brands are processed by different brain structures.<sup>315</sup> The most recent research moves beyond the question of where brands are processed in the brain, to how brands are represented in the brain.<sup>316</sup> This changed focus is relevant because it begins to successfully tie together marketing constructs with brain imaging. In 2015, a Berkeley research team observed brain activity in participants and successfully "decoded" which of 44 brands a participant was considering.<sup>317</sup> To do so, they first measured how Aaker's five dimensions of brand personality were represented in neural activity.<sup>318</sup> Brands such as

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310. *Id.*

311. Michael Koenigs & Daniel Tranel, *Prefrontal Cortex Damage Abolishes Brand-Cued Changes in Cola Preference*, 3 SCAN 1, 1, 3-4 (2008).

312. *Id.* at 3-5.

313. *Id.*

314. Because these subjects still had intact taste preferences, the authors suggested that their results provide "direct evidence for the notion that the VMP[F]C is an important part of the neural substrate for taste-independent processes involved in brand preference." *Id.* at 4. This study provides additional support for the idea that brands have their effect through emotional processing because people with VMPFC damage are characterized by impaired emotional processing, particularly in using emotional information to modify their behavior. *See id.* at 3-5; Antoine Bechara et al., *Deciding Advantageously Before Knowing the Advantageous Strategy*, 275 SCIENCE 1293, 1294 (1997).

315. *See* Hilke Plassman et al., *Branding the Brain: A Critical Review and Outlook*, 22 J. CONSUMER PSYCH. 18, 30-32 (2012).

316. *See* Chen et al., *supra* note 300, at 454-56.

317. *Id.* at 456.

318. *Id.* at 453-56 (citing Jennifer L. Aaker, *Dimensions of Brand Personality*, 34 J. MKTG. RES. 347 (1997)). Other studies have identified consumers loyal to the brand through neurophysiological measures. *See* Ching-Hung Lin et al., *Medial Frontal Activity in Brand-Loyal Consumers: A Behavior and Near-Infrared Ray Study*, 3 J. NEUROSCI., PSYCHOL., & ECON. 59, 69-72 (2010).

DISNEY and GOLDMAN SACHS can be distinguished on the five dimensions of brand personality, and this difference is also reflected in the activation patterns of networked brain regions.<sup>319</sup> Results of this study can give marketers confidence that this specific measure of brand personality has neuroscientific validity.<sup>320</sup>

Together, the studies support the argument that brands possess substantially more information and meaning than a trademark acting solely as a source identifier.<sup>321</sup> Therefore, it is unfair to consumers to treat a trademark and a brand in a uniform manner simply because the trademark is one piece of a brand. Trademark law is much too restrictive to be applied to this creative and emotional content that has been proven through

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319. Aaker, *supra* note 318, at 349-50.

320. More generally, because fMRI studies are expensive, an important question is whether the results from a small sample of subjects in a study can be generalized to larger groups of consumers. Although research to answer this question is in its infancy, the early results show promise. Gregory S. Berns & Sara E. Moore, *A Neural Predictor of Cultural Popularity*, 22 J. CONSUMER PSYCHOL. 154, 156-59 (2012) (reporting that brain activity in the ventral striatum of adolescents could predict the popularity of songs as measured by the number of units sold); *see also* Elliot T. Berkman & Emily B. Falk, *Beyond Brain Mapping: Using Neural Measures to Predict Real-World Outcomes*, 22 CURRENT DIRECTIONS PSYCHOL. SCI. 45, 46-48 (2013) (describing the “brain-as-predictor” approach); Ifat Levy et al., *Choice from Non-Choice: Predicting Consumer Preferences from Blood Oxygenation Level-Dependent Signals Obtained During Passive Viewing*, 31 J. NEUROSCI. 118, 124 (2011).

321. If brands are considered to have only the source-identifying function of trademarks, then the absent brand effect observed with subjects with VMPFC damage should be due to an impairment of source-identification when presented with the sodas’ trademarks. Although the Koenigs and Tranel study did not specifically test source identification, *see generally* Koenigs & Tranel, *supra* note 311, earlier studies of individuals with VMPFC damage demonstrate that source-identification is intact. For example, in 2000, Bechara, Tranel, and Damasio reported that subjects with VMPFC damage consistently chose the disadvantageous decks of cards from a choice of four decks. Antoine Bechara et al., *Characterization of the Decision-Making Deficit of Patients with Ventromedial Prefrontal Cortex Lesions*, 123 BRAIN 2189, 2196-97 (2000). The fact that they *consistently*, rather than randomly, chose the disadvantageous decks indicated that the source-identifying information needed to identify the specific decks was intact. Source-identification (being able to state the connection between a trademark and the source of the trademarked goods) is an example of “declarative memory,” which has been shown to be critically dependent on medial temporal lobe structures, not the VMPFC. Larry R. Squire & Stuart Zola-Morgan, *The Medial Temporal Lobe Memory System*, 253 SCIENCE 1380, 1383-85 (1991). The implication of these studies is that VMPFC damage selectively impairs the use of information about a brand without impairing the source-identification function of the trademark subsumed under the brand. This validates companies’ investments of time and money in creating emotional associations with brands that can impact the purchasing behavior of the neurotypical majority of consumers.

neuroscience to be wrapped up in a company or product's brand identity.<sup>322</sup> Brand development is integral to companies because traditional forms of advertising are becoming less effective while the marketplace continues to be cluttered with competitive product options.<sup>323</sup> Brand development is a way to create associations in the mind of consumers that last and to establish an emotional connection or relationship that can result in brand loyalty. Trademark law must step aside to allow customers to have the ability to use brand messages in ways that are not deceptive as to source or affiliation. The current approach cannot accommodate the emotional connections and cultural content that situate brands in both the hearts and minds of consumers.<sup>324</sup> Recognizing brandrights can help to solve this problem.

### III. RESPONDING TO POTENTIAL CRITICISM

The problematic merger of trademarks and brands has attracted the interest of judges and scholars for the past few decades. In 1993, Judge Kozinski of the Ninth Circuit stated:

The originator must understand that the mark or symbol or image is no longer entirely its own, and that in some sense it also belongs to all those other minds who have received and integrated it. This does not imply a total loss of control, however, only that the public's right to make use of the word or image must be considered in the balance as we decide what rights the owner is entitled to assert.<sup>325</sup>

Rochelle Dreyfuss, writing in the early days of brand community research, argued for the creation of more safeguards to protect an individual's right to make expressive use of trademarks.<sup>326</sup> She proposed construction of a new defense to infringement called "expressive genericity" to grant wider access to "the marketplace of ideas in a manner similar to the way that trademark's genericity defense has protected the marketplace of commerce."<sup>327</sup> Several scholars, prior to the Supreme Court's

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322. See *supra* notes 303-21.

