

Trademark Law and the Power of Historical Myth

*Mark Bartholomew**

INTRODUCTION

Trademark scholar Frank Schechter once bemoaned “nowhere is the obscurity of the origins and at the same time the touching absence of curiosity concerning these origins more apparent than in the field of law of trade-marks.”¹ Probably because of trademark doctrine’s largely utilitarian basis, historical evaluation of trademark law has been deemed unnecessary.² It would be a mistake, however, to ignore the history behind trademark law. In the United States, core trademark doctrine has remained frozen in place for almost a century. An exegesis of the political and cultural climate of American trademark law’s formative era explains trademark law’s staying power.

Modern trademark law’s story of origin is really the story of the birth of modern advertising.³ Although trademark regulation has existed in some form for centuries, modern trademark law came into being at the beginning of the twentieth century. Not coincidentally, modern advertising techniques appeared in the United States at the same time. When judges were presented with the new phenomenon of mass-market advertising, they had to decide its legal worth. In a relatively short period of time, they determined that the goodwill built up through advertising was worthy of protection. They altered established trademark doctrine to reflect this determination. Their alterations continue to form the core of trademark doctrine nearly a century later. Understanding how judges evaluated advertising at the beginning of the twentieth century offers clues for how we should evaluate advertising at the beginning of the twenty-first.

Part I of this article chronicles the rapid manner in which courts decided to grant full property rights in the value created by advertising. Within a twenty-year period, trademark holders that were once without a remedy found themselves able to prevent any use of their mark so long as that use was confusing to an unaware and uncritical consumer. Mark holders could sue others for trademark infringement without evidence of bad faith. They also won the right to block others from using their brand even when they sold a product that was different from that sold by the defendant. Trademark holders possess these same rights ninety years later.

* Assistant Professor of Law, State University of New York at Buffalo.

¹ FRANK I. SCHECHTER, THE HISTORICAL FOUNDATIONS OF THE LAW RELATING TO TRADE-MARKS 4 (1925).

² See Sara Stadler Nelson, *The Wages of Ubiquity in Trademark Law*, 88 IOWA L. REV. 731, 732 (2003).

³ In addition to trademark law protections, consumers in the early 1900s could sue a seller for false advertising of its own goods or services. This common law tort of false advertising was narrowly construed, however. See GRAEME B. DINWOODIE & MARK D. JANIS, TRADEMARKS & UNFAIR COMPETITION: LAW AND POLICY 759 (2004). Only deceived buyers could sue for false advertising; the common law immunizes sellers from the claims of competitors for false advertising because competitors could seldom show actual losses. W. PAGE KEETON ET AL., PROSSER AND KEETON ON THE LAW OF TORTS (5th ed. 1984). And some opinions read the right even more narrowly, blocking any claims for false advertising that did not involve the seller passing off its goods as the goods of another. *E.g.*, Chamberlain v. Columbia Pictures Corp., 186 F.2d 923, 925 (9th Cir. 1951).

Why did the courts decide so quickly to award legal protection to the positive consumer sentiment generated by advertising? Part II catalogs the intellectual history of advertising in the early twentieth century. In short order, commercial efforts to promote and sell new products became linked to economic and cultural progress. At the same time, a backlash against the formalist trademark doctrine of the nineteenth century resulted in expanded protection for advertising value and doctrinal limits on the power of judges to ignore this value.

The remainder of Part II explains why the legal doctrine crafted a century ago continues to remain in effect. Judges in the formative era perceived advertising as completely effective in its ability to generate ideas of value in consumers' heads and, therefore, deserving of legal protection. This judicial perception of advertising has persisted. As a result, the doctrinal innovations of the 1910s and 1920s have withstood attacks from those who criticized advertising's effects on the economy and American culture. In large part, the courts accepted the benign view of advertising presented to them by advertisers.

The judiciary rejected attempts in subsequent years to expand legal protection for advertising even further. When state legislatures created a cause of action for "dilution" of the unique selling power of a mark, judges balked. The courts had faith that the "conditioned reflex" created by advertising was not permanent. In their eyes, advertising was effective, but not immutable. But dilution law threatened to inoculate the goodwill bound up in a trademark from change, a fundamentally anti-competitive prospect. Because the judges believed that advertising's message should not be etched forever on a consumer's psyche, they refused to move beyond the rights awarded to advertisers in the Progressive era.

Parts III and IV argue that the 90-year-old system of protection for advertisers is based on a flawed premise. Recent research in cognitive psychology demonstrates that advertising does, in effect, leave a permanent mark on its audience. The phenomenon of affective decision making reveals that consumers make purchasing decisions based on involuntary and subconscious thought. These affective decisions are easily swayed by mere familiarity with a trademark and contextual cues surrounding the mark. Advertisers are uniquely positioned to orchestrate the context and content of our exposure to a brand name and guide us to the ultimate affective decision: purchase. Based on these new insights into the involuntary functioning of the consumer mind, the article suggests that trademark doctrine should be altered to avoid privileging marks that are already popular with consumers and are unlikely to ever lose their luster in our collective subconscious.

I. LEGAL PROTECTION FOR ADVERTISING

Before the late nineteenth century, advertisers faced a legal landscape hostile to efforts to protect their work. Few trademark cases entered the courts. Those mark holders that elected to prosecute their infringement claims confronted strict evidentiary requirements. Yet by the beginning of the twentieth century, legal doctrine had become dramatically more receptive to advertiser complaints. The rest of Part I examines the doctrinal changes that opened up the courts to suits from mark holders to preserve their advertising investments. Part II describes the historical and intellectual currents that spawned these changes.

A. Legal Protection for Advertising Prior to 1900

While some form of trademark regulation has existed in Anglo-American law since the fifteenth century,⁴ legal rules for trademark were slow to develop. An English common law court did not hold in favor of trademark protection until 1824.⁵ The first American case granting relief in a trademark case came thirteen years later.⁶ For the bulk of the nineteenth century, trademark law developed at a glacial pace as few cases involving trademarks made their way through the courts.⁷

Those few trademark plaintiffs that chose to proceed with litigation found no friend in the courts. Trademark law in the nineteenth century sounded in tort rather than property law. Instead of being anchored on a concept of natural rights, trademark protection was a tool to restrain the naked self-interest of America's commercial promoters.⁸ The author of one trademark treatise of the time explained that trademark law was ennobling because it ran ahead of the practices of businessmen and advertisers.⁹ Trademark disputes were adjudicated on the basis of marketplace custom, not protection of legal property.¹⁰

Judges gravitated towards a “fair dealing” concept of trademark law because they feared recognition of a property right in trademarks. Recognition of such a right threatened to provide individual businesses with a monopoly in language.¹¹ As one court explained, the English language is “the common property of mankind.”¹² Because language belonged in the public domain, “[f]rom these fountains whosoever will may drink, but an exclusive right to do so cannot be acquired by any.”¹³ Courts at this time were concerned that any monopoly in language could translate into a monopoly of product.¹⁴ Thus, rather than protecting a property right in brand-name goodwill, the courts maintained that the rationale behind trademark law was “the promotion of honesty

⁴ Benjamin G. Paster, *Trademarks – Their Early History*, 59 TRADEMARK Rptr. 551 (1969).

⁵ Sykes v. Sykes, 107 Eng. Rep. 834 (K.B. 1824); SCHECHTER, *supra* note 1, at 137-38.

⁶ Thomson v. Winchester, 36 Mass (19 Pick) 214 (Sup Ct. Mass 1837).

⁷ Robert G. Bone, *Hunting Goodwill: A History of the Concept of Goodwill in Trademark Law*, 86 B.U. L. REV. 547, 576 (2006) (stating that “the law of trademarks remained in a primitive state prior to the Civil War”).

⁸ Daniel M. McClure, *Trademarks and Unfair Competition: A Critical History of Legal Thought*, 69 TRADEMARK Rptr. 305, 316 (1979).

⁹ JAMES LOVE HOPKINS, THE LAW OF TRADEMARKS, TRADENAMES, AND UNFAIR COMPETITION vii (3d ed. 1917) (subject of the quotation is an author’s note from 1905 that was part of the second edition). In an article describing the state of trademark law at the turn of the century, the author explained that most courts evaluating trade name cases “have planted their decisions upon the rock of commercial integrity and honor.” Wallace R. Lane, *Development of Secondary Rights in Trade Mark Cases*, 18 YALE L.J. 571, 578 (1909).

¹⁰ As one court remarked, judicial action to protect trademarks was “all bottomed on the principle of common business integrity.” *Sartor v. Schaden*, 101 N.W. 511, 513 (Iowa 1904).

¹¹ McClure, *supra* note 8, at 315.

¹² Avery & Sons v. Meikle & Co., 81 Ky. 73, 90 (1883).

¹³ *Id.*

¹⁴ M. Handler & C. Pickett, *Trade-Marks and Trade Names — An Analysis and Synthesis*, 30 COLUM. L. REV. 168, 170 (1930).

and fair dealing, because no one has a right to use his own goods as the goods of another.”¹⁵

This belief that trademark law should enforce recognized commercial standards, not property rights, led to several doctrinal rules that limited an advertiser’s ability to protect the goodwill bound up in its product. First, without a demonstration of bad intent by the defendant, no relief would be granted.¹⁶ For example, in addressing a claim of infringement, the members of the New York Court of Appeals focused exclusively on whether the defendant could have used the word COCOINE in good faith given the plaintiff’s widespread use of the mark COCOAINE.¹⁷ The majority found in favor of the plaintiff, concluding that “no one can readily believe” that defendant “failed to observe advertisements” for plaintiff’s COCOAINE brand.¹⁸ The dissent also grounded its argument on good faith, urging all courts to adopt restraint in determining bad faith, as the case law “has nearly established a common law of copyright of perpetual duration [that] without great care . . . may be made an instrument of wrong.”¹⁹ It chastised the majority for not adopting a more charitable view of the defendant’s intent given the facts at hand.²⁰ For the rest of the century, although courts began to drop the intent requirement for so-called “technical trademarks,” i.e., those marks that employ a completely new word or an existing word in an arbitrary or fanciful way,²¹ courts rigorously applied the bad intent requirement in all other trademark cases.²²

Second, for most of the nineteenth century, trademark courts read a reasonable person standard into the law that required consumers to exercise discretion and judgment. To make a successful infringement case, a plaintiff in 1870 had to demonstrate that the defendant’s conduct actually confused purchasers. Confusion exists when purchasers are

¹⁵ Palmer v. Harris, 60 Pa. St. 156-159 (1869). The statutory provisions of early trademark law reflected this same focus on commercial morality. One example of this moral focus was early trademark law’s emphasis on criminal penalties. Before it was struck down as unconstitutional by the Supreme Court, the country’s first trademark statute, the 1870 Trademark Act, provided for criminal sanctions for trademark infringement. “An act to punish the counterfeiting of trade-marks and the sale or dealing in of counterfeit trade-mark goods,” Act of August 14, 1876, ch. 274, 19 Stat. 141 (1876). Both the original 1870 Trade-Mark Act and the 1876 amendment were struck down by the Supreme Court in 1877. *See The Trade-Mark Cases*, 100 U.S. 82 (1879).

¹⁶ *See* McClure, *supra* note 8, at 315; 1 MCCARTHY, *supra* note 23, § 5:2 (“In nineteenth century cases, trademark infringement embodied much of the elements of fraud and deceit from which trademark protection developed. That is, the element of fraudulent intent was emphasized over the objective facts of consumer confusion.”); 2 MCCARTHY, *supra* note 4, at 137 (“Because trademark infringement arose in the common law as an offshoot of the tort of intentional fraud, an intent to deceive on defendant’s part was thought to be an essential element of trademark infringement.”); Beverly W. Pattishall, *Two Hundred Years of American Trademark Law*, in *TWO HUNDRED YEARS OF ENGLISH AND AMERICAN PATENT TRADEMARK AND COPYRIGHT LAW* 51, 60 (reprinted in 68 TRADEMARK Rptr. 121 (1978)); HOPKINS, *supra* note 9, at 293 (“[W]hether at law or in equity, the doctrine of the common law prevailed, that the defendant must be shown to have guilty knowledge or fraudulent intent.”)

¹⁷ Burnett v. Phalon, 5 Abb. Pr. N.S. 212 (N.Y. 1867), in *American Trademark Cases*.

¹⁸ Burnett at 389.

¹⁹ Burnett at 393.

²⁰ Burnett at 396.

²¹ Today, “technical trademarks” are referred to as “inherently distinctive” marks. 2 MCCARTHY, *supra* note 23, at § 11:4. KODAK is an example of an inherently distinctive mark.

²² *E.g.*, Lawrence Mfg. Co. v. Tennessee Mfg. Co., 138 U.S. 537, 549 (1891); C.F. Simmons Medicine Co. v. Mansfield Drug Co., 23 S.W. 165, 175, 178-79 (Tenn. 1903). Marks that did not qualify as technical trademarks were called “trade names.” *See* BROWNE, *supra* note 23, § 91; McClure, *supra* note 8, at 316.

misled as to the source or sponsorship of goods or services.²³ The leading American trademark law treatise cited the New York case of *Partridge v. Menck*²⁴ with approval.²⁵ *Partridge* required “careful inspection” of allegedly misleading advertisements before there could be a finding of infringement.²⁶ When consumers did not undertake a careful examination of the defendant’s product, then the infringement claim had to be denied: “[A court] is certainly not bound to interfere, where ordinary attention will enable a purchaser to discriminate.”²⁷ In an 1877 case, the Supreme Court emphasized that a “critical” review of the offending advertisement by consumers was required.²⁸ Following this precedent, the Eighth Circuit explained that while a secondary user of a trademark must not attempt to mislead a purchaser “exercising ordinary care,” “[h]e is not, however, required to insure to the negligent or the indifferent a knowledge of the manufacture or the ownership of the articles he presents.”²⁹ Similarly, the Supreme Court of Washington explained that while confusion of an expert or a “very cautious purchaser” is infringement, confusion of only an “indifferent or careless purchaser” is not.³⁰

Finally, even if successful in prosecuting its claim, an advertiser could only block infringing use of a trademark on products identical to its own. The operative trademark statute of the time prohibited only those uses of an existing trademark on “merchandise of substantially the same descriptive properties as those set forth in the registration.”³¹ This language was derived from common law cases holding that infringement could only occur when the defendant used the mark on the same class of goods as the plaintiff.³² For example, in an 1898 case involving a trademark suit by an ale manufacturer against the defendant lager manufacturer, the court held that there could be no infringement because ale and lager were not of the “same descriptive properties.”³³

B. Legal Protection for Advertising After 1900

²³ WILLIAM HENRY BROWNE, A TREATISE ON THE LAW OF TRADEMARKS 384 (Boston, Little, Brown, and Co., 2d ed. 1885); *see also* 3 J. THOMAS McCARTHY, McCARTHY ON TRADEMARK AND UNFAIR COMPETITION § 23:2 (4th ed. 1996) (collecting cases illustrating that the standard for confusion has remained the same).

²⁴ 2 Sand. Ch. R. 622 (N.Y. Ch. 1846).

²⁵ FRANCIS H. UPTON, A TREATISE ON THE LAW OF TRADE MARKS 218-220 (Albany, Weare C. Little, 1860).

²⁶ 2 Sand. Ch. R. 622 (N.Y. Ch. 1846).

²⁷ *Id.* The decision went on to state that for there to be an actionable likelihood of confusion “[i]t must appear that the ordinary mass of purchasers, paying that attention, which such purchasers usually give, when buying the article in question, would probably be deceived.” *Id.* Numerous American courts in the late 1800s cited this passage from the *Partridge* case with approval. *E.g.*, *Boardman v. Meriden Britania Co.*, 35 Conn. 402, *6 (1868); *Carmichel v. Latimer*, 11 R.I. 1395, *8 (1876).

²⁸ *McLean v. Fleming*, 96 U.S. 245, 255 (1877) (finding trademark infringement when the defendant’s remarkably similar trade dress “diverted the unsuspecting buyer from any *critical* examination of the prepared article”) (emphasis added).

²⁹ *Allen B. Wrisley Co. v. Iowa Soap Co.*, 122 F. 796, 798 (8th Cir. 1903).

³⁰ *Pacific Coast Condensed Milk Co. v. Frye & Co.*, 147 P. 865, 867-86 (Wash. 1915).

³¹ Trademark Act of 1905 section 5.

³² *HOPKINS*, *supra* note 9, at 307.

³³ *Bass, Ratcliff & Gretton v. Henry Zeltner Brew Co.*, 87 Fed. 468 (C.C.S.D.N.Y. 1898).

