The International News Quasi-Property Paradigm and Trademark Incontestability: A Call for Rewriting the Lanham Act

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I. Introduction

One frustrating aspect of writing about trademark is that the topic is second only to tax in provoking sleep or boredom on the part of the reader. A partial explanation for this reaction, I believe, is that those who do not practice trademark or other intellectual property law

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sometimes think that the topic is difficult, arcane, and inaccessible. Because of this unfortunate perception, I did not want to begin this Article by writing something soporific like "trademark incontestability doctrine so radically transforms the nature of trademark that it demands reconstruction of trademark law and its theoretical underpinnings." After all, if those of us who are not trademark enthusiasts cannot stomach the dryness of our arguments and the stiltedness of our jargon, trademark scholarship will never transcend the page and impact the real world. Toward that end, I entreat the trademark enthusiast and nonchalant reader alike to shed their preconceptions about trademark discourse as they read and dare I suggest, enjoy, this Article.

Trademark incontestability doctrine so radically transforms the nature of trademark that it demands ground-up reconstruction of trademark law and its theoretical underpinnings. Despite its paradigm-shifting implications, trademark incontestability — with the exception of its application to descriptive marks — is a relatively unexcavated area of trademark law. The fact that the Supreme Court has only addressed (and by most accounts, inadequately) the issue in one case, Park 'N Fly, Inc. v. Dollar Park and Fly, Inc., is most likely a contributing factor to the relative paucity of theoretical and scholastic work on the topic. On the other hand, trademark incontestability, as construed in Park 'N Fly, is, from the perspective of the trademark world, a world-shaking innovation that derailed trademark law from the (heretofore) unswerving track of its theoretic foundations. At a bare minimum, we

1. See, e.g., Suman Naresh, Incontestability and Rights in Descriptive Trademarks, 53 U. CHI. L. REV. 953, 991–92 (1986) (concluding that Park 'N Fly is inconsistent with the common law, and that the common law system struck a better balance of the relevant policy issues); F.T. Alexandra Mahaney, Comment, Incontestability: The Park 'N Fly Decision, 33 UCLA L. REV. 1149, 1150 (1986) ("Park 'N Fly was wrongly decided because allowing merely descriptive marks to become incontestable contradicts basic trademark protection principles . . . .").


— as commentators, policy makers, and pundits — have not thought enough about the ramifications of trademark incontestability and its relevance to the future development of information-based economies.

At this point, you might be saying, "This sounds serious. And what is incontestability doctrine, again?" Strictly speaking, trademark incontestability is a bit of a misnomer. The trademark does not become incontestable. Rather, incontestability doctrine entitles the mark's owner to a conclusive presumption in favor of the mark's validity and of the mark holder's right to exclusive use of the mark. A mark can become incontestable after it has been registered on the Principal Register for five consecutive years of continuous use and after the mark holder complies with certain other formalities — most notably the filing of a self-serving and unconfirmed affidavit. An incontestable mark is not wholly immune to an assault in litigation, but the Lanham Act limits the grounds for attack to those specifically stated in §§ 1064, 1065, and 1115(b). Roughly speaking, that's it, though the literature brims with more detailed treatments of the mechanics and operation of the statutory sections. Incontestability thus seems like a minor thing.

4. See Port, supra note 3, at 539-40 ("It is not the trademark itself that becomes incontestable, as some courts mistakenly articulate. Rather, the registrant's right to use the mark on the goods on its Section 15 Affidavit becomes incontestable.") (footnote omitted).

5. See 15 U.S.C. § 1115(b) (1994) ("To the extent that the right to use the registered mark has become incontestable under section 1065 of this title, the registration shall be conclusive evidence of the validity of the registered mark and . . . of the registrant's exclusive right to use the registered mark in commerce."); see also Naresh, supra note 1, at 955 ("[I]ncontestable' and 'incontestability' refer to the unchallengeability of substantive rights to use a trademark . . . ").

6. See Naresh, supra note 1, at 976 n.96 ("Note that there is no procedure for the Patent & Trademark Office ("PTO") to verify the truth of the statements made in a § 15 affidavit, nor for its publication, nor for any opposition to it.").


8. An incontestable mark is subject to the following defenses: (1) the incontestable mark is generic; (2) the mark holder abandoned the incontestable mark; (3) the registrant committed fraud on the PTO to obtain the incontestable mark; (4) the registrant is using the incontestable mark to misrepresent the source of goods; (5) the mark holder of the allegedly infringing mark is using the incontestable mark descriptively; (6) the mark holder of the allegedly infringing mark has temporal priority within a narrow geographic sphere; (7) the mark holder is using the incontestable mark to violate antitrust laws; (8) equitable principles (i.e., laches or estoppel); (9) the market is functional. See 15 U.S.C. § 1115(b) (1994).