323. See *supra* Part II.B.

324. See *supra* Part II.C.

325. Alex Kozinski, *Trademarks Unplugged*, 68 N.Y.U. L. REV. 960, 975 (1993).

326. Dreyfuss, *supra* note 69, at 418-21.

327. *Id.* at 399.

endorsement of trademark's' expressive function in *Matal*,<sup>328</sup> have argued that the First Amendment should play a stronger role in allowing the public to have access to the expressive content represented by trademarks and branding efforts.<sup>329</sup>

The proposed brandright recognizes the concerns of these scholars and attempts to address them in a manner protective of both consumers and brand owners. Relegating brand content to the public domain minimizes the role consumers play in the development of brands.<sup>330</sup> That work is best valued by granting the consumer affirmative-use rights that he or she can use in response to a challenge from the trademark owner. Additionally, a regime that recognizes brandrights can help bring clarity to some of the brand-related problems that are facing trademark law.<sup>331</sup> The brand owner simply cannot leverage its trademark rights against consumers involved in branding activities unless those activities cause confusion as to source, sponsorship, or endorsement.<sup>332</sup> Therefore, a brand owner should feel less compelled to bring actions against non-competitors (even if the unofficial consumer-initiated fan website or community obtains some passive revenue—from advertising, for instance). Furthermore, the brandright can help to rein in some of the brand-related expansion of trademark law by specifically recognizing expressive rights of consumers that can be used to deter overly aggressive brand enforcement tactics.

#### A. Brandright Addresses Current Brand Development Obstacles Existing Within Trademark Law

Rather than conflict with trademark law, the brandright helps to bring harmony to the uncertainty and confusion caused by

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328. See *Matal*, 137 S. Ct. at 1760 (“[T]rademarks often have an expressive content.”).

329. See Michael K. Cantwell, *Confusion, Dilution, and Speech: First Amendment Limitations on the Trademark Estate*, 87 TRADEMARK REP. 48, 76-78 (1997); Heymann, *supra* note 36, at 710-14; Sonia K. Katyal, *Trademark Intersectionality*, 57 UCLA L. REV. 1601, 1694-98 (2010); Robert N. Kravitz, *Trademarks, Speech, and the Gay Olympics Case*, 69 B.U. L. REV. 131, 144-48 (1989); Irina Manta, *Hedonic Trademarks*, 74 OHIO ST. L.J. 241, 263-68 (2013); see generally Arlen W. Langvardt, *Protected Marks and Protected Speech: Establishing the First Amendment Boundaries in Trademark Parody Cases*, 82 TRADEMARK REP. 671 (1992).

330. See *supra* Part II.A.

331. See *supra* Part I.A.

332. See *supra* Part I.B; see also 15 U.S.C. § 1125 (2012).



shoehorning brands into trademark law in the first place. As discussed above, brands contain substantial creative content and are developed by companies to engage in a conversation with consumers.<sup>333</sup> That conversation can be very beneficial to brand owners as it allows them an avenue for product differentiation in a crowded market.<sup>334</sup> Studies show that engaging consumers in a brand community increases consumer loyalty and, thus, increases sales for the business.<sup>335</sup> However, the requirements of established trademark law may stifle this sort of brand development.<sup>336</sup> Scholars often cite to the IKEAhackers debacle or the LEGO fan-website dispute as examples of the counterproductivity of trademark law when faced with consumers engaged in brand discourse and development.<sup>337</sup> In both scenarios, the relevant brand owners (IKEA AND LEGO) sought to shut down online communities of their own consumers because they feared losing their trademark rights if they did not attempt to stop the use.<sup>338</sup>

Trademark law is a poor fit for brand-related injuries because brands do not face the same risks faced by trademarks acting as source identifiers.<sup>339</sup> As such, brands are faced with unnecessary limitations and restrictions under a trademark-law paradigm.<sup>340</sup> In order to act as an indication of source, trademarks do need to maintain a consistent presence and perception of quality in the marketplace.<sup>341</sup> Use of the same or a confusingly similar mark by an unrelated entity may harm the direct connection created by the brand owner between the trademark

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333. See *supra* Part I.A.

334. See AAKER, *supra* note 124, at 21.

335. See Füller et al., *supra* note 285, at 609; Plangger, *supra* note 284, at 152; Roy-Vela & Casamassima, *supra* note 283, at 538.

336. See Desai & Rierson, *supra* note 4, at 1840; Kiser, *supra* note 109, at 46-47.

337. See Desai & Rierson, *supra* note 4, at 1840; ROBINSON, *supra* note 6, at 59-61; Kiser, *supra* note 109, at 46-47; Cory Doctorow, *Ikea Bullies Ikehackers with Bogus Trademark Claim*, BOINGBOING (June 15, 2014, 10:26 AM), <https://boingboing.net/2014/06/15/ikea-bullies-ikeahackers-with.html> [<https://perma.cc/QZ77-KZ6X>].

338. Kiser, *supra* note 109, at 46-47; Yap, *Big Changes*, *supra* note 8.

339. See *supra* Part I.A.

340. *Id.*

341. See 1 MCCARTHY, *supra* note 16, § 2:4 (“Trademark law’s likelihood-of-confusion requirement . . . is designed to promote informational integrity in the marketplace.” (quoting *Groeneveld Transp. Efficiency, Inc. v. Lubecore Int’l, Inc.*, 730 F.3d 494, 512 (6th Cir. 2013))).

and the source of the goods or services.<sup>342</sup> To protect against this potential harm to trademark owners and to consumers, trademark law contains several explicit and implicit rules which trademark owners must follow to protect the integrity of their mark.<sup>343</sup> For example, a trademark will be deemed “abandoned” under Section 45 of the Lanham Act when “its use has been discontinued with intent not to resume such use,” or when “any course of conduct of the owner, including acts of omission as well as commission, causes the mark to become the generic name for the goods or services on or in connection with which it is used or otherwise to lose its significance as a mark.”<sup>344</sup> Courts interpret this abandonment provision to include both intentional abandonment and unintentional abandonment.<sup>345</sup>

It is the fear of unintentional abandonment that can cause trademark owners to undermine their own branding efforts and disenfranchise their most loyal consumers.<sup>346</sup> Unintentional abandonment can result from a mark becoming generic (a process coined genericide),<sup>347</sup> from a mark being assigned in gross,<sup>348</sup> from a mark being licensed without quality control,<sup>349</sup> and from a mark losing its source-identifying significance due to a trademark owner’s failure to stop confusing third party uses in the marketplace.<sup>350</sup> The prospect of unintentional abandonment spawned a “duty to police” third-party trademark usage that is now considered a bedrock principle of trademark law.<sup>351</sup> To avoid even a remote chance of unintentional abandonment through naked licensing or the failure to police third-party uses of a mark, trademark owners have been advised by courts and

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342. *Id.* § 1:8.