The trademark doctrine described above quickly changed as a more absolute vision of trademark rights emerged in the early 1900s.³⁴ American courts soon came to consider trademark actions as less of a tort and more of a property right.³⁵ Abandoning the language of commercial morality, courts of the early 1900s increasingly defined trademarks as “property” or used metaphors from real property to describe questions involving trademarks. For example, some courts referred to trademark infringement as “trespassing” on the rights of the mark owner.³⁶ One federal court described defendant’s wrongful registration of plaintiff’s trademark as “a cloud upon the plaintiff’s title,” and cited cases involving quieting title to real property to justify its intervention.³⁷

These rhetorical changes were accompanied by significant shifts in established nineteenth century doctrine. First, courts found infringement even without proof of fraudulent intent. As one scholarly commentary of the time noted, once a trademark became a piece of property, there was no need to examine the accused infringer’s conduct for violations of commercial norms.³⁸ A property right connoted an absolute right that made even cases of innocent infringement illegal. Courts had already moved in the direction of no longer requiring an intent to deceive for infringement of technical trademarks.³⁹ In the late 1800s, courts had frequently described technical trademarks as “property,” but were hesitant to do so with descriptive marks, i.e., those marks that immediately conveyed the characteristics of the goods or services at issue. In the early 1900s, legal scholarship agitated for both types of marks to be labeled “property,” a renaming that would obviate the need for proof of intent and enable courts to evaluate all trademark cases by the same likelihood of confusion standard.⁴⁰ Although not uniform, most courts in the 1920s agreed with the scholars and took the position that intent was not necessary in *any* trademark infringement action.⁴¹ By the late 1930s, the only important

³⁴ E.R. Coffin, *Technical Trademarks Versus Non-exclusive Trademarks*, 66 ALB. L.J. 180, 180 (1904) (“But it has long been settled that plaintiff has an absolute right to the exclusive use of his trademark. The right has hardened into a rule of property.”). To a degree, property rights rhetoric had been evident in trademark decisions for decades. *E.g.*, _____. But this description of trademarks as property, and without qualifying language on the limitations of this “property right,” only appeared in earnest in the early 1900s.

³⁵ McClure, *supra* note 8, at 314. Property rights rhetoric had always been interwoven with the commercial morality justification for trademark law. *E.g.*, *Godillot v. Hazard*, 49 How. Pr. 5 (N.Y. Sup. Ct. 1875). But in the early 1900s, the property justification for trademark protection became trademark law’s primary rationale. McClure, *supra* note 8, at 314.

³⁶ *E.g.*, *Louis Bergdoll Brewing Co. v. Bergdoll Brewing Co.*, 218 Fed. 131, 132 (D.C. Pa. 1914); *Hercules Powder Co. v. Newton*, 266 F.3d 169, 171 (2d Cir. 1920); *see also* FRANK S. MOORE, *LEGAL PROTECTION OF GOODWILL* 99 (1936) (describing an infringer as “a trespasser upon valuable property of the complainant, namely complainant’s goodwill, just as he would be a trespasser if he wrongfully encroached upon complainant’s land”).

³⁷ *Coca-Cola Co. v. Stevenson*, 276 Fed. 1010, 1013-14 (S.D. Ill. 1920); *see also* MOORE, *supra* note 36, at 4 (analogizing a trademark search and valuation of a mark to conducting a title search before buying a piece of real estate).

³⁸ Handler & Pickett, *supra* note 14, at 770 (“The connection between the monopoly notion and the rule that fraud need not be proved in trademark cases is apparent, for if a man has the absolute right to use a mark, even an innocent infringement must be forbidden.”).

³⁹ McClure, *supra* note 8, at 317; SCHECHTER, *supra* note 1, at 161; HOPKINS, *supra* note 9, at 293-294.

⁴⁰ *E.g.*, *Grover C. Grismore, Fraudulent Intent in Trade Mark Cases*, 27 MICH. L. REV. 857, 866 (1929).

⁴¹ *E.g.*, *Coty, Inc. v. Parfums De Grande Luxe, Inc.*, 298 F. 865 (2d Cir. 1924); *Photoplay Pub. Co. v. La Verne Pub. Co.*, 269 F. 730 (3d Cir. 1921); *Governor & Co. v. Hudson Bay Fur Co.*, 33 F.2d 801 (D. Minn. 1928). The 1938 Restatement of Torts adopted the view that fraudulent intent is not necessary to prove either technical trademark or trade name infringement. *RESTATEMENT OF TORTS* § 717 cmt. a (1938).

difference between technical and non-technical trademarks concerned eligibility for registration.⁴²

As intent became unnecessary in calculating infringement, courts simultaneously dumbed down the reasonable purchaser standard.⁴³ While the consumer of the Victorian-era was expected to exercise some caution in the commercial world, the consumer of the early 1900s was “apt to act quickly, and is therefore not expected to exercise a high degree of caution.”⁴⁴ As one court explained:

The purchaser is required only to use that care which persons ordinarily exercise under like circumstances. He is not bound to study or reflect. He acts upon the moment. He is without the opportunity of comparison. It is only when the difference is so gross that no sensible man acting on the instant would be deceived, that it can be said that the purchaser ought not to be protected from imposition.⁴⁵

Thus, in contrast to the “careful inspection” requirement of *Partridge*, courts at the turn of the century adopted a much more relaxed standard for confusion. Now a plaintiff could base an infringement case on a shopper’s fleeting and hasty impressions. “It may be true that the cautious and discriminating purchaser is not likely to be so misled,” explained one court of appeals decision, “but the protection accorded to a trade-mark is not limited to the cautious and discriminating customer, but embraces the ‘ordinary’ or ‘unwary’ purchaser as well.”⁴⁶ One court explained that in all trademark cases, “undoubtedly . . . many of the public are hasty, heedless, and easily deceived.”⁴⁷ As described by the Second Circuit in 1910, the consuming public was “that vast multitude which includes the ignorant, the unthinking and the credulous, who, in making purchases, do not stop to analyze, but are governed by appearances and general impressions.”⁴⁸ One

⁴² Zechariah Chafee, Jr., *Unfair Competition*, 53 HARV. L. REV. 1289, 1298 (1940).

⁴³ There is some evidence of this dumbing down even earlier. See UPTON, *supra* note 25, at 216 (stating that if a trademark was imitated in a way that could deceive someone, “it matters not if he be the most unwary, careless or illiterate purchaser, precisely to that extent, it is a wrong, demanding the interposition of the law, in its redress”).

⁴⁴ Paris Medicine Co. v. W.H. Hill Co., 102 F. 148, 151 (6th Cir. 1900).

⁴⁵ Pillsbury v. Pillsbury-Washburn Flour Mills Co., 64 F. 841, 847 (7th Cir. 1894).

⁴⁶ DeVoe Snuff Co. v. Wolff, 206 F. 420, 423-24 (6th Cir. 1913); *see also* Garrett & Co. v. A. Schmidt, Jr. & Bros. Wine Co., 256 F. 943, 946 (D. Ohio. 1919) (“From these opinions it appears that the test of whether or not there is infringement or unfair competition is to be determined by taking the trade-mark, labels, and dress as a whole, and determining therefrom whether the resemblances so far dominate the differences in appearance, sound, and dress as to be likely to deceive, not the cautious, experienced, or discriminating purchaser, but the average, ordinary, and unwary customer.”).

⁴⁷ New York Mackintosh Co. v. Flam, 198 F. Supp. 571, 572 (D.C.N.Y. 1912).

⁴⁸ Florence Mfg. Co. v. J.C. Dowd & Co., 178 F. 73, 75 (2d Cir. 1910). Over time, the courts began to develop a more nuanced approach to evaluating the reasonable purchaser’s mindset. The reasonable purchaser standard would be “elevated” to the standard of the “discriminating purchaser” in cases involving expensive goods or other indications of customer base that was more sophisticated than the general public. L.J. Mueller Furnace Co. v. United Conditioning Corp. 222 F.2d 755 (C.C.P.A. 1955). To some degree, the courts had intuited that some products were more likely to involve a discerning customer base than others and adjusted their analysis accordingly. But the doctrinal addition of “customer sophistication” to the likelihood of confusion analysis does not appear to have occurred until after World War II.

court of appeals described the ordinary prospective purchaser as follows: “He acts quickly, he is governed by a general glance. The law does not require more of him.”⁴⁹

Finally, the courts also quickly dispensed with nineteenth century doctrine that held that both products at issue had to be the same for there to be actual confusion. Although the Trademark Act of 1905 required that both products in an infringement suit have the “same descriptive properties,” by the 1920s, judges had come to recognize that consumers could be confused by use of a similar mark on different products.⁵⁰ For example, Judge Learned Hand granted trademark protection to a lock manufacturer even though the defendant made not locks, but flashlights and batteries.⁵¹ He brushed off concerns that his approach did “some violence to the language” of the 1905 Act.⁵² Hand maintained that the judiciary in “recent years” had realized that a trademark holder had “a sufficient economic interest in the use of his mark outside the field of his own exploitation.”⁵³ Under Hand’s reasoning, protecting the senior mark holder’s property right outweighed fears of monopoly.

As a result of these three doctrinal changes, the value generated by product advertising suddenly received robust legal protection. Intent to deceive was no longer required for a viable action against an alleged trademark infringer. The ordinary prudent purchaser standard had been watered down to remove any requirement of critical thought or analysis by consumers. Moreover, these rights potentially extended against all product manufacturers, not just manufacturers of products in the same discrete category as the trademark holder. With this foundation, property rights in the value created by advertising began to expand even further. In a somewhat startling extension of trademark law, in 1923, the Supreme Court went so far as to prevent subsequent retailers of a trademarked item from selling the item at discount prices.⁵⁴ Now, an advertiser’s control

⁴⁹ Coca-Cola Co. v. Chero Cola Co., 273 F. 755, 756 (D.C. Cir. 1921).

⁵⁰ Nelson, *supra* note 2 at n.138; *see also* Standard Oil Co. of New Mexico, Inc. v. Standard Oil Co. of California, 56 F.2d 973, 978 (10th Cir. 1932) (“[N]ow it is well settled that the law of unfair competition is not confined to cases of actual market competition.”); Colorado Nat. Co. v. Colorado Nat. Bank, 36 P.2d 454, 455 (Colo. 1934) (stating that “[t]he tendency of the courts has been to widen the scope of protection” to include non-competing goods”); John Wolff, *Non-competing Goods in Trademark Law*, 37 COLUM. L. REV. 582, 594 n.57 (1937) (“[I]n estimating the likelihood of confusion, nothing is gained by stating that the goods must belong to the same class.”).

⁵¹ Yale Electric Corp. v. Robinson, 26 F.2d 972 (2d Cir. 1928).

⁵² *Id.* at 974.

⁵³ *Id.* at 973; *see also* Finchley, Inc. v. Finchley Co., 40 F.2d 736 (D. Md. 1929) (“It is comparatively easy to carry over the good will of one article in which the public has confidence to another, by associating the first and the second, even though the seller or maker of the first may be unknown, and also for a firm to extend its good will into territory where its goods have never been sold, but where its reputation has already gone. In owning a mark which enjoys such trust and confidence in relation to one article or place, the owner possesses valuable property in the right to use that familiar and popular mark, or name, in the extension of his business to new lines of goods and to new territory. He owns a right to use the popularity of that mark or name or object for his profit, and to prevent its use by others to his detriment. He owns a right to use it to extend his business, and to increase his profits to an extent impossible, perhaps, if he refrained from so doing or used some other’s mark, or name, which did enjoy the confidence which the public placed in the same brand. Nims on Unfair Competition and Trade-Marks (3d Ed.) Sec. 221a. As the court views the decisions, this is undoubtedly their trend. . . .”)

⁵⁴ A. Bourjois Co. v. Katzel, 260 U.S. 689 (1923). In *Katzel*, the Court was asked to construe the Illinois Fair Trade Act, which proscribed the sale of a trademarked article by means of the trademark at a cut price. The Court’s decision to uphold the Act meant that a trademark holder’s rights extended past the point of

over a brand name extended beyond the point of sale. Thus, in contrast to their legal status in the nineteenth century, advertisers of the 1910s and 1920s enjoyed powerful rights to safeguard the value they had created. Part II describes why the courts felt obliged to recognize broad rights in advertising when just a few years before they had been hostile to such claims. The rest of Part II explains why the doctrinal innovations of the 1920s have survived in the same form for nearly one hundred years.

II. RECOGNIZING A NEW PROPERTY RIGHT IN ADVERTISING

A. Advertising Becomes Important to the National Economy

As discussed above, trademark doctrine was transformed in the first decades of the twentieth century. In a short timespan, several barriers to protecting the value built by advertising were quickly removed. The courts depicted this transformation of trademark law as the product of timeless, objective principles. In reality, the new law of advertising was the result of early twentieth century historical and social forces. Advertising's importance to the national economy, its embrace by a critical mass of cultural observers, and the professionalization of the advertising field all led to greater judicial safeguards against brand-name "free riding." Simultaneously, the symbiotic relationship between academic psychologists and advertisers prompted doctrinal moves that stripped discretion from the courts and increased the power of trademark owners.

1. Advertising Demonstrates its Effectiveness

Between 1880 and 1920, advertising evolved from a relatively small part of American commercial life into a crucial component of the national economy. The nature of advertising also changed. Where advertising had once simply supplied raw information about a product to consumers, by the 1920s, advertising was a professional art that relied on pseudo-scientific appeals to human emotion. In little time, courts recognized advertisers as skilled professionals and adopted legal doctrines that enshrined the worth of their services.

Trademarks had a limited role in the United States economy before 1900.⁵⁵ Until that time, the brand identification and recognition provided by trademarks was largely unnecessary. Most people lived in rural areas, shopped in rural areas, and bought products that were produced in the same areas where they lived.⁵⁶ As a result, for most of the 1800s, few manufacturers chose to advertise. Retailers simply informed their customers of the goods they had on stock when those customers came to shop.⁵⁷ Trademarks were relatively unimportant as consumers usually bought their goods from a local shopkeeper with whom they had a personal relationship.

The little advertising that existed in the 1800s focused on the dissemination of information to existing customers. Purchases required planning and deliberation. A

sale. The holder's control reached out to even prevent retailer price reductions that could be deemed injurious to the goodwill built up in the mark. *Id.* at 691-92.

⁵⁵ Edward S. Rogers, *Some Historical Matter Concerning Trade-Marks*, 9 MICH. L. REV. 29, 41-42 (1910).

⁵⁶ Bone, *supra* note 7, at 575.

⁵⁷ DANIEL POPE, THE MAKING OF MODERN ADVERTISING 232 (1983).

decision to purchase often necessitated writing a letter of inquiry to a manufacturer and a subsequent follow up order or, at the very least, a long trip from the country to the local dry goods store. Thus, advertising was not designed to trigger a rush of emotion that would cause the shopper to spontaneously pluck the product off of a store shelf.⁵⁸ Instead, advertisements provided information about a product so a purchaser could make an informed decision. The information described the product's attributes and composition and explained where the product could be obtained. Such copy could be written by anyone; there was no need for an advertising specialist.⁵⁹

Moreover, a trademark's value in this era depended on the reputation it acquired over time, not advertising. A trademark would only be legally protected after years of quality product making created a *cachet* among consumers. As one treatise of the time remarked: "The association of the trade-mark with the origin of the goods may be acquired only after long use. The effect as well as the value of the trade-mark is the work of time and experience."⁶⁰

By the first two decades of the twentieth century, however, advertising had changed. The American population exploded after the Civil War and became more concentrated in urban areas. Manufacturers could now appeal to a larger and more diversified consumer base willing to purchase new products.⁶¹ Advances in production, transportation, and communication made the late nineteenth century ripe for products with a nationwide distribution.⁶² Advertising allowed businesses to mobilize consumers to create a national market for products that were often functionally equivalent to local goods.⁶³ Salesmanship of a brand became important; simple announcements of a product's availability and content were insufficient. At the same time, increases in production resulted in an unprecedented number of choices for consumers. It was the advertiser's job to use a particular trademark in a compelling way to break out of the clutter.

At the same time, lessons from behavioral psychology revolutionized the way products were marketed. Now consumers were viewed as subject to irrational desires. Instead of plying them with information, advertisers engineered emotional appeals designed to trigger consumers' reactive and spontaneous impulses.⁶⁴ It was important to feature vivid brand images in advertisements that would remain in the consumer's memory.⁶⁵ By 1920, the structure and approach of the advertising business had largely taken the same form that it has today.⁶⁶ Instead of providing consumers with information, advertisers issued emotional missives designed to persuade consumers to

⁵⁸ POPE, *supra* note 57, at 233.

⁵⁹ JAMES D. NORRIS, ADVERTISING AND THE TRANSFORMATION OF AMERICAN SOCIETY, 1865-1920, at 43 (1990) (describing how, with few exceptions, manufacturers and merchants wrote their own advertising copy in the 1800s).

⁶⁰ AMASA C. PAUL, THE LAW OF TRADE-MARKS 10 (1903).

⁶¹ Bone, *supra* note 7, at 576.

⁶² POPE, *supra* note 57, at 237.

⁶³ POPE, *supra* note 57, at 14.

⁶⁴ POPE, *supra* note 57, at 14.

⁶⁵ EDD APPLEGATE, PERSONALITIES AND PRODUCTS: A HISTORICAL PERSPECTIVE ON ADVERTISING IN AMERICA 108 (1998).