9. See Mahaney, supra note 1, at 1163-69; Naresh, supra note 1, at 973-80; Port, supra note 3, at 535-42.
a technicality, a mere procedural mechanism; its ramifications, however, are far weightier.

As I mentioned previously, at least one consequence of trademark incontestability has received some amount of attention, both from the Park 'N Fly case and most of the commentary: the possibility that a merely descriptive mark lacking secondary meaning could become incontestable. Indeed, Justice Stevens, in his dissent in Park 'N Fly,\(^\text{10}\) contends that the aforementioned possibility became a reality in that case. Such an outcome is particularly and glaringly problematic because a mark that is undeserving of trademark protection in the first place is obviously an unusually weak candidate for incontestable trademark protection. But the issue of incontestability and descriptive marks is a subset of the larger issue of incontestability's general malfit with common law trademark doctrines. Trademarks are not — or at least, were not — property prior to the passage of the Lanham Act;\(^\text{11}\) incontestability, for reasons that I will discuss below, raises a serious question, descriptively speaking, as to whether trademarks now are property. And the indeterminacy of the situation naturally implicates the normative issue of whether trademarks should be property.

Trademarks now occupy a limbo that resembles the situation of news in International News Service v. Associated Press.\(^\text{12}\) Like trademarks, news is of ambiguous status with respect to its


\(^{11}\) See Port, supra note 3, at 520.

Incontestability also attempts to make a trademark itself the subject of property ownership, another concept that the common law has rejected both before and after the passage of the Lanham Act. Trademark rights are traditionally defined at common law as the right to use a certain mark on certain goods and the right to exclude others from using similar marks on similar goods in a way that would be likely to confuse or deceive the public. This is not the same as saying trademarks themselves are property.

\(^{12}\) 248 U.S. 215 (1918).
classification as property.\textsuperscript{13} And in both situations, concerns about creating adequate incentives to convey information consumers need and desire lead to a system of pseudo-property that traditional theories of property only uncomfortably bolster. Moreover, both the misappropriation theory of \textit{International News} and the incontestability provisions of the Lanham Act pose similar dangers in the marketplace and the courtroom. In the marketplace, misapplication of either doctrine can erect informational barriers,\textsuperscript{14} obstacles which, in the case of incontestability, seem even to allow certain firms to engage in predatory or monopolistic pricing.\textsuperscript{15} In the courtroom, judges struggle

13. \textit{See id.} at 236 ("Regarding the news, \ldots we hardly can fail to recognize that for [the] purpose [of competition], and as between [the parties], it must be regarded as quasi-property, irrespective of the rights of either as against the public."). As Richard Epstein points out, "property rights in tangibles acquired at common law under the first possession rule usually possess two key characteristics. First, they are good against the rest of the world, and second, they are of infinite duration." Richard A. Epstein, \textit{International News Service v. Associated Press: Custom and Law as Sources of Property Rights in News}, 78 VA. L. REV. 85, 113 (1992). Under this analysis, the \textit{International News} right in news was "quasi"-property because it was good only against a competitor and lasted only for a limited time.

14. With respect to these risks in the context of misappropriation, see Leo J. Raskind, \textit{The Misappropriation Doctrine as a Competitive Norm of Intellectual Property Law}, 75 MINN. L. REV. 875, 882 (1991) ("[The \textit{International News} doctrine] can serve as a barrier against competitive behavior that reduces the supply of a given product to the detriment of social welfare."). Many commentators have analyzed the harms arising from incontestability. \textit{See} Naresh, \textit{supra} note 1, at 967 ("Monopolization of descriptive marks would create serious informational barriers by impeding the flow of direct information important to buyers' purchasing decisions."); \textit{id.} at 968 ("Preventing a seller from conveying the very information that buyers want most would put it at a serious competitive disadvantage as compared to the seller with a monopoly of the descriptive mark."); Mahaney, \textit{supra} note 1, at 1172 ("[A] monopoly in a merely descriptive term cannot be justified because these terms do not function properly as a trademark [sic] and because the cost to society is high. The ways to describe a product are limited; therefore, the grant of a monopoly in a descriptive word denies competitors the right to use words which describe their own product."). \textit{Cf.} Port, \textit{supra} note 3, at 530 ("No individual should be able to appropriate existing terms in the language for their own commercial advantage when to do so would prevent competitors from using that term to describe their competing products.").