343. *See, e.g.*, 3 MCCARTHY, *supra* note 16, §§ 17:5-17:9 (summarizing rules of abandonment).

344. Lanham Act § 45, 15 U.S.C. § 1127 (2012).

345. 3 MCCARTHY, *supra* note 16, § 17:5.

346. Desai & Rierson, *supra* note 4, at 1840-42.

347. 3 MCCARTHY, *supra* note 16, § 17:8; *see also* Desai & Rierson, *supra* note 4, at 1789-90.

348. 3 MCCARTHY, *supra* note 16, §17:7; *see also* Irene Calboli, *Trademark Assignment “With Goodwill”: A Concept Whose Time Has Gone*, 57 FLA. L. REV. 771, 777 (2005).

349. 3 MCCARTHY, *supra* note 16, §17:6; *see also* Calboli, *supra* note 348, at 386-88.

350. 3 MCCARTHY, *supra* note 16, § 17:5; *see also* Kenneth L. Port, *Trademark Extortion: The End of Trademark Law*, 65 WASH. & LEE L. REV. 585, 592 (2008).

351. 6 MCCARTHY, *supra* note 16, at § 31:38.

attorneys to stop all third-party uses of the mark, including by the trademark owner's own consumers and fans.<sup>352</sup>

The failure to police a third party's use of an owner's mark has only rarely resulted in abandonment.<sup>353</sup> Courts are reluctant to hold that failure to police a single third-party use of the trademark is sufficient to cancel protection of the mark absent genericide or substantial loss of trademark significance (that must approach nearly the level of genericide).<sup>354</sup> The dispositive factor in cases where the courts have terminated the mark is not a lack of policing but whether the abandonment was intentional or the use by third parties so widespread that the mark was no longer a distinct source indicator at all.<sup>355</sup> Additionally, forfeiture of one's trademark rights is seen as akin to forfeiture of property; therefore, courts hold the party seeking a determination of abandonment to a "high burden of proof."<sup>356</sup> That burden is met only on very rare occasions.<sup>357</sup>

However, attorneys are risk-adverse and cognitive biases may amplify perceptions of even the small risk of abandonment

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352. William T. Gallagher, *Trademark and Copyright Enforcement in the Shadow of IP Law*, 28 SANTA CLARA COMPUTER & HIGH TECH. L.J. 453, 490-91, 493, 495-96 (2012) ("The interviewed lawyers often cited a need to 'police' their clients' trademarks and copyrights. They explained that the failure to do so on any particular occasion could lead to difficulties in enforcing rights against other targets in the future.").

353. *See, e.g., Saxlehner v. Eisner & Mendelson Co.*, 179 U.S. 19, 40-41 (1900) (confirming the Second Circuit's finding that the plaintiff could no longer enforce her rights in the mark HUNYADI for bottled water because the mark had become generic in the eyes of consumers).

354. *See, e.g., Wallpaper Mfrs., Ltd. v. Crown Wallcovering Corp.*, 680 F.2d 755, 764-67 (C.C.P.A. 1982).

355. *See, e.g., Acme Valve & Fittings Co. v. Wayne*, 386 F. Supp. 1162, 1167-69 (S.D. Tex. 1974) (finding an intent to abandon due to discontinuance of manufacture, selling off of all inventory and the failure to renew the trademark registration); *Saxlehner*, 179 U.S. at 33, 36.

356. *STX, Inc. v. Bauer USA, Inc.*, 43 U.S.P.Q.2d (BNA) 1492, 1500 (N.D. Cal. 1997); *see also Citibank, N.A., v. City Bank of S.F.*, 206 U.S.P.Q. (BNA) 997, 1011 (N.D. Cal. 1980) ("Abandonment places a strict burden of proof upon the party seeking to prove abandonment. The party seeking to prove abandonment must prove an intent to abandon on the part of the trademark owner."); *Transgo, Inc. v. Ajac Transmission Parts Corp.*, 768 F.2d 1001, 1017 (9th Cir. 1985).

357. *See, e.g., Bishop v. Equinox Int'l Corp.*, 47 U.S.P.Q.2d (BNA) 1949, 1950 (10th Cir. 1998) (finding no abandonment where trademark owner's sales fell to 98 bottles per year); *Cumulus Media, Inc. v. Clear Channel Commc'ns, Inc.*, 304 F.3d 1167, 1170, 1172-73 (11th Cir. 2002) (finding no abandonment based on use on business cards and an office sign).

that could exist.<sup>358</sup> This, combined with the high value attributed to modern trademarks and brands, results in brand owners that are unwilling to allow consumer-initiated brand activities.<sup>359</sup> The fear of unintentional abandonment may have even pushed some brand owners to extremes. Scholars have argued that the perception that trademark law includes a strong duty to police has led to a phenomenon described as “trademark bullying.”<sup>360</sup> Trademark bullying refers to situations where a trademark owner makes an aggressive and exaggerated response to a minor, perceived threat by a third party (where that third party could be the trademark owner’s loyal consumer with no interest in offering a competing product or service).<sup>361</sup> The proposed brandright can help to address this problem by clarifying the rights of the brand owner and those of the consumer. Currently, there is little downside faced by a trademark owner that engages in bully-like behavior.<sup>362</sup> However, the ability of consumers to enforce their own brandrights when a trademark owner is being unreasonable should help to restore thoughtfulness to enforcement efforts while better safeguarding the rights of consumers to engage in brand-related expressive discourse.

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358. Jessica M. Kiser, *To Bully or Not to Bully: Understanding the Role of Uncertainty in Trademark Enforcement Decisions*, 37 COLUM. J.L. & ARTS, 211, 225, 239 (2014).

359. Sara Marie Andrzejewski, “Leave Little Guys Alone!”: *Protecting Small Businesses from Overly Litigious Corporations and Trademark Infringement Suits*, 19 J. INTELL. PROP. L. 117, 138-39 (2011).