⁶⁶ POPE, *supra* note 57, at 8; *see also* Bone, *supra* note 7, at 580 ("By the 1920s, the new psychological approach to advertising was in full swing.").

buy.⁶⁷ Instead of capturing existing demand for an established product, advertising's role was to stimulate new demand for new products.⁶⁸

Advertising's new psychological emphasis made trademarks more important. Instead of wasting ad space on textual information about a product, advertisers could use vivid imagery to generate psychological appeals that would infuse a trademark with meaning. As Robert Bone has discussed, firms at the turn of the century began to believe that advertising provided the key to controlling goodwill.⁶⁹ Happy to encourage this belief, advertisers maintained that advertising, if handled by skilled professionals, translated directly into increased sales. One simply needed to spend more on advertising like any other capital asset to bolster firm goodwill. For every \$100 invested in advertising, the business's goodwill would receive \$100 in value or more. The advertisers sought to rewrite accounting rules to have advertising treated as a capital expenditure, rather than an ordinary short-term business expense.⁷⁰ According to the advertisers, the value of a brand name was directly dependent on repetition; they refused to acknowledge the possibility of diminishing returns from their craft.⁷¹

Advertising's role in the new economy was not overlooked by commentators. It quickly became apparent that advertising stimulated demand. While the normative value of advertising's role could be debated,⁷² its effectiveness could not. The successful use of psychological techniques to sell government bonds and recruit soldiers during World War I convinced intellectuals and policymakers of advertising's efficacy.⁷³ Meanwhile, the amount of advertising presented to the consuming public skyrocketed.

Advertisements for trademarked goods were everywhere in the 1920s while the economy roared and products flew from store shelves.⁷⁴

Courts began to attribute to advertising the power trumpeted by the advertisers themselves. Judges in this period recognized the investment a mark holder made in advertising by expanding the protection of mark goodwill.⁷⁵ For example, despite acknowledging that a variety of New York businesses already used the term "KNICKERBOCKER," a court nevertheless granted trademark rights for KNICKERBOCKER-brand beer because of the "liberal expenditure of money by the plaintiff for advertising."⁷⁶ As one legal commentator arguing for greater protection of personal names as trademarks argued, "large sums are paid for the use of names in advertising Something of such great value is certainly entitled to adequate protection

⁶⁷ POPE, *supra* note 57, at 8.

⁶⁸ NORRIS, *supra* note 59, at 140.

⁶⁹ Bone, *supra* note 7, at 582.

⁷⁰ POPE, *supra* note 57, at 69; Mona L. Hymel, *Consumerism, Advertising, and the Role of Tax Policy*, 20 VA. TAX. REV. 347, 414-16 (2000).

⁷¹ POPE, *supra* note 57, at 245.

⁷² See *infra* subsection ____.

⁷³ Bone, *supra* note 7, at 579.

⁷⁴ NORRIS, *supra* note 59, at 112 ("By the second decade of the twentieth century, the assortment of canned and prepared foods available to the American housewife was staggering."); ROLAND MARCHAND, ADVERTISING THE AMERICAN DREAM 2 (1985) (describing the "[n]ew industries surging to the forefront in the 1920s" and the "dynamic new relationship between big business and its public").

⁷⁵ SCHECHTER, *supra* note 1, at 167.

⁷⁶ Jacob Ruppert v. Knickerbocker Food Specialty Co., 295 Fed. 381, 383 (D.C.N.Y. 1923).

under the law.”⁷⁷ This view was largely accepted in the legal literature on trademark law.⁷⁸

Greater legal protection of trademarks emerged through a bit of spurious but effective legal reasoning. If the advertisers were to be believed, the amount spent on advertising a mark was directly proportionate to the amount of goodwill added to the mark. Legal authorities largely accepted this premise.⁷⁹ But the value of a trade name depends on the legal protection provided to the trade name’s originator. The increasing importance of trade names in the early twentieth century was not, in itself, sufficient reason for protecting them from use by others. If the judiciary had taken a different path and refused to protect a mark holder’s advertising expenditures, then advertising might not have attained such “great value.” But the courts had another reason for employing circular logic to justify their protection of advertising expenditures. As discussed below, the courts accepted advertising’s cultural contributions at the same time that they recognized its economic value.

2. Consumption Becomes Culturally Acceptable

Separate from the question of advertising’s success in stimulating demand was the question of whether it was good for society. Cultural critics divided into two camps. Some were supportive. In their view, consumerism was synonymous with modernism. The emergence of advertising, along with mass production, undoubtedly provided convenient and affordable products like canned soup, cameras, and breakfast cereals to consumers. In the past, these products were sold in restricted markets at high prices. To these commentators, advertising was a liberator making a real contribution to people’s lives.⁸⁰ They contended that, instead of replacing time-honored values, the pursuit of life’s comforts was an ennobling process, necessary for developing the human mind.⁸¹ Social scientist David Patten wrote in 1907 that America’s increasing affluence was creating a new basis of civilization where the masses would be able to exist on a higher plane.⁸² He theorized that rather than coarsening society, advertising would convince Americans to accept new and worthwhile national standards of taste and aesthetics.⁸³

⁷⁷ Norman R. Dowds, Comment, *The Right of a Creator to Protection as to the Use of His Name*, 16 S. CAL. L. REV. 229, 230 (1943).

⁷⁸ E.g., Nathan Isaacs, *Traffic in Trade-Symbols*, 44 HARV. L. REV. 1210, 1211 (1931) (“It is perfectly possible by the expenditure of a vast sum of money through modern advertising methods to affect the habits of the public in a manner that will be profitable to the business man.”).

⁷⁹ E.g., Coca-Cola Co. v. Chero-Cola Co., 273 F. 755, 757 (D.C. Cir. 1921) (explaining that the Coca-Cola company spent “millions . . . for advertising its goods under the mark: and this has caused it to acquire a “secondary significance”); Rosenberg Bros. & Co. v. Elliott, 7 F.2d 962, 965 (3d Cir. 1925) (noting that the complainant spent “\$3,000,000 in five years in advertising its marked products” and that “good will acquired in this way . . . is entitled to protection”); Lady Esther v. Flanzbaum, 44 F. Supp. 666, 668-69 (D.R.I. 1942) (explaining that the plaintiff “spent large sums of money in advertising” to build up goodwill); Stork Restaurant v. Sahati, 166 F.2d 348, 355 (9th Cir. 1948) (“The name ‘Stork Club’ has acquired its high publicity value not because of its inherent felicity but as a result of the high-powered promotional methods of the New York café . . . brought about by continued, expensive, and spectacular advertising”).

⁸⁰ POPE, *supra* note 57, at 108.

⁸¹ DANIEL HOROWITZ, THE MORALITY OF SPENDING 27 (1985).

⁸² SIMON N. PATTEN, THE NEW BASIS OF CIVILIZATION 153-156 (1968).

⁸³ HOROWITZ, *supra* note 81, at 77.

Budget studies performed by government agencies adopted Patten's view. They surveyed immigrant life from the proposition that workers would strive for refinement and culture once their physical needs had been met.⁸⁴

But not everyone agreed with this assessment. As Daniel Horowitz has commented, “[t]he emergence of mass culture threatened the dominance and health of a crumbling genteel culture that had stood as a bulwark of Victorian bourgeois life.”⁸⁵ Elites felt threatened by immigrants and laborers who were gaining political power and were able to purchase respectability in the new consumer culture.⁸⁶ As a result, they rebelled the new consumerism, advocating thrift and restraint to keep people in their place.⁸⁷ By causing people to abandon the value of thrift, they argued, advertising encouraged a morally suspect overindulgence that now threatened the nation's stability.⁸⁸ Some cited the pursuit of consumer comforts during World War I as proof of moral regression of the citizenry. William Jennings Bryan specifically attacked the conspicuous consumption that seemed to sweep the land, urging the readers of *Ladies' Home Journal* to adopt restraint in their purchases.⁸⁹ Thorstein Veblen critiqued the consuming habits of the wealthy, rejecting the idea that people would necessarily choose moral or elevating objectives for their newfound wealth.⁹⁰

But the attacks on consumerist culture began to lose force once it became accepted that middle class buying power was essential to efficient economic functioning. By spurring middle class desires for an increased standard of living, advertising kept the engine of consumerism running. Commercials and public relations campaigns made consumer credit a viable and attractive option for the middle class whereas before it had been the province of shadowy loansharks.⁹¹ Following the work of Simon Patten, economist E.R.A. Seligman argued that it no longer made sense to disparage consumption. In the past, society needed savings to amass the capital necessary to turn the wheels of the industrial revolution. But by the 1920s, with the manufacturing interests on secure footing, the real danger was overproduction if people falsely curtailed their materialist desires. Instead of being a cultural threat, Seligman maintained that consumption was needed to keep up with industrial output.⁹² He argued that valuing the creation of materials but devaluing the appropriation of these materials by consumers was

⁸⁴ HOROWITZ, *supra* note 81, at 63.

⁸⁵ HOROWITZ, *supra* note 81, at 69.

⁸⁶ Progressives associated mass consumption with the foreign social pastimes of immigrants, and attacked consumerism in the same breath as they attacked saloons and movies for their supposedly destructive effects on family life. HOROWITZ, *supra* note 81, at 63.

⁸⁷ HOROWITZ, *supra* note 81, at 125.

⁸⁸ HOROWITZ, *supra* note 81, at 72-74. One commentator offered a particularly florid description of the post-World War I consumer culture: “We have all been participants in a wild, bacchanalian orgy wherein we cast aside our usual sense and caution and flung our money insanely to the winds, gorging ourselves on every delicacy and indulging our desire of licentious spending until we finally achieved an economic debauch.” Christine Frederick, *The Economic Strike of the American Housewife*, 70 CURRENT OPINION 751 (June 1921) (quoted in HOROWITZ, *supra* note 81, at 114).

⁸⁹ William Jennings Bryan, *The First Rule for a Husband and a Wife*, 24 LADIES' HOME JOURNAL 13 (1907).

⁹⁰ THORSTEIN VEBLEN, THE THEORY OF THE LEISURE CLASS 35-41 (1899) (B.W. Huebsch, 1924).

⁹¹ LENDOL CALDER, FINANCING THE AMERICAN DREAM: A CULTURAL HISTORY OF CONSUMER CREDIT 20, 222 (1999).

⁹² 1 E.R.A. SELIGMAN, THE ECONOMICS OF INSTALLMENT SELLING 163-68 (1927).

a fatal fiscal mistake. Instead, both were about utilizing resources in a way that spurred growth and enhanced the standard of living.⁹³ Advertising gained increased respect as more and more came to agree with Seligman's assessment.⁹⁴

Meanwhile, advertisers convinced America's intellectual elites that they were professionals deserving the same respect as lawyers, doctors, and professors.⁹⁵ Since the 1800s, advertisers had been laboring to overcome negative public perceptions. In large part, P.T. Barnum cast a lingering shadow over their vocation. Barnum became known as America's first commercial public relations specialist but he also came to be reviled for his crass manner and blatant misrepresentations.⁹⁶ But by the early 1900s, advertisers had finally managed rid themselves of Barnum's bad press. They professionalized their craft by restricting access to the advertising trade while trumpeting their specialized skills.⁹⁷ As has been written in other contexts, exclusion is a key component in any group's efforts to achieve professional respectability.⁹⁸ Once representing the lion's share of advertising, patent medicine advertisements were now shunned by the leaders of the profession because of their reputation for deception.⁹⁹ Advertising leaders pushed for a code of ethics that would burnish their reputation while excluding the more unsavory elements of their trade. In 1911, the Associated Advertising Clubs of the World adopted the slogan "Truth in Advertising" to emphasize their more exclusive image.¹⁰⁰ By World War I, the patently dishonest advertising typical of the late 1800s had been largely eliminated.¹⁰¹

By citing their mastery of psychological techniques, advertisers attempted to claim sole possession of a unique way to sell goods and services. A mystique was built up around advertising that advertisers did their best to encourage.¹⁰² Like other respected professionals, advertisers adopted a calculated air of exclusive knowledge. They successfully convinced manufacturers that they should entrust their marketing campaigns

⁹³ 1 SELIGMAN, *supra* note 92, at 163-66.

⁹⁴ MARCHAND, *supra* note 74, at 2; *see also* ROBERT H. WIEBE, THE SEARCH FOR ORDER, 1877-1920, at 158 (describing how some reformers of this era saw abundance as a source of social cohesion).

⁹⁵ Just a few years before, law professors had taken much the same approach. The case method of instruction, adopted in the late 1800s at Harvard and then gradually spreading to other law schools, gave law professors sole possession of a unique way to teach. Legal education no longer resembled other pedagogy, thereby enhancing its exclusivity and appeal and burnishing the credentials of its practitioners. See John Henry Schlegel, *Between the Harvard Founders and the American Legal Realists: The Professionalization of the American Law Professor*, in 2 THE HISTORY OF LEGAL EDUCATION IN THE UNITED STATES: COMMENTARIES AND PRIMARY SOURCES 955, 956-61 (Steve Sheppard ed. 1999).

⁹⁶ *See* MARCHAND, *supra* note 74, at 7-8.

⁹⁷ POPE, *supra* note 57, at 173 ("By the years around World War I, agents were proudly asserting their professionalism and proclaiming their own importance in an economy of mass consumption and mass persuasion.")

⁹⁸ JEROLD S. AUERBACH, UNEQUAL JUSTICE: LAWYERS AND SOCIAL CHANGE IN MODERN AMERICA 94-95 (1976); BURTON J. BLEDSTEIN, THE CULTURE OF PROFESSIONALISM: THE MIDDLE CLASS AND THE DEVELOPMENT OF HIGHER EDUCATION IN AMERICA 269 (1976).

⁹⁹ POPE, *supra* note 57, at 173.

¹⁰⁰ E.S. TURNER, THE SHOCKING HISTORY OF ADVERTISING! 168 (1952); MARCHAND, *supra* note 74, at 8.

¹⁰¹ POPE, *supra* note 57, at 185.

¹⁰² TURNER, *supra* note 100, at 136; *see also* HENRY FOSTER ADAMS, ADVERTISING AND ITS MENTAL LAWS 57 (1922) ("The wonder is that the advertiser who has not had a thorough scientific and mathematical training can know anything about his business.").

to specialized agencies that were “objective” and understood the creative process.¹⁰³ Interestingly, one important trade publication referred to advertising agents not as agents but as “attorneys.”¹⁰⁴ Others suggested that agents should refer to themselves as “business engineers” to emphasize their professionalism and scientific expertise.¹⁰⁵

The move to professionalize advertising worked. Often viewed with disapproval in the 1800s, advertisers were held in high regard throughout the first part of the twentieth century.¹⁰⁶ The cultural threat posed by advertising had been largely defused. Advertisers were respected professionals whose talents could strengthen the nation. “Experts now emphasized the positive impact higher incomes would have on the nation’s economic well-being.”¹⁰⁷ In 1926, Calvin Coolidge described advertising as essential to American economic and spiritual growth:

It is to be seen that advertising is not an economic waste. . . . But rightfully applied, it is the method by which the desire is created for better things. When that once exists, new ambition is developed for the creation and use of wealth.

The uncivilized make little progress because they have few desires. The inhabitants of our country are stimulated to new wants in all directions. In order to satisfy their constantly increasing desires they necessarily expand their productive power. They create more wealth because it is only by that method that they can satisfy their wants. It is this constantly enlarging circle that represents the increasing progress of civilization.¹⁰⁸

By the 1920s, the consumer-based economy had stretched across a wide enough swath of the population to deflect arguments against consumerism based on class and ethnicity. With the economy dependent on the buying decisions of the middle class, critics came to accept advertising’s role in stimulating demand.

Judges came to embrace the cultural benefits of advertising as well. In 1937, when Frank Schechter characterized “the most recent judicial view” as “that advertising and trade-marks need not inherently and inevitably constitute a menace to social or economic welfare,”¹⁰⁹ he was guilty of understatement. After initial intransigence, courts accepted that advertisers were professionals with unique skills. Judicial opinions referred to advertising as an “art”¹¹⁰ or a skill that required “mastery.”¹¹¹ Rather than characterizing advertising as “a game,” courts described successful advertising as

¹⁰³ POPE, *supra* note 57, at 151.

¹⁰⁴ POPE, *supra* note 57, at 173.

¹⁰⁵ POPE, *supra* note 57, at 174.

¹⁰⁶ Bone, *supra* note 7, at 580.

¹⁰⁷ HOROWITZ, *supra* note 81, at 146.

¹⁰⁸ FRANK PRESBREY, THE HISTORY AND DEVELOPMENT OF ADVERTISING 623 (1929).

¹⁰⁹ Frank I. Schechter, *Trade Morals and Regulation: The American Scene*, 6 FORDHAM L. REV. 202 n. 41 (1937).

¹¹⁰ Dayton Engineering, 260 F. 187, 189 (E.D. Pa. 1919).

¹¹¹ Eventually, legal critics of advertising would appropriate these terms to emphasize advertising’s ability to stimulate irrational desires, describing the profession as a “black art.” See *infra*.