A given product has only so many attributes that interest buyers. So if one producer is allowed to appropriate the word that describes that attribute, he will obtain rents measured by the higher price he receives for his brand because it is so costly for his rivals to inform their customers of the attributes of their brands without using the descriptive word that has been appropriated.
to strike delicate balances on the basis of inadequate information.16 "the task of discovering new common law intellectual property rights is extraordinarily difficult because it requires grappling with first principles.917 Finally, at bottom, both International News misappropriation18 and trademark incontestability are about preventing free riding,19 yet neither doctrine adequately distinguishes between free riding that leads to market failure and creates "disincentives to the creation of socially desirable works"20 and free riding that is inevitable

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16. In intellectual property cases, the evidence before the judge is usually incomplete because intellectual property disputes always involve a struggle between private rights and the public domain, but litigation only includes representation of the private rights. See Wendy Gordon, On Owning Information: Intellectual Property and the Restitutionary Impulse, 78 Va. L. Rev. 149, 279 (1992) ("[L]itigation contains a structural bias against the articulation of a community interest in free access, for the community as such cannot be a litigant."). This imbalance is compounded by a similar problem in our legislative fora:

In the intellectual property arena, organized interests favoring protection often seem to have more weight in the political process than the diffuse interest of the general public. These organized interests usually have a direct financial stake in legislative or regulatory change, while the countervailing public interest is the amorphous goal of advancing technology and culture through enhancement of the public domain and the incremental improvement of existing works.

Dennis S. Karsjala, Misappropriation as a Third Intellectual Property Paradigm, 94 Colum. L. Rev. 2594, 2606 (1994).


18. In this Article, I use the term "International News misappropriation" to mean a cause of action for misappropriation justified in terms of quasi-property.


[Misappropriation, like trademark and unfair competition, has its] roots in the idea that investments in those features of a brand that make it appealing to consumers should not be undermined by others who seek a free ride, whether on the work that produced the good will underlying the mark or on the mark itself.

Id.; see also Landes & Posner, supra note 15, at 272 ("If the law does not prevent it, free riding will eventually destroy the information capital embodied in a trademark. The prospect of free riding may therefore eliminate the incentive to develop a valuable trademark in the first place.").

and integral to our cultural\textsuperscript{21} existence.\textsuperscript{22} Because of this imprecise condemnation of free riding, both doctrines threaten the existence of a rich and inspiring public domain.\textsuperscript{23}

In this Article, I argue that trademark incontestability doctrine haphazardly adheres to a paradigm first enunciated in \textit{International News}. This model yields a cause of action that has three distinguishing characteristics: (1) it provides protection for things of value that elude classification as traditional forms of property;\textsuperscript{24} (2) it erects barriers to entry and competition by preventing free riding;\textsuperscript{25} and (3) it is most important, and its logic is most appealing, in situations where new technologies leave market leaders vulnerable to crippling competition from a copier,\textsuperscript{26} or where competition, for frequently vague and unarticulated reasons, seems to have exceeded the limits of business

\footnote{21. I use the term "cultural" here broadly to include, inter alia, economic, sociological, and linguistic considerations.}

\footnote{22. See Lemley, \textit{supra} note 11, at 1694 n.33 ("Free riding is good — indeed, it is the essence of competition — unless there is some reason to think it will lead to a market failure. Were it not for free riding, everything we did, bought or used would . . . be purchased at a monopoly price . . . "). Gordon, \textit{supra} note 16, at 157 ("A culture could not exist if all free riding were prohibited within it. Every person’s education involves a form of free riding on his predecessors’ efforts, as does every form of scholarship and scientific progress."); see also Epstein, \textit{supra} note 13, at 122 ("Some considerable degree of free riding is necessary to avoid the endless problems of hold-out and blockade.").}

\footnote{23. See Gary Myers, \textit{The Restatement's Rejection of the Misappropriation Tort: A Victory for the Public Domain}, 47 S.C. L. REV. 673, 674 (1996) ("[T]he tort of misappropriation threatens the existence of a well defined ‘public domain’ of information to which the public can freely obtain access."); Malla Pollack, \textit{Time to Dilute the Dilution Statute and What Not to Do When Opposing Legislation}, 78 J. PAT. & TRADEMARK OFF. SOC’Y 518, 531 (1996) ("[B]y giving mark-holders wide rights, we are trampling on the public’s rights in the public domain.").}