360. Irina D. Manta, *Bearing Down on Trademark Bullies*, 22 FORDHAM INTELL. PROP., MEDIA & ENT. L.J. 853, 869 (2012) (“A significant amount of trademark bullying stems from bullies’ impression that to maintain a mark, it is the owner’s duty to aggressively police it. Thus, many bullying situations involve mark owners who have taken this perceived duty to extreme levels.”); see also Jeremy N. Sheff, *Fear and Loathing in Trademark Enforcement*, 22 FORDHAM INTELL. PROP., MEDIA & ENT. L.J. 873, 873-75 (2012); Leah Chan Grinvald, *Shaming Trademark Bullies*, 2011 WIS. L. REV. 625, 640-42 (2011); Kiser, *supra* note 358, at 244-45; Andrzejewski, *supra* note 359, at 136-37.

361. Angus Loten, *New Tool in Trademark Fights; Start-Ups ‘Shame’ Bigger Companies; ‘Coming Down Hard on the Little Guy’*, WALL STREET J. (Feb. 23, 2012), <http://online.wsj.com/article/SB10001424052970203358704577237473534179392.html> (discussing small business strategy in making these matters public and the desired effects of shaming) [<https://perma.cc/R6BL-LHAA>]. For an example of trademark owners “bullying” their own fans, see ANNE GILSON LALONDE & JEROME GILSON, *But I’m Your Biggest Fan!: Handling Trademark Problems Posed by Fan-Created Content*, 12-13 (2009) (discussing AOL Time Warner’s attempt to shut down websites containing HARRY POTTER-related trademarks).

362. Wade M. Chummy & Tammy W. Cowart, *iEthics*, 93 J. BUS. ETHICS 471, 472 (2010).

First, it is important to recognize that the brandright, as proposed, will not cause consumer confusion.<sup>363</sup> That primary goal of trademark law is upheld by the limitations on use that are inherent in the brandright.<sup>364</sup> As is the case with nominative fair use, the balance between the brandright use afforded to consumers and the protection of the public through trademark law can be maintained by requiring brandright users to refrain from causing confusion as to source, sponsorship or endorsement.<sup>365</sup> This could be as simple as requiring that the NUTELLA brand fans, for example, advertise their event as the “Unofficial World Nutella Day.”<sup>366</sup> Similarly, the creator of the LEGO fan website could clearly indicate on the website’s homepage that it lacks official endorsement or sponsorship by the brand owner. However, this is often obvious to other fans by the less “polished” nature of such fan websites.

IKEA’s dispute with the IKEAhackers website was ultimately resolved through an agreement between the website creator and the brand owner, and the website was allowed to continue its activities (after much public outcry over shutting the website down).<sup>367</sup> Although the terms of this agreement are not known,<sup>368</sup> it is likely that IKEA granted the website creator a limited license to use its trademark under agreed upon terms. Licensing fan trademark uses is not an effective brand management strategy.<sup>369</sup> Because trademark owners cannot grant

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363. George Miaoulis & Nancy D’Amato, *Consumer Confusion & Trademark Infringement*, 42 J. MKTG. 48, 48-50 (1978).

364. Shiveh Roxana Reed, *Sensible Agnosticism: An Updated Approach to Domain-Name Trademark Infringement*, 61 DUKE L.J. 211, 227-28 (2011).

365. See *supra* Part II.B.

366. Some marketing research even suggests that consumers are more engaged and trusting of information provided by unofficial brand communities while they are more suspicious of information transmitted through official sources. Doohwang Lee et al., *The Impact of Online Brand Community Type on Consumer’s Community Engagement Behaviors: Consumer-Created vs. Marketer-Created Online Brand Community in Online Social-Networking Web Sites*, 14 CYBERPSYCHOL., BEHAV., AND SOC. NETWORKING 59, 60-62 (2011).

367. Yap, *Big Changes*, *supra* note 8.

368. See Vytautas Kielaitis, *IKEA and Fan Website Reach ‘Agreement’*, TRADEMARKS & BRANDS ONLINE, (Sept, 25, 2014) <http://www.trademarksandbrandsonline.com/news/ikea-and-fan-website-reach-agreement-4111> [<https://perma.cc/KSC4-X834>].

369. Allison Sell McDade, *Trading in Trademarks—Why the Anti-Assignment in Gross Doctrine Should Be Abolished When Trademarks Are Used as Collateral*, 77 TEX. L. REV. 465, 485 (1998).

naked licenses, they are required to monitor the quality and conditions under which their mark is used for as long as the license persists.<sup>370</sup> For a popular company, monitoring a large number of fan uses of the company's trademarks is commercially impractical, and likely very expensive, especially in light of the low risk that such uses are confusing to consumers.<sup>371</sup> This may explain why the licenses granted by Blizzard Entertainment to its WORLD OF WARCRAFT fans via its official "Fansite Kit" were silent as to whether trademarks were included in the license.<sup>372</sup> Copyright law does not impose naked licensing or abandonment restrictions on copyright owners, so brand owners may assume that there is less risk in licensing only the copyright-protected content.<sup>373</sup> Trademark law does not allow for this type of owner discretion.<sup>374</sup>

Instead, the brandright recognizes that consumer investment in branding should be granted affirmative use rights rather than limited licenses. Those use rights belong to the consumer and do not need to be monitored for quality control. Provided that it is clear that the third-party website or other content is unofficial, the quality of that fan use will not be attributed to the brand owner.<sup>375</sup> Rather than cause source confusion, these sorts of fan uses reinforce the connection between the product or service and the authentic source.<sup>376</sup> Consumer-initiated brand activity is often beneficial to the brand owner's desired source-identification because fans of the brand are likely to celebrate the benefits of the

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370. *Id.*; see also Perla Kuhn & Jenny Slocum, Edwards Wildman Palmer, LLP, *Losing a Trademark Under Naked Licensing Law*, WORLD TRADEMARK REV., June/July 2013, at 134, <http://www.worldtrademarkreview.com/Magazine/Issue/43/Country-correspondents/United-States-Edwards-Wildman-Palmer-LLP> [https://perma.cc/6WDY-K2MZ].

371. McDade, *supra* note 369, at 479.

372. See *Legal FAQ*, *supra* note 24.

373. See *Eva's Bridal Ltd. v. Halanick Enter. Inc.*, 639 F.3d 788, 790-91 (7th Cir. 2011); see also Kiser, *supra* note 109, at 76-80.

374. *Eva's Bridal Ltd.*, 639 F.3d at 790-91.