“ingenious.”¹¹² Advertising’s effect depended on “delicate factors” like “stress of voice, emphasis, and arrangement of type” that were calibrated by skilled professionals.¹¹³

Courts also accepted that advertising played a positive role in the national economy. In advertising’s earlier years, the courts were skeptical of the salutary pronouncements of advertising executives. In a 1918 case, Judge Learned Hand commented that “[t]he art of advertising spuriously reinforced a genuine demand by the power of reiterated suggestion.”¹¹⁴ But these fears had been displaced by the 1920s. As one court explained: “The obvious advantages of a system of mass production can only be obtained by a distribution of goods on a national scale. This in turn requires a system of national advertising.”¹¹⁵ The Supreme Court opined that advertising and trade-marks generate “economic advantages . . . which have been generally commended and fostered.”¹¹⁶ Similarly, the 1938 Restatement of Torts pointed to “the expansion of markets” and “the development of large scale advertising” in the twentieth century to justify expanded protection for trademarks.¹¹⁷ Even Judge Hand had changed his tune by the 1920s, describing the goodwill built up in a mark as “a reputation, like a face, [that] is the symbol of its possessor and creator” and that cannot lawfully be used by others.¹¹⁸

B. The Progressivist Embrace of Psychology Results in Greater Advertising Protection

As advertisers won victories in the court of public opinion, the Progressive movement further cemented advertising’s power in the legal system. The Progressive movement represented a diverse coalition of social reformers, intellectuals, middle-class professionals, and small businessmen assembled in the years between 1900 and 1920.¹¹⁹ Although it is difficult to categorize the ideology of such a diverse group, historians agree that the Progressives were attempting to deal with the social, economic, and political harms spawned by the industrialization of the United States after the Civil War.¹²⁰ The members of the Progressive movement were people of means; they sought reform, not revolution.¹²¹

During this formative era for trademark law in the first two decades of the twentieth century, Progressive thinkers criticized the judiciary for its incompetence and sought to adjust the process of legal decision making. In their eyes, nineteenth century formalist legal doctrines formed a smokescreen that insulated judges from politics and

¹¹² Rosenberg Bros. & Co. v. Elliott, 7 F.2d 962, 965 (3d Cir. 1925).

¹¹³ Hat Corp. v. D.L. Davis Corp., 4 F. Supp. 613, 623 (D. Conn. 1933).

¹¹⁴ Shredded Wheat Co. v. Humphrey Cornell Co., 250 F. 960, 962 (2d Cir. 1918). Another court fretted that “a very small improvement” in a product “backed by a mastery of the psychology of advertising” could result in a de facto monopoly. Dayton Engineering Labs. Co. v. Kent, 260 F. 187, 189 (E.D. Pa. 1919).

¹¹⁵ Premier-Pabst Corp. v. City Brewing Co., 9 F. Supp. 754, 758 (D. Conn. 1935).

¹¹⁶ Borden’s Farm Products v. Baldwin, 293 U.S. 194, 204-207 (1934).

¹¹⁷ RESTATEMENT OF TORTS § 715 cmt. B (1938).

¹¹⁸ Yale Electric Corp. v. Robinson, 26 F.2d 972, 974 (2d Cir. 1928).

¹¹⁹ WILLIAM G. ROSS, A MUTED FURY 12 (1994).

¹²⁰ ROSS, *supra* note 119, at 12.

¹²¹ ROSS, *supra* note 119, at 13; RICHARD HOFSTADTER, THE AGE OF REFORM 142 (1955); *see also* WIEBE, *supra* note 94, at 96 (describing the reforms of the Progressive era as a reaction against populism).

social context and led to unpredictable and unjustified results.¹²² Judges were too isolated from the real world conditions and new scientific theories that should inform optimal decision making.¹²³ The Progressives argued that expert opinion should be used to provide more accurate assessments of the legal questions at issue. Progressive politicians promoted the idea of popular recall of judges and of their decisions, citing the out-of-touch decision making of the *Lochner* era as justification.¹²⁴ Progressive scholars combined a cynical view of judges with a naïve faith in the ability of “scientific” administration to erase judicial mistakes.¹²⁵

Trademark law became especially fertile ground for Progressive attacks on the legal system. In 1915, John Henry Wigmore, dean of Northwestern Law School, chastised the judiciary for its reliance on a formalist trademark doctrine that led to inequitable results.¹²⁶ Wigmore had been involved in many Progressive causes, including reforms of the electoral process.¹²⁷ He saw trademark law as “desiccated,” and diagnosed “a voluntary divorce of the judicial pronouncements from morality and reality.”¹²⁸ Wigmore argued that nineteenth-century legal formalism had failed to protect “hard work, skillful manufacturing, and vigorous advertising” from the parasitic actions of trademark pirates.¹²⁹ Others criticized the courts for failing to appreciate the realities of modern business, including the need to build up corporate goodwill via advertising.¹³⁰ Many noted the courts’ inconsistent results in trademark cases, suggesting that they were the product of easily manipulable and outdated formalist doctrine.¹³¹

Particularly troubling to the Progressives was the courts’ failure to incorporate teachings from the social sciences, particularly psychology, into their reasoning.¹³²

¹²² ROSS, *supra* note 119, at 16; Richard Hofstadter, *The Meaning of the Progressive Movement*, in THE PROGRESSIVE MOVEMENT, 1900-1915, at 3, 7 (Richard Hofstadter ed., 1963) (describing how Oliver Wendell Holmes and other Progressive-era legal reformers developed a kind of social criticism and study “that transcended the formalistic doctrines and methods of their predecessors”).

¹²³ ROSS, *supra* note 119, at 103 (“The advocates of judicial education attributed much of the conservatism of judges to simple ignorance of social, economic, and industrial conditions.”).

¹²⁴ JAMES WILLARD HURST, THE GROWTH OF AMERICAN LAW: THE LAW MAKERS 139 (1950).

¹²⁵ ROSS, *supra* note 119, at 77. After 1920, the banner of Progressivism was carried forward by the legal realists. Although differences existed between the two groups, like the Progressives, the legal realists sought not only to expose judicial biases but to place checks on judicial power. For a discussion of similarities and differences between the Progressives and the legal realists, see David B. Spence, *A Public Choice Progressivism, Continued*, 87 CORNELL L. REV. 397, 405-06 (2002).

¹²⁶ John H. Wigmore, *Justice, Commercial Morality, and the Federal Supreme Court*, 10 ILL. L. REV. 178 (1915).

¹²⁷ See generally W. R. ROALFE, JOHN HENRY WIGMORE: SCHOLAR AND REFORMER (1977).

¹²⁸ Wigmore, *supra* note 126, at 189.

¹²⁹ Wigmore, *supra* note 126, at 184.

¹³⁰ WIEBE, *supra* note 94, at 212 (commenting on “the close relationship between progressivism and the rising history of advertising”); Wallace R. Lane, *Development of Secondary Rights in Trade Mark Cases*, 18 YALE L.J. 571, 578 (1908) (“Not infrequently may be found a decision which appears to show little or no comprehension of the broad features of the doctrine, or of its relation to the expanding needs of a commercial world.”).

¹³¹ McClure, *supra* note 8, at 327 (“It trademark and unfair competition law, it was not long before the extreme conceptualism of the formalist period was also under attack. . . . The arbitrariness and inconsistency of the application of the rules became glaringly clear.”); Felix S. Cohen, *Transcendental Nonsense and the Functional Approach*, 35 COLUM. L. REV. 809, 817 (1935) (“[L]egal reasoning on the subject of trade names is simply economic prejudice masquerading in the cloak of legal logic.”).

¹³² ROSS, *supra* note 119, at 103; HOFSTADTER, *supra* note 121, at 198.

Frank Schechter wrote that he was uncomfortable with relying on “the judicial estimate of the state of the public mind” for the basis of trademark protection.¹³³ Edward Rogers, “the Dean of the trademark bar,”¹³⁴ proclaimed judges incapable of assessing the mental state of the ordinary purchaser.¹³⁵ Instead, the judge unconsciously “projects his mentality” on the ordinary purchaser, always crediting the average consumer with greater care and greater ability to discriminate than is actually the case.¹³⁶

In Rogers’ view, the only way to address this situation was to integrate the science of psychology into the courtroom. Psychologists had the expertise to objectively assess the consumer mindset and make an accurate ruling as to likelihood of confusion. Others made similar proposals. Progressives found psychology to be an ideal tool as they sought to use scientific techniques to reshape the law.¹³⁷ Psychological research emphasized the limited cognitive abilities of the public. This appealed to Progressive era thinkers who “shared a low opinion of the intellectual and logical capabilities of consumers.”¹³⁸

Advertisers and psychologists enthusiastically joined forces. Advertisers were more than happy to associate their craft with something that had a scientific pedigree. They often sought to justify their professional status by citing the techniques they had imported from psychological study.¹³⁹ Meanwhile, psychologists lobbied for advertisers to accept their teachings and hire them to conduct market surveys.¹⁴⁰ Psychology professor Walter Dean Scott consulted with advertisers and argued that consumer behavior could be directly attributed to advertising. Scott, like other psychologists eager to promote their own skill set, bolstered the advertisers’ argument that any investment in advertising was directly proportional to increased sales by inflating the success and predictability of his own academic research. According to Scott, as long as the consumer could retrieve the emotional reason advertising provided for a brand’s superiority at time of purchase, the advertiser had just won a sale.¹⁴¹ The psychologists’ contributions to advertising were one-dimensional. As late as 1949, Ralph Brown could criticize the psychologists for offering nothing but “applied research directed to commercial results” instead of studies on the qualitative effects of advertising on one’s personality.¹⁴²

¹³³ Schechter, *supra* note 1, at 166.

¹³⁴ Beverly W. Pattishall, *Trademarks and the Monopoly Phobia*, 50 MICH. L. REV. 967, 967 (1952).

¹³⁵ Edward S. Rogers, *The Unwary Purchaser*, 8 MICH. L. REV. 613, 617 (1910).

¹³⁶ Rogers, *supra* note 135, at 617.

¹³⁷ See Note, Lisa Ellis, *Juvenile Psychopathology: The Hollow Promise of Prediction*, 105 COLUM. L. REV. 158, 164 (2005) (discussing Progressives’ glorification of psychology as a tool for solving problems of juvenile justice); SAMUEL HABER, *EFFICIENCY AND UPLIFT: SCIENTIFIC MANAGEMENT IN THE PROGRESSIVE ERA, 1890-1920*, at 39 (1964) (describing the importance of psychology in the Progressive era for questions of business management).

¹³⁸ POPE, *supra* note 57, at 246.

¹³⁹ POPE, *supra* note 57, at 245.

¹⁴⁰ Tim Kasser & Allen D. Kanner, *Where is the Psychology of Consumer Culture?*, in *PSYCHOLOGY AND CONSUMER CULTURE* 3, 4-5 (Tim Kasser & Allen D. Kanner eds., 2004); K.W. Buckley, *The Selling of a Psychologist: John Broadus Watson and the Application of Behavioral Techniques to Advertising*, 18 J. HISTORY BEHAV. SCI. 207 (1982).

¹⁴¹ WALTER DEAN SCOTT, *THE PSYCHOLOGY OF ADVERTISING* 94 (1908).

¹⁴² Ralph S. Brown, Jr., *Advertising and the Public Interest: Legal Protection of Trade Symbols*, 57 YALE L.J. 1165, 1168 n.12 (1948).

The Progressive desire for psychological expertise had an effect on the legal apparatus. Law schools began to offer classes taught jointly by lawyers and psychologists.¹⁴³ In 1910, Edward Rogers issued a call for experts in “the psychology of recognition” to study trademark perceptions using “laboratory methods.”¹⁴⁴ Shortly after World War I, law reviews began to feature articles written by psychology professors. Mirroring the arguments of Progressives, these articles were skeptical of the judiciary’s ability to assess consumer perception. Richard Paynter, a professor of applied psychology, took the trademarks at issue in nine adjudicated trademark infringement decisions and placed the same marks before a scientifically chosen group of ordinary purchasers.¹⁴⁵ His study showed that courtroom decisions did not match what consumers actually perceived under laboratory conditions. In a similar experiment, Ohio State psychology professor Harold Burtt also used previously adjudicated trademark cases to test for the presence of confusion.¹⁴⁶ He concluded that there exists “a rather slight correspondence between the court’s decision and actual psychological similarity between the names.”¹⁴⁷ The Second Circuit cited Burtt’s work for the proposition that trademark law failed to accurately gauge the responses of the ordinary prudent purchaser.¹⁴⁸

Burtt, Paynter, and the Progressives were making a play to take power out of the hands of idiosyncratic and non-scientifically trained judges. They advocated using expert-led surveys to assess the presence of confusion instead of vague and formalist judicial reasoning. Paynter made the point that psychologists and judges were doing the same thing when they compared the plaintiff’s and the defendant’s uses of a trademark. Both were trying to gauge how the consumer’s mind perceived certain advertising stimuli. The difference in results occurred because only the psychology expert could remove individual biases and gain an accurate measure of confusion. “Measurement by relative position gives an exact measure,” Paynter said, “whereas a judicial decision throws a case into one of two categories, ill-defined and without quantitative significance. It is thus clear that this experimental method is far superior to the present legal procedure.”¹⁴⁹ Burtt opined that because judges did not have access to statistically significant samples of prospective purchasers, “a more just solution” to determining likelihood of confusion required the use of psychological experiments to assess confusion.¹⁵⁰ According to Burtt, judges were doomed to inconsistency because they did not use scientific methods to detect the presence of consumer confusion. Moreover,

¹⁴³ HURST, *supra* note 124, at 269; *see also* HOFSTADTER, *supra* note 121, at 158 (describing the increasing importance of the teaching side of the legal profession during this period).

¹⁴⁴ Rogers, *supra* note 135, at 622.

¹⁴⁵ Paynter’s study is contained in Edward S. Rogers, *An Account of Some Psychological Experiments on the Subject of Trademark Infringement*, 18 MICH. L. REV. 75 (1919).

¹⁴⁶ Harold E. Burtt, *Measurement of Confusion Between Similar Trade Names*, 19 ILL. L. REV. 320 (1924).

¹⁴⁷ *Id.* at 336.

¹⁴⁸ Frank proclaimed that Burtt’s analysis proved that judicial speculations “failed to match the responses of ordinary consumers.” *LaTouraine Coffee Co. v. Lorraine Coffee Co.*, 157 F.2d 115, 124 (2d Cir. 1946). In one case, Frank conducted his own survey “question[ing] some adolescent girls and their mothers and sisters” to ascertain, contrary to the majority opinion, that no member of the relevant purchasing group could confuse the plaintiff’s “Seventeen” magazine with defendant’s “Miss Seventeen” girdles. Frank assured his readers that the “adolescent girls and their mothers and sisters” were “persons I have chosen at random.” *Triangle Publications, Inc. v. Rohrlich*, 167 F.2d 969, 976 (2d Cir. 1948) (Frank, J., dissenting).

¹⁴⁹ Rogers, *supra* note 145, at 92.

¹⁵⁰ Burtt, *supra* note 146, at 320.

unlike the social scientists, their judgments were influenced “by the abilities of contending counsel to magnify the differences and increase the similarities of the trademarks.”¹⁵¹

The Progressive attack reshaped the law of trademark. As William Ross has written, the Progressives “helped to change judicial attitudes since they weakened the grip of legal formalism on judicial thinking and made judges more aware of the relationship between law and society.”¹⁵² The language used by judges in the pre-World War II era reveals that advertisers successfully linked themselves to the science of psychology. Invariably, when discussing consumer perceptions, judges would refer to the “psychology of advertising” in their analysis.¹⁵³ Courts not only accepted the professional status of advertisers, but also the efficacy of the psychological techniques they employed.

The study of psychology also specifically changed trademark doctrine. Although the courts did not cede their authority to determine likelihood of confusion to outside experts, trademark doctrine responded to the psychologists’ critiques. The Progressive-era criticisms caused the courts to lose faith in their own ability to evaluate consumers. One court of appeals indicated that jurists could never truly predict consumer perceptions.¹⁵⁴ Another court commented that the degree of resemblance necessary to constitute infringement could never be stated with certainty.¹⁵⁵

The courts responded to the Progressive attack by incorporating new elements into trademark law. These doctrinal changes privileged “objective” evidence and deemphasized judicial interpretations of the consumer’s mind. Instead of citing formalist rhetoric, judges published trademark decisions that hinged on the plaintiff’s own advertising data. It became conventional in any trademark infringement decision to recite the plaintiff’s total advertising expenditures.¹⁵⁶ By relying on such objective data, judges could inoculate themselves from complaints that they were relying on easily manipulated formalist legal doctrine.

It quickly became accepted doctrine that expenditures on advertising could demonstrate secondary meaning—an association in the public mind of a mark as the source of the plaintiff’s goods¹⁵⁷—in a descriptive mark.¹⁵⁸ Proof of secondary meaning

¹⁵¹ Rogers, *supra* note 145, at 92; *see also* John Wolff, *Non-competing Goods in Trademark Law*, 37 COLUM. L. REV. 582, 600 (1937) (advocating adoption of a German statutory model for trademark rights that “leaves the courts less leeway for subtle but often unsound distinctions and makes for greater uniformity of trademark protection”).

¹⁵² Ross, *supra* note 119, at 315-16; *see also* WIEBE, *supra* note 94, at 150 (“In place of fixed rules in the spirit of Newton, Oliver Wendell Holmes offered the alternative of an organic law, evolving in general concert with social custom.”).

¹⁵³ *E.g.*, Best & Co. v. Miller, 167 F.2d 374, 379 (2d Cir. 1948) (Clark, J., dissenting); Allen B. Wrisley Co. v. FTC, 113 F.2d 437, 443 (7th Cir. 1940); Everlasting Valve Co. v. Schiller, 21 F.2d 641, 641 (E.D. Pa. 1927); Loughran v. Quaker City Chocolate & Confectionery Co., 286 Fed. 694, 697 (E.D. Pa. 1923); Dayton Engineering Labs. Co. v. Kent, 260 F. 187, 189 (E.D. Pa. 1919).