375. See Raizel Liebler, *Copyright and Ownership of Fan Created Works: Fanfiction and Beyond*, in THE SAGE HANDBOOK OF INTELLECTUAL PROPERTY 391, 392-394 (Matthew David & Debora Halbert eds., 2015).

376. See Muniz & O'Guinn, *supra* note 270, at 419.

authentic source, and even censor uses that may cause confusion.<sup>377</sup>

### B. Brandright is Not Another Expansion of Trademark Law

A likely criticism of the proposed brandright is that it could be used to further broaden the scope of trademark law. Over the past few decades, scholars have frequently lamented how trademark law has changed from a cause of action that protected consumers against “passing off” to its modern incarnation that includes protection for trademark owners against post-sale confusion, initial interest confusion, challenges to merchandising rights, and dilution.<sup>378</sup> Although it is true that trademark law has expanded to grant trademark owners an incredible amount of power,<sup>379</sup> the brandright will work to curb some of the abuses of that power. Consumers will possess brandrights that guarantee them the ability to reference trademarks and branding materials to engage with brands in an expressive manner.<sup>380</sup> Currently, many consumer-initiated brand activities can be prevented or stopped by trademark owners too easily.<sup>381</sup> Modern trademark law is overprotecting the rights of trademark owners at the expense of the public’s right to free expression and creative engagement with branding.<sup>382</sup>

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377. See, e.g., *id.* at 422 (finding that members of a Saab brand community shared official resources related to the brand and even assisted new and non-members with information on where to purchase and repair their cars).

378. See, e.g., Litman, *supra* note 96, at 1721-25; Mark P. McKenna, *The Normative Foundations of Trademark Law*, 82 NOTRE DAME L. REV. 1839, 1839-1842 (2007) [hereinafter McKenna, *Normative Foundations*]; McKenna, *supra* note 110, at 83; Lemley, *supra* note 111, at 1698; Dreyfuss, *supra* note 69, at 398.

379. See Viva R. Moffat, *Mutant Copyrights and Backdoor Patents: The Problem of Overlapping Intellectual Property Protection*, 19 BERKELEY TECH. L.J. 1473, 1494-95 (2004).

380. In her article arguing that overly broad trademark protection ignores the consumer investment of meaning into trade symbols and ultimately harms consumers, Jessica Litman similarly advocates for a trademark system that protects only the “nondeceptive, informative, and source-designating functions of trade symbols.” Litman, *supra* note 96, at 1735.

381. See *id.* at 1734-35.

382. Kimberly Herman, *Trademark Infringement Versus First Amendment Right to Freedom of Expression*, SULLIVAN & WORCESTER (Aug. 28, 2012, 10:22 AM),

It is helpful to set out how trademark law has expanded in order to see how brandrights serve to refocus the regime on true consumer deception. Trademark law originally existed under the purview of unfair-competition law.<sup>383</sup> The law sought to prevent fraudulent “passing off,” where a manufacturer would falsely represent the source of their goods as that of a competitor in order to benefit from the other company’s goodwill by diverting sales.<sup>384</sup> As a result, consumers were deceived as to the source and quality of the products being purchased.<sup>385</sup> This cause of action initially required proof of fraudulent intent in order for the plaintiff to prevail.<sup>386</sup> However, this requirement gave way as consumer confusion became more of the integral focus by courts.<sup>387</sup> In 1947, the Supreme Court downplayed the importance of fraudulent intent in *Champion Spark Plug Co. v. Sanders*: “But there was here no showing of fraud or palming off. Their absence, of course, does not undermine the finding of unfair competition.”<sup>388</sup> The Supreme Court of Louisiana explicitly overruled the fraud requirement in *Gulf Coast Bank v. Gulf Coast Bank & Trust Co.* where it said, “We conclude that one need not prove fraud to enjoin another from using its trade name, but rather must show that there is a likelihood of consumer confusion created by the defendant’s use of the trade name.”<sup>389</sup> This can be seen as the first major expansion of trademark law as now even inadvertent similarities between source identifiers could be a basis for a trademark infringement claim.<sup>390</sup>

Trademark owners gained more federal protection under the Trademark Act of 1905,<sup>391</sup> but that protection was relatively impotent until the large-scale changes brought by the Lanham

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<http://blog.sandw.com/trendingtrademarks/2012/08/28/trademark-infringement-versus-first-amendment-right-to-freedom-of-expression/> [https://perma.cc/M2DX-BXKN].

383. 1 MCCARTHY, *supra* note 16, § 2:7.

384. *Id.* § 5:2.

385. *See* Litman, *supra* note 96, at 1721 (“Today, the principle that trade symbols may not be owned in gross, and that they are protected only to the extent necessary to prevent consumer confusion, is still good law — but only barely.”).

386. 1 MCCARTHY, *supra* note 16, § 5:2.

387. *Id.*

388. *Champion Spark Plug Co. v. Sanders*, 331 U.S. 125, 130 (1947).

389. 652 So. 2d 1306, 1308 (La. 1995).

390. *See id.* at 1308-12.

391. 1 MCCARTHY, *supra* note 16, § 5:3.



Trademark Act of 1946.<sup>392</sup> Under the 1905 Act, a federal trademark registration could be obtained for inherently distinctive marks used in interstate commerce.<sup>393</sup> This act also opened the door to another major shift in trademark law. Common law protection of trademarks under the unfair competition framework initially allowed only actions against one's competitors.<sup>394</sup> In the 1912 case of *Borden Ice Cream Co. v. Borden's Condensed Milk Co.*, the Seventh Circuit found no infringement of BORDEN milk by BORDEN ice cream arguing that there could not be a diversion of customers, or passing off, where the parties are noncompetitive.<sup>395</sup> Such a result today would be viewed as absurd given the overlapping product categories.<sup>396</sup> However, between the 1905 Act and the Lanham Act's enactment, courts began to find infringement in a limited set of instances when the defendant's use was in connection with a substantially-related but noncompetitive product.<sup>397</sup> The limitations on related products have been removed over time in favor of a consumer-focused approach often referred to as the related goods or services rule: "The modern rule of law gives the trademark owner protection against use of its mark on any product or service which would reasonably be thought by the buying public to come from the same source, or thought to be affiliated with, connected with, or sponsored by, the trademark owner."<sup>398</sup>

Protection expanded again in 1920 when Congress permitted registration of descriptive marks with secondary meaning.<sup>399</sup> The Lanham Act then extended protection in 1946 to any word, name,

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392. Lanham Act, Pub. L. No. 79-489, 60 Stat. 427 (1946) (current version at 15 U.S.C. §§ 1051-1157 (2012)).

393. 1 MCCARTHY, *supra* note 16, § 5:3.

394. *Id.* § 5:2.

395. 201 F. 510, 513 (7th Cir. 1912) ("The deception of the public naturally tends to injure the proprietor of a business by diverting his customers and depriving him of sales which otherwise he might have made. This, rather than the protection of the public against imposition, is the sound and true basis for the private remedy.").

396. 4 MCCARTHY, *supra* note 16, § 24:6.

397. *Aunt Jemima Mills Co. v. Rigney & Co.*, 247 F. 407, 409-10, 412 (2d Cir. 1917) (upholding an injunction against the defendant's subsequent use of an identical mark concluding that "we think that goods, though different, may be so related as to fall within the mischief which equity should prevent. Syrup and flour are both food products, and food products commonly used together").

398. 4 MCCARTHY, *supra* note 16, § 24:6.

399. Act of March 19, 1920, 41 Stat. 533, *repealed by* Lanham Act, Pub. L. No. 79-489, § 46(a), 60 Stat. 427, 445 (1946).

symbol, or device, and this opened trademark law up to the protection of trade dress and non-traditional trademarks like colors and sounds.<sup>400</sup> Courts also began to recognize the “anonymous source doctrine,” which was codified in the 1984 amendments to the Lanham Act.<sup>401</sup> By stating that a trademark is a symbol or device used to “indicate the source of the goods, even if that source is unknown,”<sup>402</sup> the amended act removed the burdensome requirement of knowing the specific source of the product.<sup>403</sup> This revised trademark act broadened protection and opened the boundaries of trademark liability to court interpretation and expansion in light of the growing importance of licensing in the modern commercial marketplace.<sup>404</sup> Proof of actual trade diversion was no longer required of plaintiffs because Section 43(a) of the Lanham Act provided a remedy for both those parties damaged and those parties likely to be damaged.<sup>405</sup> The Lanham Act also created federal liability for a wider variety of trademark-related commercial injuries.<sup>406</sup> This expansion came though Section 43(a) which is said to have eliminated federal common law on trademarks and replaced it with broad protection

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400. Lanham Act § 45, 15 U.S.C. § 1127 (2012); *Qualitex Co. v. Jacobson Products Co.*, 514 U.S. 159, 163-66, 174 (1995).

401. 2 MCCARTHY, *supra* note 16, § 15:8; *see also* *Coca-Cola Co. v. Koke Co. of Am.*, 254 U.S. 143, 146 (1920) (The trademark COCA-COLA denotes a “single thing coming from a single source . . . .”); *A.J. Canfield Co. v. Honickman*, 808 F.2d 291, 300, (3d Cir. 1986) (“The [1984] Clarification Act endorsed the long-recognized anonymous source rule, . . . which recognizes that a term may function as an indicator of source and therefore as a valid trademark, even though consumers may not know the name of the manufacturer or producer of the product.”) (citation omitted).

402. Lanham Act § 45, 15 U.S.C. § 1127 (2012) (defining a “trademark”).

403. 2 MCCARTHY, *supra* note 16, § 15:8 (“The buyer who associates a designation with a single source need not know the corporate or personal name of that source. When the buyer sees any related product with that same mark, she is entitled to assume that it comes from the same anonymous source as every other related product so marked.”).

404. *See id.* § 15:8 (“The anonymous source rule was codified into federal law in the 1984 amendments to the Lanham Act definitions of ‘trademark’ and ‘service mark.’”).

405. Lanham Act § 45, 15 U.S.C. § 1125(a) (2012) (“Any person who, on or in connection with any goods or services, or any container for goods, uses in commerce any word, term, name, symbol, or device, or any combination thereof, . . . which—is likely to cause, . . . shall be liable in a civil action by any person who believes that he or she is or is likely to be damaged by such act.”).

406. *See* 15 U.S.C. § 1125(a) (Statements, which “in commercial advertising or promotion, misrepresents the nature, characteristics, qualities, or geographic origin of his or her or another person’s goods, services, or commercial activities.”).

for unregistered marks and trade dress.<sup>407</sup> In particular, it created a civil remedy for actions likely to cause confusion as the source, affiliation, sponsorship, endorsement, or approval by the trademark owner to an unaffiliated good or service.<sup>408</sup>

Once a trademark owner could bring a trademark infringement claim based on any confusion about the relationship between their mark and an unaffiliated third party,<sup>409</sup> courts began to explicitly recognize sponsorship confusion, post-sale confusion, and initial interest confusion.<sup>410</sup> The rights of trademark owners expanded substantially at this point.<sup>411</sup> Sponsorship confusion, for example, has prevented two unrelated golf courses from sharing the same mark (“CHAMPION”) because of the risk that golfers might think the courses were affiliated.<sup>412</sup> Post-sale confusion infringement claims are based on a junior user that diverts or free-rides on the goodwill of a senior user.<sup>413</sup> In *Ferrari S.p.A. Esercizio Fabriche Automobili E*

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407. See 15 U.S.C. § 1125(a) (“In a civil action for trade dress infringement under this chapter for trade dress not registered on the principal register, the person who asserts trade dress protection has the burden of proving that the matter sought to be protected is not functional.”).

408. See 15 U.S.C. § 1125(a) (Any use in commerce that “is likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association of such person with another person, or as to the origin, sponsorship, or approval of his or her goods, services, or commercial activities by another person, . . . shall be liable in a civil action by any person who believes that he or she is or is likely to be damaged by such act.”).

409. See Ralph S. Brown, Jr., *Advertising and the Public Interest: Legal Protection of Trade Symbols*, 57 YALE L.J. 1165, 1196 (1948) (“Plaintiff need show only that the name adopted by defendants is so similar to its trade-mark as to be likely to cause confusion among *reasonably careful purchasers*.” (quoting *LaTouraine Coffee Co. v. Lorraine Coffee Co.*, 157 F.2d 115, 117 (2d Cir. 1946))).

410. It could be argued that these courts were persuaded by trademark owners claiming to have the best interests of stupid consumers in mind. See Anthony L. Fletcher & David J. Kera, *The Forty-Seventh Year of Administration of the Lanham Trademark Act of 1946*, 84 TRADEMARK REP. 635, 733 (1994); see also Litman, *supra* note 96, at 1722 (presciently arguing that this was a risk back in 1948: “[T]oo many merchants had succeeded in extracting broad protection for their trade symbols by persuading courts to believe themselves bound to protect fictional consumers who, as a class, were far more gullible, careless, and easily deceived than the more common, corporeal variety.” (citing Brown, *supra* note 409, at 1196-97)).