¹⁵⁴ Colburn v. Puritan Mills, Inc., 108 F.2d 377, 378 (7th Cir. 1939).

¹⁵⁵ Jantzen Knitting Mills v. Spokane Knitting Mills, 44 F.2d 656,658 (E.D. Wash. 1930).

¹⁵⁶ *See* Brown, *supra* note 142, at 1190. *E.g.*, Premier-Pabst Corp. v. City Brewing Co., 9 F. Supp. 754, 755-56 (D. Conn. 1935); Hat Corp. v. D.L. Davis Corp., 4 F. Supp. 613, 614 (D. Conn. 1933); New Yorker Hotel Corp. v. Pusateri, 87 F. Supp. 294, 294 (W.D. Mo. 1950); *see also* Rader v. Derby, 89 N.E.2d 724, 728 (Ind. 1950) (explaining that in determining the question of secondary meaning “various elements are to be considered, including . . . the nature and extent of popularizing and advertising such name or mark”).

¹⁵⁷ McClure, *supra* note 8, at 317.

was necessary for a successful infringement suit over a descriptive mark. Because descriptive terms were deemed important for common use, the courts had historically construed the secondary meaning requirement strictly.¹⁵⁹ Before the Progressive era, the existence of secondary meaning had been determined by the amount of time that plaintiff's mark had been in use.¹⁶⁰ But by the 1940s, advertising expenditures were an explicit part of secondary meaning doctrine.¹⁶¹ Merely by demonstrating that large sums of money had been spent on advertising, a mark holder could prove secondary meaning.¹⁶²

Some courts even interpreted large amounts spent on advertising as satisfying the plaintiff's burden of proof of infringement. For example, in one trademark infringement case, the Ninth Circuit chronicled the promotional efforts of a plaintiff New York City night club in great detail.¹⁶³ It also noted the specific amounts spent by the plaintiff on each promotional method. The court justified its focus on this evidence by explaining that “[t]he amount of advertising that the senior appropriator has given to his trade name is another element that the courts will take into consideration in determining whether he is entitled to redress against a junior appropriator.”¹⁶⁴ But the court did more than take such evidence into consideration. After making a full list of plaintiff's “expensive” and “spectacular” advertising, the court determined that “[t]he conclusion is inescapable that the appellees are seeking to capitalize on the publicity that the appellant has built around the name” and found in plaintiff's favor, reversing the court below.¹⁶⁵ A district court in Massachusetts made a similar analysis, concluding that plaintiff's “extensive advertising” at an annual budget of \$3 million dollars meant that the defendant must have intended to infringe.¹⁶⁶

The cases described above were not outliers. Other courts of the time also made sums of money spent on advertising an explicit part of the trademark infringement calculus.¹⁶⁷ These doctrinal moves were not inevitable. As described above, in previous

¹⁵⁸ Brown, *supra* note 142, at 1190 n.102.

¹⁵⁹ HOPKINS, *supra* note 9, at 153 (1917) (explaining that plaintiff's burden in demonstrating that its mark has achieved secondary meaning “while it is not impossible, is . . . at the same time extremely difficult to discharge”).

¹⁶⁰ Barton v. Rex-Oil Co., 2 F.2d 402, 405 (3d Cir. 1924) (stating that “in most of the cases reported” “the time in acquiring a secondary meaning figured largely and in some cases exclusively in determining whether such meaning had been acquired”).

¹⁶¹ See JAMES E. SHAW, TRADE MARKS AND UNFAIR COMPETITION 7 (1952) (explaining that although time is “usually a significant factor in ascertaining the existence of a secondary meaning,” it is not the controlling factor).

¹⁶² E.g., Coca-Cola Co. v. Chero-Cola Co., 273 F. 755, 757 (D.C. Cir. 1921) (explaining that the Coca-Cola company spent “millions . . . for advertising its goods under the mark: and this has caused it to acquire a “secondary significance”).

¹⁶³ Stork Restaurant v. Sahati, 166 F.2d 348 (9th Cir. 1948)

¹⁶⁴ *Id.* at 356.

¹⁶⁵ *Id.* at 356.

¹⁶⁶ Bulova Watch Co. v. Stolzberg, 69 F. Supp. 543, 545 (D. Mass. 1947).

¹⁶⁷ E.g., R.H. Macy & Co. v. Colorado Clothing Mfg. Co., 68 F.2d 690, 692 (10th Cir. 1934); Rosenberg Bros. & Co. v. Elliott, 7 F.2d 962, 965 (3d Cir. 1925); Esquire v. Esquire Bar, 37 F. Supp. 875, 876 (D. Fla. 1941); Lou Schneider, Inc. v. Carl Gutman & Co, 69 F. Supp. 392, 393 (S.D.N.Y. 1946); Lady Esther v. Flanzbaum, 44 F. Supp. 666, 668-69 (D.R.I. 1942). *But see* Kellogg Co. v. National Biscuit Co., 305 U.S. 111, 119 (1938) (explaining that although “plaintiff's predecessor had expended more than \$17,000,000 in making the name a household word,” “[t]hose facts are without legal significance.”).

years, courts had been wary of claims of infringement based on advertising expenditures.¹⁶⁸ The doctrine had evolved because advertising had become culturally accepted while at the same time judges needed to shield themselves from the Progressive attack.¹⁶⁹ By making advertising expenditures a formal part of the trademark analysis, the courts before World War II gave even greater protection to advertising's value. Trademark law now officially sanctioned the advertiser's contention that investment in advertising was directly proportional to brand goodwill.

III. EXPLANATIONS FOR THE DURABILITY OF THE ADVERTISING PROPERTY RIGHT

Thus, by the 1920s, a new law of trademark set out strong protections for the efforts of advertisers. The courts' innovations in trademark doctrine stemmed from advertising's obvious efficacy, the social respect won by advertisers, and the Progressive critiques of formalist reasoning. A mark holder in the early twentieth century could expect a court to apply a relaxed standard of consumer confusion while not requiring proof of the defendant's bad intent. The mark holder could also use evidence of the amount of money spent on advertising to bolster its trademark infringement claim. This approach to trademark law favored the advertiser, preserving whatever capital it had managed to build with the consuming public.

This approach to trademark law has proved remarkably durable. Courts enforced the same doctrinal standards for the rest of the century. This Part discusses why the early twentieth century model of trademark law has remained in place for ninety years, notwithstanding efforts to make it both more and less advertiser-friendly. The answer lies in the courts' particular view of the consumer's brain. Judges since the 1910s have seen consumers as susceptible to emotional advertising. But at the same time, they have refused to accept that the conditioned reflex created by advertising could be permanent. In judicial eyes, advertising worked, but only to a point. The option was always open for a new competitor with a better product to take over the advertiser's market share. This belief that advertising's impact is of limited duration has permitted the courts to reconcile their belief in advertising's efficacy with legal protection of the goodwill bound up in trademarks. As described in Part IV, recent research in cognitive psychology indicates that this belief is misplaced and, as a result, the trademark doctrine of the last century is deeply flawed.

¹⁶⁸ See *supra* at ____.

¹⁶⁹ Interestingly, Judge Learned Hand moved against the judicial tide, retreating from his earlier attempts to link advertising efforts with strong property rights. In contrast to his decision in *Yale*, by 1949, he had determined that extensive promotional efforts were not enough to award a property right to a trademark plaintiff. Hand admitted that some confusion could occur and "nobody likes to have his reputation subject to the hazards of another's conduct." S.C. Johnson & Son, 175 F.2d 176, 180 (2d Cir. 1949). Nevertheless, the differences in the two products at issue (cleaning fluid vs. waxes) mean that the plaintiff, despite its extensive advertising, should not be allowed "to reach a choking hand into a market not its own." *Id.* Seeing Hand's about face, legal scholars described him "no longer the champion of plaintiffs that he once was." Thomas P. Deering, *Trademarks on Noncompetitive Products*, 36 OR. L. REV. 1, 12 (1956); *see also* 2 J. THOMAS McCARTHY, *McCARTHY ON TRADEMARKS AND UNFAIR COMPETITION* 194 (2d ed. 1984) ("Ironically, it was Judge Learned Hand, who had developed the expansive rule of the *Yale* Case in 1928, who apparently had second thoughts in 1940 about the effect of his decision in related goods cases.").

A. Backlash Against Advertising

After the Progressive era, attacks on advertising and the trademark law doctrine protecting it took two forms. Some challenged trademark doctrine as encouraging a harmful monopoly that resulted in a misallocation of resources. Others contended that legal protections needed to be weakened because advertising was eroding personal autonomy. Neither critique managed to crack the doctrinal hold established in the first two decades of the twentieth century.

1. Antitrust Arguments

In the 1940s and 1950s, legal commentators began to challenge trademark doctrine, alleging that it led to monopoly—the same criticism that had made judges wary of expanding trademark doctrine in the 1800s.¹⁷⁰ Multiple articles considered the antitrust implications of advertising.¹⁷¹

Picking up on this trend, some judges in the post-war period rejected established trademark doctrine to argue in policy terms why a senior mark was undeserving of protection. Jerome Frank, never one to buckle to formalist tradition or majoritarian sentiment, challenged the doctrine crafted during the Progressive era in a series of Second Circuit opinions and dissents.¹⁷² Frank contended that for years the courts had been creating “judge-made name-monopolies” without “due regard for the public welfare.”¹⁷³ Trademark protection and advertising combine, he argued, to create “spurious demand” and “stubborn habits” in consumers.¹⁷⁴ Trademark protection was unobjectionable if consumers would abandon their favorite brands when a superior product came along. The problem, Frank saw, was that consumers were unable to shake their brand preferences because of the effects of advertising. Instead, they were “stubborn.” While no other jurist was as vociferous as Frank, others made similar objections to the antitrust implications of twentieth century trademark law.¹⁷⁵

2. The Erosion of Autonomy

Others objected to legal protection for advertising because advertising facilitated a consumerist landscape that eroded personal autonomy. From one point of view, the “art” and “science” of advertising excited consumers into a constant state of desire. Advertising men were not professionals; they were “hucksters,” utilizing new tools of

¹⁷⁰ See *supra*

¹⁷¹ E.g., Kurt Borchardt, *Are Trademarks an Antitrust Problem?*, 31 GEO. L.J. 245 (1943).

¹⁷² E.g., *Standard Brands v. Smidler*, 151 F.2d 34, 41 (2d Cir. 1945); *LaTouraine Coffee Co. v. Lorraine Coffee Co.*, 157 F.2d 115 (2d Cir. 1946); *Triangle Publications v. Rohrlich*, 167 F.2d 969 (2d Cir. 1948).

¹⁷³ *LaTouraine Coffee Co. v. Lorraine Coffee Co.*, 157 F.2d 115, 125 (2d Cir. 1946) (Frank, J., concurring).

¹⁷⁴ *Triangle Publications*, 167 F.2d at 980 n.13.

¹⁷⁵ In one controversial case, the Seventh Circuit found that the sellers of Sunkist-brand oranges and lemons had no claim against the maker of Sunkist-brand bakery products. *California Fruit Growers Exchange v. Sunkist Baking Co.*, 166 F.2d 971 (7th Cir. 1948). In deciding to deny the citrus producer’s claim, the court held that protection for registered mark should be limited to the goods or services for which they were authorized. The court described the plaintiffs’ attempts to “monopolize the food market by monopoly of the word ‘Sunkist’” as “unconscionable.” *Id.* at 973-74.

mass media to hoodwink the citizenry into buying things they did not want or need.¹⁷⁶ The leading proponent of this view was Yale Law School professor Ralph Brown. Brown recognized that advertisers possessed specialized knowledge that could translate into tangible results for the businesses that hired them. The problem for Brown was that this specialized knowledge was a “black art.”¹⁷⁷ Whereas earlier advertisements appealed to logic, modern commercials used “threats, cajolery, emotions, personality, persistence, and facts” to manipulate consumers.¹⁷⁸ Consumers no longer had any hope of resisting the persuasive efforts of advertisers; their mental faculties were not up to the task.¹⁷⁹ Other legal scholars acknowledged that consumers were out of their depth in the modern economy.¹⁸⁰

Brown’s thesis complemented the critiques of nonlegal writers who saw the affluence and consumerism of the post-war environment as a social problem. According to John Kenneth Galbraith in his work *The Affluent Society*, advertising had erected a false idol before the expanding middle class. Millions of Americans were working harder than ever before for a limitless parade of new “conveniences” that in reality did nothing to increase citizen satisfaction.¹⁸¹ Galbraith contended that advertising spurred a “craving for more elegant automobiles, more exotic food, more erotic clothing, more elaborate entertainment—indeed for the entire modern range of sensuous, edifying, and lethal desires.”¹⁸² Galbraith’s critique was not unusual among social critics of the 50s and 60s.¹⁸³

The critics believed that modern advertising threatened personal autonomy. In his 1957 work *The Hidden Persuaders*, Vance Packard argued that advertising had violated a sacred threshold. “The most serious offense many of the depth manipulators commit,” Packard said, “is that they try to invade the privacy of our minds.”¹⁸⁴ Government officials and public opinion shapers took Packard’s critique seriously. President Kennedy credited Packard’s work in deciding to create an office of consumer affairs.¹⁸⁵ Packard’s legacy continued into the 1960s and 1970s as critics became outraged by the use of subliminal messages to sell products. It was not enough that these subliminal commercials infected our subconscious. Critics emphasized that the subconscious ads contained sexual images, emphasizing the personally violative aspect of these ads.¹⁸⁶

¹⁷⁶ Brown, *supra* note 142, at 1167.

¹⁷⁷ Brown, *supra* note 142, at 1167.

¹⁷⁸ Brown, *supra* note 142, at 1167.

¹⁷⁹ Brown, *supra* note 142, at 1196.

¹⁸⁰ Felix Cohen presaged some of Brown’s remarks when he criticized the courts for not asking a simple question: “To what extent is the exclusive power to exploit an attractive word, and to alter the quality of the things to which the word is attached, a means of deceiving consumers into purchasing inferior goods.” Cohen, *supra* note 131, at 817; see also Tom E. Shearer, *The National Government and False Advertising*, IOWA L. REV. 28, 28 (1933) (contending that “the accepted use of intricate mechanical and electrical devices in present day homes, and the reliance placed upon their property functioning” along with “the extended use of prepared and canned foods by housewives” created an unhealthy dependence on manufacturers for clues as to product quality).

¹⁸¹ JOHN KENNETH GALBRAITH, THE AFFLUENT SOCIETY 146-154 (2d ed. rev. 1969).

¹⁸² GALBRAITH, *supra* note 181, at 135.

¹⁸³ HOROWITZ, *supra* note 81, at 104-105.

¹⁸⁴ VANCE PACKARD, THE HIDDEN PERSUADERS 266 (1957).

¹⁸⁵ DANIEL HOROWITZ, THE ANXIETIES OF AFFLUENCE 119 (2004).

¹⁸⁶ E.g., WILSON BRYAN KEY, SUBLIMINAL SEDUCTION (1973). In a way, the concerns of Brown, Packard, and Galbraith echoed the argument advanced at the beginning of the modern commercial age by Warren

B. Durability of the Early Twentieth Century Model of the Consumer

Despite the potency of the monopolist and personal autonomy critiques of advertising, trademark law did not change. Courts refused to grapple with the antitrust implications of trademark protection and a healthy judicial respect for the advertiser's craft persisted. But even as the courts continued to apply the same advertiser-friendly doctrine, they were loathe to recognize arguments for trademark protection divorced from the common law focus on consumer confusion. When state legislatures went a step beyond trademark infringement law by proscribing conduct that reduced a mark's signaling power *without* confusing consumers, the courts balked.¹⁸⁷

The courts' fealty to the doctrinal innovations of the Progressive era can be explained by examining the judicial conception of the consumer. Judges believed that the consumer was fickle and emotional but also receptive to new stimuli. Although an advertiser might build up goodwill in a mark, that goodwill was not guaranteed to last forever. As a result, trademark goodwill could be protected by the courts without fear of monopolistic control for advertisers. Dilution, however, by preventing any weakening of the bond between the consumer and the advertiser, threatened to make the emotional impact of advertising permanent.

1. Consumer Malleability

Since the doctrinal innovations of the 1910s and 1920s, trademark law has remained frozen in place. Intent remains unnecessary for a finding of infringement and a successful plaintiff does not have to sell the same goods as the defendant. Throughout the twentieth century, courts continued to apply the same lax standards for customer confusion.¹⁸⁸ According to modern judges, ordinary consumers are still careless,¹⁸⁹

and Brandeis. The doctrine of the right to privacy sprang from a famous article written by Samuel Warren and Louis Brandeis in 1890. Samuel D. Warren & Louis D. Brandeis, *The Right to Privacy*, 4 HARV. L. REV. 193 (1890). In that article, Warren and Brandeis bemoaned the intrusive effects of the industrial age, threatening individual privacy and promoting cultural hegemony. Warren was particularly concerned with the intrusions of the modern press with its roving photographers ready to preserve the most intimate moment in amber and then distribute it on a heretofore unimagined scale. *See* Stacey L. Dogan & Mark A. Lemley, *What the Right of Publicity Can Learn from Trademark Law*, 58 STAN. L. REV. 1161, 1168-1170 (2006). In the article, he explained that the common law must be interpreted to provide a "weapon" to combat "recent inventions and business methods . . . [that] have invaded the sacred precincts of private and domestic life." Warren & Brandeis, *supra*, at 195, 220. The combination of photography with a more muscular local media threatened to wreck the culture. The article describes the day's tabloid newspapers as intruding upon domestic life and having a "blighting influence" there. *Id.* at 196. Unless corrected, the newly commercial nature of the news threatened to "invert[] the relative importance of things . . . [by] appealing to the weak side of human nature." *Id.* The solution was a new right to privacy that recognized "a right to be left alone" springing from the same source as the right to limited control of one's personal intellectual creations. Like Brown and others, Warren and Brandeis were not convinced in the ability of consumers to resist modernist temptations. It was better to structure the law to prevent infiltration into personal sanctums than to rely on the willpower of ordinary purchasers.