411. See *supra* note 412 and accompanying text.

412. 4 MCCARTHY, *supra* note 16, § 23:8; see also, e.g., *Champions Golf Club, Inc. v. Champions Golf Club, Inc.*, 78 F.3d 1111, 1116 (6th Cir. 1996) (describing the relevant inquiry as whether a golfer would be confused about an affiliation between the two golf clubs using the same trademark).

413. *Mastercrafters Clock & Radio Co. v. Vacheron & Constantin-Le Coultre Watches, Inc.*, 221 F.2d 464, 465-67 (2d Cir. 1955) (recognizing post-sale confusion for the

*Corse v. Roberts*, the court found a likelihood of post-sale confusion based on the possibility that observers might believe that defendant's auto replica of a famous FERRARI classic sports car was actually affiliated with the luxury brand.<sup>414</sup> Initial interest confusion permits a trademark owner to stop even momentary, fleeting confusion as to affiliation, such as might result from a defendant using a plaintiff's marks as online metatags or part of its domain name to attract consumers (even if the website is clear about the distinction between the products once the site has fully loaded).<sup>415</sup>

The last major change to trademark law occurred when Congress expanded trademark law to include a cause of action for trademark dilution.<sup>416</sup> Under this new form of trademark protection, a third party can be liable for the dilution of a famous trademark by tarnishing that mark or blurring its distinctiveness in the marketplace absent any evidence of confusion.<sup>417</sup> Noted trademark treatise author J. Thomas McCarthy has opined that, "the present state of antidilution law has been bloated far out of proportion to its original purpose and intent."<sup>418</sup> He further suggests,

However, because every trademark owner wanted to have the ability to assert the 'super weapon' of an antidilution law, trademark owners induced Congress and the courts to allow more and more trademarks in more and more factual situations to jump on the antidilution bandwagon. The statute as interpreted by some courts now bears little resemblance to its original purpose.<sup>419</sup>

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first time); *see also* *United States v. Torkington*, 812 F.2d 1347, 1352 (11th Cir. 1987); *Rolex Watch U.S.A., Inc. v. Canner*, 645 F. Supp. 484, 492-93 (S.D. Fla. 1986).

414. 944 F.2d 1235, 1247 (6th Cir. 1991).

415. 4 MCCARTHY, *supra* note 16, § 23:6; *see also, e.g.*, *Brookfield Commc'ns, Inc. v. W. Coast Entm't Corp.*, 174 F.3d 1036, 1063-64 (9th Cir. 1999) (recognizing initial interest confusion); *Elvis Presley Enters., Inc. v. Capece*, 141 F.3d 188, 204 (5th Cir. 1998) (noting that initial interest confusion may unfairly get customers to enter the defendant's bar and stay even though they realize upon entering that the bar is not affiliated with Elvis Presley Enterprises); *Australian Gold, Inc. v. Hatfield*, 436 F.3d 1228, 1239-40, 1243 (10th Cir. 2006) (finding initial interest confusion by defendant's use of plaintiff's marks in metatags).

416. Lanham Act § 45, 15 U.S.C. § 1125(c) (2012).

417. *See* 15 U.S.C. § 1125(c).

418. 4 MCCARTHY, *supra* note 16, § 24:68.

419. *Id.*

Aside from the recognition that antidilution law has added to trademark law's expansion,<sup>420</sup> a detailed analysis of this topic is outside the scope of this particular article. However, the Lanham Act's prohibition on the dilution of famous trademarks<sup>421</sup> will likely see increased scrutiny by scholars and courts following the Supreme Court's broad understanding of trademarks as speech in *Matal v. Tam*.<sup>422</sup>

These various changes and expansions of trademark law have allowed courts to shift focus from consumer protection to protecting the investment of companies in their trademarks and goodwill.<sup>423</sup> Deven Desai has directly connected the expansion of trademark law to the increasing importance of brand development in the modern marketplace.<sup>424</sup> He argues that the law should recognize an information-based view of trademarks under which "both mark holders and consumers are free to share information about brands without the hindrances the current system imposes."<sup>425</sup> These changes represent significant deviations from the traditional notion of actionable confusion, and many scholars have proposed ways in which this growth could be limited or rolled back for the benefit of consumers and the public.<sup>426</sup> In his work on the illogical growth of trademark law, Mark Lemley explains:

Courts should of course protect trademarks against uses that are likely to cause confusion, and against true cases of dilution. And they should be willing to recognize that trademarks can come in many forms, including product configuration, sounds, and colors. But they should resist the inevitable attempts by trademark owners to expand these categories without limit. In particular, they should recognize that the Lanham Act is not a general anti-copying statute—

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420. See Lanham Act § 45, 15 U.S.C. § 1125(c) (2012).

421. See 15 U.S.C. § 1125(c).

422. 137 S. Ct. 1744, 1757-60 (2017).

423. Desai, *supra* note 91, at 989-90.

424. *Id.* at 986-87 (arguing that a brand theory of trademark law better explains the recent expansions of infringement, as well as the newer dilution cause of action, so brand theory should be used to correct the problems within the current trademark system).

425. *Id.* at 986-87.

426. See McKenna, *supra* note 110, at 84-85; see also McKenna, *Normative Foundations*, *supra* note 378, at 1843; Lemley, *supra* note 111, at 1713-14.

—and indeed that not all copying of a competitor’s product is bad.<sup>427</sup>

“[C]ourts routinely say that trademark law targets ‘confusion of any kind.’”<sup>428</sup> Mark McKenna disagrees with this expansive interpretation and argues that “only confusion that affects purchasing decisions should be relevant to trademark law . . . .”<sup>429</sup> McKenna also notes that trademark law now “amounts to little more than industrial policy intended to increase brand value.”<sup>430</sup> Rochelle Cooper Dreyfuss has also argued against this expansion, explaining that “the rationale underlying trademark law is fully effectuated by protecting the significance of marks in the principal markets of their proprietors.”<sup>431</sup>

Unlike the many revisions to the Lanham Act that allowed for this broad expansion of trademark law,<sup>432</sup> the brandright will help to counter the trend. Trademark law will not be further expanded to accommodate brandrights. Instead, brandrights refocus the attention of the trademark owner to competitive action and trade diversion.<sup>433</sup> Consumers will now possess an affirmative right to use brand-related information and creative content to engage with the brand and to express themselves. A trademark owner’s ability to stop non-deceptive, non-confusing uses of the mark and brand will thereby be limited. This outcome is one that many brand owners should welcome as it allows for

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427. Lemley, *supra* note 111, at 1713-14 (footnote omitted).