¹⁸⁷ McClure, *supra* note 8, at 120 (describing resistance of courts to dilution statutes).

¹⁸⁸ Taking the perspective of the trademark holder, one court explained that it made no difference if consumers were "unduly careless" in their scrutiny of a rival product as "for the first comer's careless customers are as valuable to him as any others; and their carelessness can hardly be charged to him."

distracted,¹⁹⁰ impetuous,¹⁹¹ and gullible.¹⁹² Cognizant of the power of advertising, the judiciary continues to recognize that consumers are susceptible to emotion. In short, judges today believe that consumers think about trademarks in the same manner that they did in the Progressive era.

At the same time, however, judges in the early twentieth century believed that this susceptibility to advertising could be short-lived. As one court explained, “with the aid of successful advertising,” ordinary purchasers might embrace a new product “comparatively over night.”¹⁹³ In other words, no matter how successful a prior mark holder’s advertising campaign, the possibility always existed for a rival to develop a new one that could win over the mark holder’s customers. The courts were clear that although some trademarks did command the emotional loyalty of consumers, there was an unlimited reservoir of yet-to-be developed trademarks that could steal that emotional loyalty away. As early as 1879, the Supreme Court commented that a vast reservoir of undeveloped yet profitable trademarks was available to all.¹⁹⁴ Similarly, a federal court of appeals opined that “a man of ordinary intelligence could easily devise a score of valid trademarks in a short period of time.”¹⁹⁵ All that a senior mark holder asked for was a “limited monopoly” that preserved “the link between him and his consumer”; “[a]ll the rest of infinity is open to defendant.”¹⁹⁶ If existing trademarks are no barrier to competition and any business can potentially hit upon a new successful trademark, then it

American Chicle Co. v. Topps Chewing Gum, 208 F.2d 560, 563 (2d Cir. 1953); *see also* I. T. S. Industria Tessuti Speciali v. Aerfab Corp., 280 F. Supp. 581, 586 (D.C.N.Y. 1967); Harold F. Ritchie, Inc. v. Cheesbrough-Pond’s, Inc., 281 F.2d 755, 761 (2d Cir. 1960) (“Confusion on the part of the careless or inattentive purchaser may not be disregarded.”).

¹⁸⁹ Munsingwear, Inc., v. Jockey Int’l, Inc., 31 U.S.P.Q.2d 1146, 1151-52 (D. Minn. 1994) (explaining that purchasers of inexpensive goods “do not give much thought to the purchase”); Libbey-Owens-Ford Glass Co. v. Thermoproof Glass Co., 390 F.2d 770 (C.C.P.A. 1968) (faulting Trademark Board for rejecting evidence of actual confusion of “an inattentive or a careless buyer”).

¹⁹⁰ *E.g.*, Lever Bros. Co. v. American Bakeries Co., 693 F.2d 251 (2d Cir. 1982) (explaining that “the bustling, self-service atmosphere of a typical supermarket makes careful examination of products unlikely”).

¹⁹¹ Ringling Bros.-Barnum & Bailey Combined Shows, Inc. v. B.E. Windows Corp., 937 F. Supp. 204, 212 (S.D.N.Y. 1996) (explaining that the relevant purchasing group does not commit “deliberate, reflective and willful acts”); Stix Products, Inc. v. United Merchants & Mfrs., Inc., 295 F. Supp. 479, 494 (S.D.N.Y. 1968) (citing *New York Mackintosh Co.* with approval for the proposition that the ordinary purchaser is “hasty, heedless and easily deceived”); Frish’s Restaurants, Inc. v. Elby’s Big Boy, Inc., 670 F.2d 642 (6th Cir. 1982) (discussing lack of care in “impulse buying” of fast food items).

¹⁹² *E.g.*, Fleishmann Distilling Corp. v. Maier Brewing Co., 314 F.2d 149, 156 (9th Cir. 1963) (“The law, however, protects not only the intelligent, the experienced, and the astute. It safeguards from deception also the ignorant, the inexperienced, and the gullible.”) (internal citations omitted). As one scholar wrote in the 1990s, the courts “have shown a willingness to believe in an astonishingly stupid consumer.” 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, 133 (1996); *see also* Robert C. Denicola, *Institutional Publicity Rights: An Analysis of the Merchandising of Famous Trade Symbols*, 62 N.C. L. REV. 603, 608-09 (1984) (complaining that trademark law treats consumers as “presumptive idiots”); Ann Bartow, *Likelihood of Confusion*, 41 SAN DIEGO L. REV. 721, 723 (2004) (“Why, in trademark litigation decisions, do judges so often write about representative members of the public as if we are astoundingly naïve, stunningly gullible, and frankly stupid?”).

¹⁹³ Premier-Pabst Corp. v. City Brewing Co., 9 F. Supp. 754, 758 (D. Conn. 1935).

¹⁹⁴ *The Trademark Cases*, 100 U.S. 82, 94-95 (1879).

¹⁹⁵ Ambrosia Chocolate Co. v. Ambrosia Cake Bakery, Inc., 165 F.2d 693, 697 (4th Cir. 1947).

¹⁹⁶ Tiffany & Co. v. Tiffany Prods., Inc., 264 N.Y.S. 459, 463 (N.Y. Sup. Ct. 1932).

follows that a consumer's perception of an existing trademark is not fixed. Instead, the potential always exists for a worthy competitor to emerge. The same judicial attitude continues today.¹⁹⁷

The metaphors used by the courts to describe the impact of advertising on the mind also suggested that advertising's influence was transitory. The Supreme Court described the goodwill built up in the trademark as a "psychological current," implying that a consumer could leave this current and drift away on another advertising stream at a subsequent time.¹⁹⁸ Rather than hardwiring a particular consumer response, advertising could sometimes make consumers more familiar with a trademarked term and thereby reduce the potential for confusion.¹⁹⁹ Thus, judges in the Progressive era and beyond believed that potentially successful trademarks were in limitless supply and could readily break the temporary emotional hold enjoyed by existing trademarks.

Part of trademark law's staying power can be attributed to a perceived connection between democracy and the American standard of living. Once judges decided that an infinite supply of potential marks existed and that consumers possessed the cognitive abilities to break their attraction to a particular brand name, the antitrust concerns of Frank and others lost their potency. The prevailing view in the legal community was that advertising, rather than creating permanent inefficiencies, was a necessary ingredient in democratic self-expression.²⁰⁰ "A trade-mark is not a monopoly, but on the contrary, a symbol of individuality and individuality is democracy," argued trademark scholar Rudolph Callmann.²⁰¹ Callmann believed that all trademarks included "rights of personality" that could be used to prevent competitive actions that threatened to dilute the power of the mark.²⁰² Along similar lines, Edward Rogers maintained that trademarks were essential to a democratic society because they allowed businesses to distinguish themselves from each other and state-controlled enterprises. More importantly, trademarks facilitated individual expression through decisions to purchase. By selecting which businesses and brands to reward with their business, individual consumers could distinguish themselves from the collective.²⁰³ Rogers and Callmann's arguments echoed the calls of Progressive reformers for economic and political reform that embraced individuality and avoided collective solutions.²⁰⁴

At a time when an isolated America sought to contrast itself with the fascism and communism that were overtaking other parts of the world, the United States' rising commercialism and embrace of the benefits of modern life provided a convenient badge

¹⁹⁷ See *Procter & Gamble Co. v. Johnson & Johnson Inc.*, 485 F. Supp. 1185, 1210 (S.D.N.Y. 1980) ("Distinctive marks are plentiful almost without limit, as long as people possess imaginations to create them.").

¹⁹⁸ *Mishawaka Rubber & Woolen Mfg. Co. v. S.S. Kresge Co.*, 316 U.S. 203, 208 (1942) ("The creation of a market through an established symbol implies that people float on a psychological current engendered by the various advertising devices which give a trade-mark its potency.").

¹⁹⁹ *Miles Labs., Inc. v. Frolich*, 195 F. Supp. 256, 260 (S.D. Cal. 1961); *Lever Bros. Co. v. Winzer Co.*, 326 F.2d 817, 819-820 (C.C.P.A. 1964)

²⁰⁰ Cf. Deering, *supra* note 169, at 26 (suggesting that most in the legal field did not share Professor Brown's thoughts on the destructive potential of advertising).

²⁰¹ Rudolf Callmann, *Unfair Competition Without Competition?*, 95 U. PA. L. REV. 443, 464 n.105 (1947).

²⁰² Callmann, *supra* note 201, at 466.

²⁰³ Edward Rogers, *Freedom and Trade-Marks*, 34 TRADEMARK Rptr. 55, 58 (1944).

²⁰⁴ ROSS, *supra* note 119, at 14; HOFSTADTER, *supra* note 121, at 215.

of distinction.²⁰⁵ As one study of household budgets at the time commented, America's commercial culture had shielded it from the "violence, poverty and spiritually bankrupt hatreds that are wrecking Europe."²⁰⁶ Attacks on advertising as somehow causing "permanent" impressions in consumers seemed to challenge American economic success which was seen as being intertwined with American political principles. Advertising's proven ability to sell wartime bonds reinforced the link between democratic participation and consumer culture.²⁰⁷ Advertisers promulgated their craft as a way to acculturate immigrants and to palliate worker unrest during the Red Scare by uniting them in the same consumer goals.²⁰⁸

Legal commentators charged that the refusal of some courts to enforce trademark rights was not only bad for the economy, but downright communistic. Judge Frank suffered from "monopoly phobia."²⁰⁹ By attempting to weaken the standard for trademark infringement, a few renegade judges were supplanting the decisions of businessmen in favor of state control of the economy. As one academic remarked in criticizing the courts' failure to protect trademark rights more robustly, "[e]xcept in times of war or national emergency, American industrialists and businessmen should have the final say in managerial decisions concerning what to produce, how to market and at what price to sell In these days, it is much more necessary than ever that we should be constantly alert to preserve such a conception of our legal system and economy."²¹⁰ Another commentator asked, "Is it not contradictory to seek protection for business against the evils of monopoly, and by doing so, in effect, to communize by court decision their means for maintaining their own identity in commerce?"²¹¹ Others emphasized that advertising reflected respect for the ability of the individual to make her own choices. It could be used in a gentle way to steer social policy, to persuade instead of coerce. But the social harmony fostered by advertising only existed because it rested on a foundation of personal choice.²¹²

Thus, the judiciary adopted a positive view of advertising in the early 1900s that it maintained throughout the century. Advertising undeniably worked. It stimulated new demands in consumers and often achieved success through emotional, irrational appeals. But at the same time, it left the field of competition open. Citizens had the individual right to pick and chose which trademarks they found more appealing. Businesses had the ability to adopt new brands from an unlimited pool of potential marks that could triumph over even the most established and successful commercial ventures. Advertising's influence was benign and promoted democratic values. This conception of advertising

²⁰⁵ HOROWITZ, *supra* note 185, at 24.

²⁰⁶ J.C. FURNAS, *HOW AMERICA LIVES* 26 (1941).

²⁰⁷ HOROWITZ, *supra* note 185, at 44-45.

²⁰⁸ POPE, *supra* note 57, at 258.

²⁰⁹ Pattishall, *supra* note 134, at 967. Judge Frank even felt obligated to assert that he was not "a victim of monopoly-phobia" and took some efforts to demonstrate that he found some monopolies, such as the monopoly of the members of the bar to practice law, acceptable. *LaTouraine Coffee Co. v. Lorraine Coffee Co.*, 157 F.2d 115, 125 & n.25 (2d Cir. 1946) (Frank, J., concurring).

²¹⁰ S. Chestfield Oppenheim, *The Public Interest in Legal Protection of Industrial and Intellectual Property*, 40 TRADEMARK Rptr. 613, 623 (1950).

²¹¹ Pattishall, *supra* note 134, at 970.

²¹² POPE, *supra* note 57, at 294.

allowed the courts to reconcile using the legal system to protect the influences of advertising on the public.

2. Dilution

The judiciary's embrace of advertising had its limits, however. Although trademarks were protected against confusing uses by competitors, the courts reacted with disdain when advertisers and businesses promulgated a new theory of protection for advertising: dilution. The proposed dilution cause of action would protect mark owners from the "gradual whittling away or dispersion of the identity and hold upon the public mind of the mark."²¹³ Consumer confusion was unnecessary. For example, the owner of Blue Goose-brand oranges could use a dilution claim to enjoin another company from selling Blue Goose-brand fountain pens by demonstrating a lessening of the capacity of the Blue Goose mark to identify oranges. Such a claim would succeed even if consumers were unlikely to associate the fountain pen maker with the company that sold oranges.²¹⁴ The real harm was the original Blue Goose brand would lose "its arresting uniqueness and hence its selling power."²¹⁵ Instead of focusing on transmission of reliable information from seller to buyer, dilution law explicitly safeguarded the "psychological hold" successful advertising had on the public.²¹⁶

Beginning in 1947, state legislatures began to pass anti-dilution statutes. By the mid-1990s, such statutes existed in almost twenty-five states.²¹⁷ Despite the legislatures' willingness to pass these laws, courts were loathe to enforce them.²¹⁸ The first court to interpret Massachusetts's anti-dilution statute, the nation's first, was so skeptical of the legislation that it took the unusual step of hearing testimony by an attorney on the statute's legislative history.²¹⁹ Often courts denied dilution claims simply because the plaintiff failed to prove likelihood of confusion, notwithstanding the clear language of the statutes eliminating confusion as an element of the dilution cause of action.²²⁰ Other courts read the anti-dilution statutes to include unwritten requirements that would resemble existing common law causes of action.²²¹ Many courts justified their pro-

²¹³ Frank I. Schechter, *The Rational Basis of Trademark Protection*, 40 HARV. L. REV. 813, 825 (1927).

²¹⁴ *Id.* at 830.

²¹⁵ *Id.* at 830.

²¹⁶ *Id.* at 818-19 (stating that where once the function of a trademark was to "identify a product as satisfactory," now it has a secondary function of "imprinting upon the public mind an anonymous and impersonal guaranty of satisfaction, creating a desire for further satisfactions").

²¹⁷ Ringling Bros.-Barnum & Bailey Combined Shows, Inc. v. Utah Division of Travel Development, 170 F.3d 449, 454 (4th Cir. 1999).

²¹⁸ Nelson, *supra* note 2, at 763 ("With a few exceptions, courts refused to enforce the plain language of the dilution statutes."); *Allied Maint. Corp. v. Allied Mech. Trades, Inc.*, 369 N.E.2d 1162, 1165 (N.Y. 1997) (describing the "absence of judicial enthusiasm for the anti-dilution statutes").

²¹⁹ *Food Fair Stores, Inc. v. Food Fair, Inc.*, 83 F. Supp. 445, 450 (D. Mass. 1948).

²²⁰ RESTATEMENT OF UNFAIR COMPETITION, § 25, cmt. b; *see also* Bone, *supra* note 7, at 604.

²²¹ Walter J. Derenberg, *The Problem of Trademark Dilution and the Antidilution Statutes*, 44 CAL. L. REV. 439, 451 (1956) (stating that "the courts generally have not regarded dilution as a common law tort"); George E. Middleton, *Some Reflections on Dilution*, 42 TRADEMARK RPTR. 175, 187 ("So far as I know no case has turned on dilution alone.").

defendant rulings by voicing fears that the dilution cause of action would allow trademark owners a monopoly over language and strangle competition.²²²

Why did twentieth century judges embrace plaintiff-friendly theories of infringement yet reject a cause of action for dilution? Part of the discrepancy lies in the infringement claim's deeper common law roots. Dilution, as a statutory creation of the twentieth century, lacks the heritage of the common law prohibition on infringement. But different origins cannot fully explain why judges boldly refused to apply the plain language of state anti-dilution laws. The real reason for the courts' intransigence stems from a particular judicial conception of the consumer.

As described above, the courts came to accept advertising's value at the beginning of the century. They believed that advertising was beneficial to modern society and adjusted the rules of trademark doctrine accordingly. The courts accepted advertising's value because they thought that advertising provided valuable information to the public and fueled the distribution of modern conveniences to consumers.

But they also believed that consumers were capable of shrugging off one emotional appeal for a newer one. Even as the courts accepted a watered down ordinary purchaser standard, they continued to believe that consumers could break free of advertising's spell in the face of better products, declining brand quality, or more compelling advertising. As one court described it, "the public mind . . . is susceptible to confusion not through the blunt, forthwith acts of honest competition, but rather by kindred associations and suggestions . . . indirect and subtle."²²³ Consumers would still respond to "honest competition" to switch their brand preferences; they only needed to be protected from sneaky attempts to use the plaintiff's mark to sell a rival product.

Dilution, in contrast, seemed to target "honest competition" that ethically and openly sought to dislodge the hold that a particular brand name had on the public mind. It threatened to prevent consumers from ever shrugging off a habitual emotional appeal. Unlike actions for trademark infringement, an action for trademark dilution did not require the potential for accidental purchase of an unintended brand by the consumer. Instead, dilution merely required some action by the defendant that weakened the bond between the consumer and the plaintiff. Dilution could stop certain business actions that threatened this bond even if no customer confusion resulted. Any weakening of the bond between consumer and producer became actionable under a dilution regime even if there was no potential for confusion.

This proved too much for most courts. As Sara Stadler has written, "[t]o judges comfortable with traditional trademark infringement, dilution was a radical remedy."²²⁴ Dilution seemed to create full property rights for trademark owners, something the early twentieth courts had partially embraced but never fully accepted.²²⁵ As a result, judges brazenly interpreted anti-dilution statutes to neutralize what they perceived as anti-competitive effects. Some courts held that dilution claims were precluded when the

²²² *E.g.*, S.C. Johnson & Son v. Johnson, 116 F.2d 427, 429 (2d Cir. 1940); Anti-Defamation League of B'Nai B'Rith v. Arab Anti-Defamation League, 340 N.Y.S.2d 532, 548 (N.Y. Sup. Ct. 1972).

²²³ *Premier-Pabst Corp. v. City Brewing Co.*, 9 F. Supp. 754, 759 (D. Conn. 1935).

²²⁴ Nelson, *supra* note 2 at 763.

²²⁵ See *Loughran v. Quaker City Chocolate & Confectionery Co.*, 286 Fed. 694, 697 (E.D. Pa. 1923) ("[T]rade-marks excite two deeply seated feelings. One is the feeling of anyone who has originated anything of his right to claim and exclusive property in it and to the trade growing out of it. The other is hatred of monopoly.").

parties were market competitors, reasoning that anti-dilution laws should not be allowed to alter the traditional “likelihood of confusion” playing field.²²⁶ Other courts cited the dilution doctrine’s unprecedented breadth as justification for permitting liability only in situations where there was a likelihood of confusion.²²⁷ Both approaches represented strategies to strangle dilution in its cradle before it could emerge as a powerful new weapon to protect advertising interests. Although judges accepted that consumers behaved somewhat irrationally, they did not believe that advertising’s emotional appeal could leave a permanent mark. In contrast, dilution threatened to use the law to make the emotional impact of advertising last forever.

IV. SUGGESTIONS FOR REDUCING THE LEGAL PREMIUM ON ADVERTISING VALUE

The trademark doctrine adopted at the turn of the century reflected a belief in the ability of consumers to change their taste for a product. Even as the courts came to recognize the power of the new “science” of advertising to create desire, they still believed that the consumer could shake off her loyalty to a single product. The courts gave consumers too much credit. Recent research in cognitive psychology demonstrates that the phenomenon of affective reasoning guides much of consumer behavior. Given the way our minds work, advertising’s hold can be nearly permanent. As a result, laws privileging the goodwill created by advertising can have anticompetitive effects.

A. Trademarks and Affective Decisionmaking

Human beings form an attitude about every stimulus they happen upon; there is no such thing as a neutral first encounter.²²⁸ This occurs regardless of whether there is any rational basis for making a judgment about the stimulus. Even for languages we do not recognize or for completely made up words, there is “a crude affective evaluation of everything.”²²⁹ “Affect” refers to a feeling, usually unconscious, that a stimulus is either positive or negative.²³⁰ Often the judgments human beings make are based on “affective tags” that were generated involuntarily in the past and then locked away in our memory, only to be retrieved unconsciously for a subsequent decision.²³¹ Affective decisions are based on visceral reactions, not cognitive comparisons.

²²⁶ See, e.g., *Pro-phylactic Brush Co. v. Jordan Marsh Co.*, (1st Cir., 1948) 165 F.2d 549, 553 (1st Cir. 1948); *Edgewater Beach Apts. Corp. v. Edgewater Beach Mgt. Co.*, 299 N.E.2d 548, 554 (Ill. App. Ct. 1973); *Capitol Tie Rak, Inc. v. Tie Rack Stores of Illinois*, 150 U.S.P.Q. 357, 360-361 (N.D.Ill.1966).

²²⁷ *Esquire, Inc. v. Esquire Slipper Manufacturing Co.*, 139 F. Supp. 228, 232-33 (D. Mass. 1956) (stating that dilution requires “at least some likely confusion” because although “[m]anufactured words may have special individual meaning . . . I will not hold that a single or solitary word in common use can be entirely appropriated from the public domain so that other users have no right”).

²²⁸ Magda Teresa Garcia & John A. Bargh, *Automatic Evaluation of Novel Words: The Role of Superficial Phonetics*, 22 J. LANGUAGE & SOCIAL PSYCHOLOGY 414, 430 (2003).

²²⁹ Garcia & Bargh, *supra* note 228, at 430-431.

²³⁰ Paul Slovic et al., *The Affect Heuristic, in HEURISTICS AND BIASES: THE PSYCHOLOGY OF INTUITIVE JUDGMENT* 397, 397 (Thomas Gilovich et al., eds, 2002).

²³¹ David M. Sanbonmatsu & Russel H. Fazio, *The Role of Attitudes in Memory-Based Decision Making*, 59 J. OF PERSONALITY & SOCIAL PSYCHOLOGY 614, 616 (1990) (“Even when necessity dictates that a judgment be memory based, the judgment can stem primarily from a summary construct available in memory. . . .”).

It has recently been revealed that affective reasoning can lead to complex, goal-directed behaviors like a decision to purchase.²³² Human beings constantly create affective tags and later retrieve those tags from memory without realizing it. New research demonstrates that perceived stimuli activate our memory without conscious awareness or attention.²³³ Also unbeknownst to us, perceived stimuli constantly influence our judgments and feelings.²³⁴ Once an affective response generates a behavioral goal in the consumer mind, the goal will direct information-processing and social behavior.²³⁵ One likely behavioral outcome is the purchase of a trademarked good that has a positive affective tag.

At one point it was theorized that affective decision making only occurred when it was not in the person's rational self-interest to spend the time and effort necessary for cognitive decision making.²³⁶ Psychologists believed that humans are "cognitive misers" that expend the mental energy and time needed for rational, conscious decision making only when necessary. At all other times, humans rely on quicker, easier affective reasoning to make decisions.²³⁷ Under this theory, a relatively unimportant purchase, like buying a candy bar at a supermarket checkout, would utilize our affective reasoning system while more costly and important decisions like buying a new car or expensive stereo system would receive a full-blown cognitive evaluation.

The evidence now shows, however, that these two modes of decision making proceed on parallel tracks.²³⁸ Even when buying a new car, every consumer has an initial, involuntary affective response that shapes the cognitive voluntary decision making process. Thus, affective reasoning impacts not only the impulse buy in the checkout line but also the expensive purchases that conventional wisdom assumes are made strictly through conscious, rational thought.²³⁹

Although trademark doctrine has not caught up with the evidence regarding affective decision making, advertisers are fully aware of the process and how to exploit

²³² John A. Bargh, *The Automaticity of Everyday Life*, in THE AUTOMATICITY OF EVERYDAY LIFE 1, 47 (Robert S. Wyer, Jr. ed., 1997) (stating that the recent research demonstrates that "behavioral and cognitive goals can be directly activated by the environment without conscious choice or awareness of the activation"); Melissa J. Ferguson & John A. Bargh, *How Social Perception Can Automatically Influence Behavior*, 8 TRENDS IN COGNITIVE SCIENCES 33, 34 (2004) ("Until recently, it has been largely assumed that although judgments and feelings can be shaped by factors outside of people's awareness, complex social behavior is determined by people's conscious and deliberately made choices.").

²³³ Ferguson & Bargh, *supra* note 232, at 33 (2003). In the past, psychologists failed to recognize affect's role in human decision making. Slovic et al., *supra* note 230, at 397.

²³⁴ Ferguson & Bargh, *supra* note 232, at 34 (2003).

²³⁵ Bargh, *supra* note 232, at 47.

²³⁶ Slovic et al., *supra* note 230, at 397 ("Although affect has long played a role in many behavioral theories, it has rarely been recognized as an important component of human judgment and decision making.").

²³⁷ Thomas Gilovich & Dale Griffin, *Introduction – Heuristics and Biases: Then and Now*, in HEURISTICS AND BIASES: THE PSYCHOLOGY OF INTUITIVE JUDGMENT, *supra* note 230, at 1, 4-5.

²³⁸ See generally Daniel Kahneman & Shane Frederick, *Representativeness Revisited: Attribute Substitution in Intuitive Judgment*, in HEURISTICS AND BIASES: THE PSYCHOLOGY OF INTUITIVE JUDGMENT, *supra* note 230, at 49-81.

²³⁹ Shane Frederick, *Automated Choice Heuristics*, in HEURISTICS AND BIASES: THE PSYCHOLOGY OF INTUITIVE JUDGMENT, *supra* note 230, at 548, 554 ("Regardless of whether we intend to rely on it, our spontaneous affective evaluations likely play an important role in our decision making, and often intrude even when we want to make decisions on a cognitive basis.").

it.²⁴⁰ In earlier years, advertisers focused on how prospective purchasers store information. A skillful commercial would make a brand name more easily retrievable from memory. Now, however, advertisements are targeted to influence a consumer's initial affective decision making process.²⁴¹ Television advertising is particularly good at embedding in a consumer's subconscious memory a hidden affect tag for a particular trademark.²⁴² For example, pharmaceutical commercials are often purposely opaque. They offer no information as to the actual medical symptoms the drug is supposed to remedy. The point of such commercials is to generate a positive affective tag for the pharmaceutical brand. Subsequently, in a doctor's office, when the brand is mentioned, the positive affective evaluation of the brand will be triggered and result in a sale.²⁴³

Reliance on affect often makes sense. In a complex and fast-paced world, the ease and speed of affective decision making can be important.²⁴⁴ Oftentimes, our subconscious succeeds in making the best decision possible.²⁴⁵ The problem with affective reasoning is that it also has several flaws that are difficult if not impossible for most consumers to overcome. These flaws are particularly susceptible to exploitation in the commercial environment.

First, research shows that a person's initial categorization of a stimulus is crucial. Once a mark is initially categorized as positive or negative that valence is very difficult to change.²⁴⁶ People will seek further feedback from a stimulus characterized as positive but will rigidly avoid a stimulus initially characterized as negative. This creates a

²⁴⁰ E.g., Slovic, et al., *supra* note 230, at 417; GERALD ZALTMAN, HOW CONSUMERS THINK 9 (2003) (“In actuality, consumers have far less access to their own mental activities than marketers give them credit for.”); see also Stuart Elliot, *Colts and Bears and Kevin Federline*, N.Y. TIMES, Feb. 2, 2007 (reporting that one marketing research firm teamed up with the Ahmanson Lovelace Brain Mapping Center at the University of California Los Angeles to gather brain scan images of viewers as they watch Super Bowl commercials to measure their emotional reactions); Annette Schafer, *BUY THIS*, 16 SCIENTIFIC AMERICAN (2005) (discussing the research of neuroscientists involving neural responses to product advertising).

²⁴¹ Erika L. Rosenberg, *Mindfulness and Consumerism*, in PSYCHOLOGY AND CONSUMER CULTURE 107, 107 (Tim Kasser & Allen D. Kanner eds., 2004) (discussing how advertising capitalizes on consumers' automatic and unexamined behavior).

²⁴² Sarah C. Haan, Note, *The “Persuasion Route of the Law: Advertising and Legal Persuasion*, 100 COLUM. L. REV. 1281, 1302 (2000); see also Tim Kasser et al., *Materialistic Values: Their Causes and Consequences*, in PSYCHOLOGY AND CONSUMER CULTURE, *supra* note 241, at 11, 17 (stating that studies consistently show a positive correlation between television watching and materialism).

²⁴³ Michael S. Wilkes, Robert A. Bell, and Richard L. Kravitz, *Direct-To-Consumer Prescription Drug Advertising: Trends, Impact, and Implications*, 19 HEALTH AFFAIRS 110, 114 (March/April 2000) (describing pharmaceutical advertisements that “provide the name of the drug and other minimal information but say nothing about the drug’s use, effectiveness, or safety”); Keely N. Reeves, *Direct-to-Consumer Broadcast Advertising: Empowering the Consumer or Manipulating a Vulnerable Population?*, 53 FOOD & DRUG L.J. 661 (1998) (discussing the deleterious effects of “reminder advertising” for pharmaceuticals); see also Haan, *supra* note 242, at 1294 (describing advertising messages that are often purposely unclear).

²⁴⁴ John A. Bargh & Erin L. Williams, *The Automaticity of Social Life*, 15 CURRENT DIRECTIONS IN PSYCHOLOGICAL SCI. 1, 3 (2006) (discussing the benefits of affective decision making).

²⁴⁵ See generally Malcolm Gladwell, *BLINK: THE POWER OF THINKING WITHOUT THINKING* (2005).

²⁴⁶ Russell H. Fazio, et al., *Attitude Formation Through Exploration: Valence Asymmetries*, 87 J. OF PERSONALITY & SOC. PSYCH. 293, 307-09 (discussing how avoidance behavior prevent false beliefs from being detected); see also Frederick, *supra* note 239, at 553 (“Judgments may be anchored on one’s initial affective evaluation even when attempts are made to supplement this with more analytic evaluations.”).

dramatic learning asymmetry as most consumers will only interact with those stimuli that they have already deemed positive in a hasty, subconscious determination.²⁴⁷

Our refusal to countenance unfamiliar stimuli or stimuli that we initially tag as negative results in existing trademarks retaining their power while shutting out competitors. Increases in brand-name variety cause consumers more cognitive effort, resulting in unfavorable affective ratings.²⁴⁸ As a result, rather than introduce new trademarks, businesses increasingly rely on offshoots of existing brands. Examples include sales of clothes bearing the Coca-Cola brand and the launch of a record label using the trademark for Doc Martens footwear.²⁴⁹ Seventy percent of all new products rely on existing brand names.²⁵⁰ Established trademark holders know they can short circuit rigorous conscious analysis by consumers if they tap into the affective tags that have been carefully created through years of advertising a particular mark.²⁵¹

Second, mere familiarity with an object or symbol can create a positive valence for that object.²⁵² Not surprisingly, consumers are more likely to select a product for consideration when they are already familiar with the brand name attached.²⁵³ Studies also show that the more a claim about a product is repeated, the more likely a consumer is to believe that it is true.²⁵⁴ Repeated expression alters a consumer's learning networks so that the affective tag for a particular mark gains strength and is more readily triggered. Thus, merely by exposing consumers to a mark repeatedly, advertisers can increase the consumers' positive affective response to that mark.²⁵⁵ The decision to purchase a particular trademarked good is likely to follow.²⁵⁶

Finally, affective decision making is particularly susceptible to contextual cues.²⁵⁷ Of course, it is no secret to even the most unaware consumer that advertisers try to influence their decisions by surrounding their brands with attractive images. Producers of alcoholic beverages pair their brands with depictions of icy trout streams and NFL cheerleaders even though these images will not be present when the actual beer is consumed. Consumers know that these contextual factors will be absent when they enjoy the advertised product. Nevertheless, this contextual conditioning structures our product

²⁴⁷ Fazio et al., *supra* note 246, at 307-09.

²⁴⁸ Vincent-Wayne Mitchell & Gianfranco Walsh, *Gender Differences in German Consumer Decision-making Styles*, 3 J. CONSUMER BEHAVIOR 331, 338 (2001); *see also* Vincent-Wayne Mitchell et al., *Towards a Conceptual Model of Consumer Confusion*, 32 ADVANCES IN CONSUMER RESEARCH 143 (2005) (describing product loyalty as a strategic reaction to an overload of stimuli).

²⁴⁹ Lynne M. Pepall & Daniel J. Richards, *The Simple Economics of Brand Stretching*, 75 J. BUS. 535, 535 (2000).

²⁵⁰ JACK TROUT & STEVE RIFKIN, *DIFFERENTIATE OR DIE: SURVIVAL IN OUR ERA OF KILLER COMPETITION* 80 (2000).

²⁵¹ JUDITH LYNNE ZAICHOWSKY, *THE PSYCHOLOGY BEHIND TRADEMARK INFRINGEMENT AND COUNTERFEITING* 116 (2006).

²⁵² Slovic, et al., *supra* note 230, at 400; Frederick, *supra* note 239, at 553.

²⁵³ Sarah L. Coates et al., *Implicit Memory: A Prime Example for Brand Consideration and Choice*, 18 APP. COGNIT. PSYCHOL. 1195, 1203 (2004).

²⁵⁴ Haan, *supra* note 242, at 1301; *see also* Rosenberg, *supra* note 241, at 112 ("Consumer research shows that we prefer products or styles that we have seen more often, regardless of whether we have prior practical experience with the product.").

²⁵⁵ *See* Rosenberg, *supra* note 241, at 112.