428. McKenna, *supra* note 110, at 70 n.6 (“The Act is now broad enough to cover ‘the use of trademarks which are likely to cause confusion, mistake, or deception of any kind, not merely of purchasers nor simply as to source of origin.’” (quoting *Kos Pharm., Inc. v. Andrx Corp.*, 369 F.3d 700, 711 (3d Cir. 2004))).

429. *Id.* at 83, 85 (“After all, trademark law regulates the commercial marketplace; it is not an all-purpose remedy for having to think. There are, of course, sometimes costs associated with being confused more generally, but these costs do not harm consumers *as consumers* if they do not affect purchasing behavior.”) (footnote omitted); *see also* Laura A. Heymann, *Naming, Identity, and Trademark Law*, 86 *IND. L.J.* 381, 441-42 (2011) (“Name or trademark changes that make it more difficult for others to retrieve information about the person or entity are not legally prohibited, even though such changes can result in increased search costs, and even though others may have been induced to act in a way in which they would not have acted if they had known about the person’s or the company’s history.”); Litman, *supra* note 96, at 1719 (“The law should protect the integrity of trade symbols in order to prevent consumer confusion or deception . . . .”).

430. McKenna, *Normative Foundations*, *supra* note 378, at 1843.

431. Dreyfuss, *supra* note 69, at 399.

432. *See, e.g.*, J. Thomas McCarthy, *Lanham Act § 43(a): The Sleeping Giant is Now Wide Awake*, 59 *L. & CONTEMP. PROBS.* 45, 45-46 (1996).

433. *See* Kiser, *supra* note 109, at 97-98.

more innovative brand development, while lessening the fear of brand owners that their own fans could cause trademark abandonment.

This proposal adopts the argument made by Dreyfuss, McKenna and others that “confusion” should only include that which affects purchasing decisions or deceives the public.<sup>434</sup> To that end, the brandright grants broad usage rights to consumers, subject to the limitations discussed herein.<sup>435</sup> These limitations could even allow for consumers to make passive advertising revenue from consumer-created brand websites that are clearly identified as being unofficial. The creator of the IKEAhackers website once indicated that she sold advertisements on the website in order to offset the time investment she was contributing to the website once it became popular.<sup>436</sup> Thus, allowing similar sources of non-confusing passive revenue could be beneficial to the brand owner, as it may encourage more consumers to invest time and energy into the development of the owner’s brand.<sup>437</sup> Similarly, the ability to obtain such revenue could foster First Amendment interests by encouraging wider public discourse about trademarks and brands.

There are also other, less tangible benefits that arise out of recognizing the brandright.<sup>438</sup> Ann Bartow notes that trademarks also implicate issues of free speech and creative expression: “Both free speech rights and efficient commerce would best be served if courts entertained trademark infringement claims only where either identical or exceedingly similar marks are used commercially in a trademark sense, on directly competing or closely related goods and services.”<sup>439</sup> As evidenced by neuromarketing studies and by the manner in which consumers embrace and use brands for self-expression, brands are more than merely source identifiers.<sup>440</sup> The First Amendment-related

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434. Dreyfuss, *supra* note 69, at 401; McKenna, *supra* note 110, at 84-86, 122-24; *see also, e.g.*, Lemley, *supra* note 111, at 1714; Heymann, *supra* note 36, at 697-98.

435. *See supra* Part I.B.

436. Yap, *Big Changes*, *supra* note 8.

437. Deborah R. Gerhardt, *Consumer Investment in Trademarks*, 88 N.C.L. REV. 427, 454-58 (2010).

438. *See, e.g.*, Ann Bartow, *Likelihood of Confusion*, 41 SAN DIEGO L. REV. 721, 817 (2004).

439. *Id.*

440. *See supra* note 321.

expressive needs of consumers are critical to modern discourse,<sup>441</sup> and are better served by an intellectual property system that includes recognition of brandrights.

#### IV. CONCLUSION

The current state of trademark law, with its attempt to force brand development into the confines of “source identification,” is not sustainable. Consumers are presumed to be ignorant and cannot recognize the difference between the official source of a product and an unofficial brand-related website or activity. As a result, both creative discourse and brand development are stifled. In a marketplace crowded with products where traditional advertising is ignored or ineffectual, the integration of products into the lives of consumers is the future of branding and of commerce generally. Brand owners should not feel compelled to stop their own fans from holding events like a World Nutella Day celebration or from creating an unofficial online platform to share information about or images of the branded products. Marketing professionals were right to applaud IKEA’s initial acceptance of the IKEAhackers fan website.<sup>442</sup> Empirical research on both marketing and purchasing behavior, as well as the neuroscience of how consumers interact with brands and trademarks differently, suggests that brand development engages with consumers in a creative and psychological fashion that is immensely beneficial to the individual and to the brand owner. Trademark law must adapt to brands rather than forcing brands into a pre-established trademark construct.

The recognition of brandrights by either Congress or the courts will require the acknowledgement of a new form of intellectual property right. However, that right is a logical extension of the fact that brand development invites consumer participation. Failing to recognize the contributions of consumers to brands, and the incorporation of branding into social and cultural discourse, ignores the collaborative nature of this process. Trademark law developed out of a broader prohibition on unfair competition; laws were created to prevent one company from passing off its products as those of another. That initial goal has

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441. See *supra* note 38 and accompanying text.

442. See ROBINSON, *supra* note 6, at 61.



expanded to prevent trade diversion and to prevent one company from unfairly utilizing the goodwill of another company for its own benefit. However, the current system is allowing companies to unfairly utilize the labor and creativity of customers in brand development without compensation or recognition. For example, TIMBERLAND brand shoes owe much of their profits and commercial growth not to the company's marketing professionals, but to consumers it never anticipated. The hip-hop community provided substantial creative content to the TIMBERLAND brand story.

Brandrights recognize those contributions of consumers by providing explicit, affirmative use rights back to those creative consumers. Otherwise, brands will be permitted to freeride on the work of consumers while simultaneously using trademark law to silence those same consumers or prevent them from profiting off their own creative expression. The current system that applies trademark law to brands gives brand owners too much power. Branding creates an unofficial, collaborative team composed of the brand owner and the consumers. Currently, the law is one-sided, protecting only the interests of the brand owner, and doing so poorly. Brandrights will balance these interests by granting countervailing rights to consumers.