²⁵⁶ Eliot R. Smith et al., *Accessible Attitudes Influence Categorization of Multiply Categorizable Objects*, 71 J. OF PERSONALITY & SOCIAL PSYCHOLOGY 888, 897 (1996).

²⁵⁷ *See* Frederick, *supra* note 239, at 551.

preferences.²⁵⁸ Advertising constantly relies on surrounding trademarks with contextual cues like “new,” “natural,” or “98% fat free” that enhance the affective response to that product and increase the likelihood that it will be purchased.²⁵⁹

The important point to keep in mind is that it does not matter whether the consumer perceives the contextual cues presented by advertisers or not. Even a cue that is not consciously processed will still shape purchasing decisions. For example, many commercials rely on a phenomenon called neoteny, a term sometimes used to refer to people’s fascination with infants and baby animals. People perceive messages transmitted by a baby faced person as more sincere because they see babies as innocent and honest. Yet we are not aware of this when we see the talking infant, nor are we aware that this phenomenon is shaping the affective tag we are placing on the trademark being promoted on our TV screen.²⁶⁰ Our susceptibility to contextual cues and their ability to influence the generation of affect tags often result in suboptimal outcomes.²⁶¹

These affective decision making techniques are often difficult if not impossible to bypass. Consumers may be able to overcome the initial affective response triggered by advertising but only if they are willing to expend a great deal of cognitive effort. In addition, the information necessary to make an informed decision must be readily available and the individual consumer must be equipped with the processing ability and time to decipher the information.²⁶² It is rare when all of these conditions are met, particularly when a consumer’s exposure to product information is limited to print or television advertising and the shopping experience is conducted hastily and with a minimum of practical information available.²⁶³ Instead, the more likely scenario is that once a stimulus has been tagged with an affective value, later contrary information about the stimulus’s actual meaning or significance will be insufficient to significantly alter the initial affective response.²⁶⁴

Thus, a consumer’s initial affective response to something is shaped by factors that are not apparent to the consumer. Merely through repeated exposure to the trademark at issue and by surrounding the trademark with positive contextual cues that we perceive only subconsciously, advertisers can generate high affective responses to their brands. These affective tags, which are stored in our memory and subconsciously retrieved when it comes time to make a purchasing decision, are extremely difficult to change. It is attractive to think that affective decision making simply means trusting our gut, something that usually works in making choices in our daily lives. But the

²⁵⁸ See Rosenberg, *supra* note 241, at 112.

²⁵⁹ Slovic, et al., *supra* note 230, at 417.

²⁶⁰ ZALTMAN, *supra* note 240, at 54.

²⁶¹ Slovic, et al., *supra* note 230, at 419 (“Utility predicted or expected at the time of decision often differs greatly from the quality and intensity of the hedonic experience that actually occurs.”).

²⁶² Mitchell, *Towards a Conceptual Model of Consumer Confusion*, *supra* note 248, at 144, 147; see also Zaichowsky, *supra* note 251, at 132 (stating that research shows “fairly conclusively” that most consumers are unable to process the information in product disclaimers, at least under normal environmental circumstances).

²⁶³ See generally Paul Henry, *Is the Internet Empowering Consumers to Make Better Decisions, or Strengthening Marketers’ Potential to Persuade?*, in *ONLINE CONSUMER PSYCHOLOGY* (Curtis P. Haugvedt et al., eds, 2005) 345-360 (discussing how the vast resources of the Internet will not create more informed purchasing decisions because consumers are already suffering from informational overload and are still just as susceptible to advertising’s persuasive techniques).

²⁶⁴ Slovic, et al., *supra* note 230, at 400-401; Sheff at 43-44.

difference in the world of advertising is that it is not the random chance of the outside world that is influencing our affective measurements. Instead of a level playing field, consumers face a playing field filled with extraneous contextual factors carefully calibrated by advertisers.

B. Suggested Doctrinal Revisions

The phenomenon of affective reasoning clashes with the rules of trademark law. The doctrinal rules created in trademark law's formative era and remaining in effect today are premised on the belief that consumers are fully capable of changing their initial brand preferences. Given psychology's insights into the ways consumers actually think, these rules should be altered to reflect the more permanent effects of advertising.

A full revision of trademark law in line with the recent research on affective decisionmaking is beyond the scope of this article. The psychological research does show, however, that courts and elected officials should grapple with the current legal regime and decide if obeisance to the same doctrinal rules makes sense given these new understandings of human cognition. Admittedly, this article criticizes Progressive-era jurists and scholars for overenthusiastically embracing psychological research yet anchors its call for reform on the recent findings of behavioral psychologists. One might be tempted to construct a definition of trademark infringement that ignores the vacillating views of social scientists. It makes more sense, however, to apply current scientific understandings even if imperfect. Although Progressive thinkers naively believed in the potential of scientific expertise to solve all thorny social problems, they took seriously their obligation to do the best they could under the circumstances of the time.²⁶⁵ Today's legal theorists have the same obligation to propel the law forward based on modern understandings of social, economic, and political life.

1. Revising the Definition of the “Ordinary Prudent Purchaser”

Multiple trademark law scholars have commented on the perverse effects of the courts' definition of the “ordinary prudent purchaser.”²⁶⁶ The same definition of the ordinary consumer created in the 1910s and 1920s as hasty, impetuous, and easily confused remains in effect today. The danger of this definition is that it leads to greater and greater protection for advertising's value.

Courts employing this definition view consumers as undiscerning, which leads to findings of likelihood of confusion and legal victories for mark holders. But the benefits to mark holders do not end there. Mark holders build on these victories to gain stronger protection for their marks. Each successful case not only enjoins the defendant from using the contested mark, but also expands the mark holder's rights by holding that only the mark holder is entitled to do what the defendant was doing.²⁶⁷ Thus, legal victories based on a low opinion of the ordinary prudent purchaser result in an increased scope of

²⁶⁵ Ross, *supra* note 119, at 12 (describing the general agreement among scholars that progressivism was an effort to respond to the negative social conditions spawned by industrialization).

²⁶⁶ See Barton Beebe, *Search and Persuasion in Trademark Law*, 103 MICH. L. REV. 2020, 2067-68 (2005); Graeme W. Austin, *Trademarks and the Burdened Imagination*, 69 BROOK. L. REV. 827 (2004).

²⁶⁷ Austin, *supra* note 266, at 831.

trademark protection. But the greater the scope of trademark protection, then the less sophistication consumers are expected to exercise in the marketplace. As more decisions are issued holding that consumers are likely to be confused, the number of commercial actions available that will not trigger a finding of likelihood of confusion declines. The result is a vicious cycle as increased protection results in a lower and lower estimate of the ordinary prudent purchaser.²⁶⁸

Given what we know about the semi-permanent effects of advertising, it does not make sense to have a legal framework that continually ratchets up the protection for established trademarks. A correction to the declining ordinary prudent purchaser standard would be a step towards addressing this imbalance. The standard could be revised in various ways. One approach would be to increasingly privilege evidence of *actual* consumer confusion in trademark infringement cases. By focusing on empirical evidence, judges would be less likely to rely on the uncharitable Progressive-era definition of the ordinary purchaser. Concomitantly, courts could require stronger evidence of confusion, overruling precedents whereby surveys showing confusion among less than fifteen percent of survey respondents were deemed probative of infringement.²⁶⁹

Another way to bolster the judicial opinion of ordinary purchasers would be to revise the definition of trademark infringement to only include confusion at the point of sale. “Initial interest confusion” occurs when a consumer seeking a particular trademarked product is initially lured to a competitor’s product by a confusingly similar trademark, even if the consumer later receives information that ends the confusion before there has been a sale.²⁷⁰ Post-sale confusion occurs when a defendant injects a branded product into the stream of commerce that does not confuse its original purchaser but has the potential confuse downstream secondary purchasers.²⁷¹ Because the average consumer is considered naïve and impulsive, it is not surprising that courts have concluded that he can be confused both pre- and post-sale. On the other hand, it may be that consumers are actually more wary of trademark manipulation the futher removed they are from the point of initial purchase. For example, someone who sees a ROLEX watch in a pawn shop window for ten dollars will probably be deeply skeptical of the watch’s authenticity. Attributing more prudence to consumers away from the point of sale would help cabin the law’s expanding protection of advertising value.

2. Deemphasizing Evidence of Advertising Expenditures

Trademark law should also be revised to limit the persuasive effect of “objective” evidence of advertising expenditures. Since trademark law’s formative era, evidence of the amounts spent on advertising and the advertising’s geographic scope have served as a proxy for secondary meaning,²⁷² and sometimes as proof of likelihood of confusion.²⁷³

²⁶⁸ Beebe, *supra* note 266, at 2066-69.

²⁶⁹ *E.g.*, Exxon Corp. v. Texas Motor Exchange, Inc., 628 F.2d 500, 507 (5th Cir. 1980) (holding that a 15 percent confusion rate constituted strong evidence of confusion); *Grotian, Helfferich, Schulz, Th. Steinweg Nachf v. Steinway & Sons*, 365 F. Supp. 707, 716 (S.D.N.Y. 1973) (holding that a survey showing that 8.5 percent of the people interviewed confused the names STEINWAY and Grotian-Steinweg constitutes strong evidence of confusion).

²⁷⁰ 4 MCCARTHY, *supra* note 23, §§ 25:69, at 25-158.

²⁷¹ *Ferrari S.P.A. Esercizio v. Roberts*, 944 F.2d 1235 (9th Cir. 1991).

²⁷² 2 MCCARTHY, *supra* note 23, §§ 15:51-15:52.

Judges came to rely on advertising expenditures in response to Progressive charges of judicial bias in pre-1900 trademark decisions. Secondary meaning occurs when a mark with an ordinary meaning comes to be known by the public as specifically designating that product.²⁷⁴ Because proof of secondary meaning is required for any claim of infringement of a mark that is not inherently distinctive,²⁷⁵ doctrine that favors certain evidence of secondary meaning is extremely important.

The courts' continuing willingness to rely on such evidence stems from an outmoded belief in the malleability of advertising goodwill. Now that recent research in human cognition shows that advertising's effects are not so vulnerable to change as once thought, advertisers should not be given a legal privilege simply for expending large sums to psychologically condition consumers. The courts should switch their emphasis to other accepted proofs of secondary meaning: volume of sales and length and manner of use of the mark.²⁷⁶ Courts can also consider use of the mark in popular media such as dictionaries, trade journals, magazines, and newspapers.²⁷⁷ Greater reliance could be made on direct evidence of secondary meaning in the form of consumer surveys. If courts do consider advertising expenditures, they should rigorously evaluate the advertisements at issue. Expenditures on advertisements that do not publicize the mark to the relevant class of consumers or that emphasize product features instead of the source of the product deserve little credit in the secondary meaning calculus.²⁷⁸ At the very least, judges should carefully review their decisions to make certain that advertising expenditures are only used as circumstantial proof of secondary meaning and are not considered in the likelihood of confusion analysis.

3. Reevaluating Mark Strength

Another doctrinal rule that needs altering is trademark law's privileging of mark strength. If a consumer is presented with compelling information about a new product, trademark law assumes that the consumer can switch from one brand to another. At the same time, trademark law privileges marks that are well-known. It is not only that courts are more likely to find infringement when the plaintiff's mark is famous; trademark doctrine makes mark strength an explicit part of the infringement calculus.²⁷⁹ According

²⁷³ *See supra*

²⁷⁴ *Volkswagenwerk Aktiengesellschaft v. Richard*, 492 F.2d 474, 477 (5th Cir. 1974).

²⁷⁵ *See id.*

²⁷⁶ 2 MCCARTHY, *supra* note 23, at § 15:48.

²⁷⁷ 2 MCCARTHY, *supra* note 23, at § 15:43.

²⁷⁸ [Thomas & Betts Corp. v. Panduit Corp.](#), 65 F.3d 654, 36 U.S.P.Q.2d 1065, 1071-72 (7th Cir. 1995)

(because the advertising at issue drew attention to "claimed functional and aesthetic advantages," no secondary meaning was found).

²⁷⁹ *Recot, Inc. v. Becton*, 214 F.3d 1322 (Fed. Cir. 2000) ("Famous marks are accorded more protection precisely because they are more likely to be remembered and associated in the public mind than a weaker mark."); *Mobil Oil Corp. v. Pegasus Petroleum Corp.*, 818 F.2d 254 (2d Cir. 1987) ("The unparalleled strength of Mobil's [flying horse logo] mark demands that it be given broad protection against infringers."); *The Nasdaq Stock Market, Inc. v. Antarctica, S.R.L.*, 69 U.S.P.Q.2d 1718, 2003 WL 22021943 (T.T.A.B. 2003) (stating that a mark's fame is a "significant factor" in finding a likelihood of confusion).

to one treatise, mark strength can be dispositive in determining likelihood of confusion.²⁸⁰

A certain amount of renown is needed before there can be any consumer confusion. After all, if a consumer has never heard of the senior mark, then there is nothing to be confused about. But this threshold of knowledge is already accounted for in cases involving descriptive marks by requiring proof of secondary meaning. Moreover, inherently distinctive marks are already “irrebutably presumed” to have achieved sufficient customer recognition upon use.²⁸¹ Thus, any additional inquiry into market renown is unnecessary. Given the cognitive research demonstrating the staying power of mark advertising, it makes little sense to privilege those marks that have achieved public recognition beyond the secondary meaning requirement. If the law is to be recalibrated to encourage consumers to overcome the effects of advertising, those marks that are particularly stuck in our heads should not be provided with extra advantages in the likelihood of confusion analysis.

CONCLUSION: BACK TO THE FUTURE

At the beginning of the twentieth century, the law of advertising underwent a fundamental shift. Where once the courts had been hostile to efforts to protect the goodwill advertisers built up in their trademarked products, suddenly the law was reconfigured to protect consumer goodwill. Belief in advertising’s efficacy and its benign cultural influence led to this judicial about face. At the same time, Progressive-era attacks on an out of touch and scientifically ignorant judiciary pressured the courts into making doctrinal revisions that privileged the advertiser’s craft.

The legal doctrine introduced in the Progressive era has remained in place for nearly a century. Believing that consumers were easily persuaded yet also able to change their minds, the courts shrugged off subsequent critiques of trademark law’s anti-competitive effects and advertising’s threat to weaken consumer autonomy. In the courts’ view, advertising fostered change, it did not prevent it. Judges did not, however, believe that the impression left by advertising in the consumer mind should be protected from all outside forces. When state legislatures passed laws that protected the goodwill built up in a mark regardless of consumer confusion, the courts rebelled and refused to enforce the dilution laws as enacted. Dilution threatened to fix the effects of advertising in the human mind, a thought that was an anathema to most jurists. Recent research in cognitive psychology demonstrates that, even without legal protection, advertising does leave impressions in the human mind that can be extremely difficult to shake.

In the Victorian age, before the formative era of trademark doctrine in the early 1900s, there had been a certain amount of faith in the ability of individuals to manage their materialist desires. Money was not something to be afraid of. Rather, money was a character test that sheer human will could master and then use to enjoy the fruits of material convenience.²⁸²

²⁸⁰ 3A LOUIS ALTMAN AND MALLA POLLACK, CALLMANN ON UNFAIR COMPETITION, § 21:46 (4th ed. 2007) (“The strength of the plaintiff’s mark, however, can be of decisive significance in appraising the likelihood of confusion.”).

²⁸¹ 2 MCCARTHY, *supra* note 23, at § 15:1.

²⁸² CALDER, *supra* note 91, at 88.

A consequence of the Victorian era's value on individual thrift was that purchasers bore some responsibility themselves for detecting deceptive marketing practices. If they were deceived by somewhat obvious use of imitative trademarks that was because they had failed the test. Trademark law decisions of the time read a reasonable person standard into the law that required consumers to exercise discretion and judgment.²⁸³

Over time, the Victorian faith in individual mastery of money weakened. Industrial society produced more and more opportunities for temptation making it increasingly difficult to improve one's self through thrift. When consumerism became not just necessary but virtuous, the marketplace ceased to serve as a spiritual proving ground. It no longer made sense to encourage self-reliance among consumers. Instead, businesses had to be taught to provide a safe atmosphere for consumerism to flourish. With the focus shifted from the individual consumer to businesses, the standard for actionable deception naturally lowered. If commercial culture was to be promoted, it needed to be promoted to all consumers, regardless of their skill in detecting deception.

But without doctrinal rules that encourage consumer self-reliance, advertising's hold on the public mind grows stronger and stronger. Consumers need protection from confusion but they also need the freedom to break free from affective responses to appealing trademarks. Perhaps a return to the Victorian view of advertising is needed. As it stands now, trademark law doctrine creates a vicious cycle. As consumers become more dependent on advertising, they are more likely to be confused. But when a court detects confusion, it awards senior advertisers greater intellectual property rights. This only results in more advertising, less competition, and more consumer dependence. Consumers should be protected from duplicitous advertising, but they should also be encouraged to engage in the sort of cognitive decision making that can break the bonds of brand loyalty, bonds forged by repetitive advertising surrounded by appealing contextual cues. At its core, the law of advertising must concern itself with correcting abuses while fostering a fair and healthy marketplace. Confronting the historical reasons for trademark law's current doctrinal framework will be a step in the right direction.

²⁸³ See *supra* ____.