\footnote{24. See Myers, \textit{supra} note 23, at 697 ("Misappropriation claims are often asserted by parties whose information is unprotected by other intellectual property theories and which would otherwise be in the public domain."); see also Bruce P. Keller, \textit{Condemned to Repeat the Past: The Reemergence of Misappropriation and Other Common Law Theories of Protection for Intellectual Property}, 11 HARV. J.L. & TECH. 401, 403 (1998) ("The common law has emerged as a source of protection for intellectual property rights throughout this century whenever statutory protection for new forms of media were still evolving.").}

\footnote{25. See Raskind, \textit{supra} note 14, at 882 ("[The International News doctrine] can serve as a barrier against competitive behavior that reduces the supply of a given product to the detriment of social welfare.").}

\footnote{26. See Karjula, \textit{supra} note 16, at 2598 ("The original misappropriation case arose because the new technology of telegraphy permitted fast and inexpensive copying across the continent of hard-won information that was freely copyable under the primary paradigms [of patent and copyright].").}
ethics and fair play. A fourth characteristic (though I do not label it as "distinguishing" since many doctrines suffer this fault) is that of obfuscation: judges cannot apply these doctrines because they lack adequate analogies to guide their decision-making. However, to the extent that misappropriation has a legitimate, limited role to play in regulating market behavior, the rationales justifying such a role do not extend to trademarks. To the extent that trademark incontestability merely transplants International News misappropriation into another forum, it is a doctrine without a justification.

Nevertheless, I argue in favor of a narrow, legitimate role for trademark incontestability. Incontestability has a place in a revised scheme of trademark — an arrangement in which trademarks evolve from quasi-property to property, from an oscillating hybrid to a stable purebred state, away from International News and closer to a paradigm that supports economic growth. Toward this end, I advocate abolishing protection for descriptive marks altogether — regardless of whether they have or can show secondary meaning — in exchange for a limited outright property right in suggestive, fanciful, and arbitrary marks. Moreover, I believe, for constitutional reasons, that trademarks must embrace a time limitation on their existence. If Congress amended the Lanham Act to reflect these alterations, then abrogating incontestability altogether is not necessary, since the primary risks the doctrine poses occur only when it is applied to descriptive marks.

27. See Robert C. Denicola, Institutional Publicity Rights: An Analysis of the Merchandising of Famous Trade Symbols, 62 N.C. L. REV. 603, 628 (1984) ("Misappropriation" proved a convenient reference when no other principle of unfair competition law would serve to alleviate the perceived injustice of defendant’s enrichment at plaintiff’s expense."); see also Raskind, supra note 14, at 905 ("The majority opinion in International News gave rise to an ad hoc rationale grounded only in a reaction to distasteful conduct and therefore devoid of analytical content.").

28. See, e.g., Karjala, supra note 16, at 2599 ("Unless we can protect against cheap and easy methods of copying, we are left with the unpalatable choice of allowing misappropriation and the concomitant underproduction . . . of desirable works or of recognizing a new copyright in the underlying works, essentially removing them from the public domain.").

29. See infra Part II.C.

30. Incontestable suggestive, arbitrary, or fanciful marks suffer from few of the drawbacks that plague descriptive marks. An incontestable suggestive, fanciful, or arbitrary mark does not remove a term from commerce that is vital to a mark-holder’s competitive fitness. See generally Carter, Trouble with Trademark, supra note 19, at 763 ("When the law allows a firm to appropriate a mark, the size of the set of words available to the next firm is reduced."). Moreover, the supply of fanciful marks is unlimited; a producer need only invent one. For fanciful marks, the "irrelevant mark assumption" (so named by Stephen Carter) is relatively accurate: "the set of available
Eliminating descriptive marks solves that problem, but leaves untouched the quandary of the dubious status of trademarks as property. I favor resolving that issue by acknowledging trademarks as full-fledged property and using this pedigree as a carrot to provide firms with incentives to create powerful marks. This comports with the apparent intent of the Congress and adequately distinguishes between socially harmful and beneficial types of free riding.

II. THE INTERNATIONAL NEWS QUASI-PROPERTY PARADIGM

The real danger of a theoretical model is that someone will try to apply it. Projections rarely materialize in the real world as planned. Incontestability falls into this general rule; though seemingly modeled on misappropriation, it does not quite fit within the International News quasi-property paradigm. I argue that trademark incontestability doctrine tracks most of the International News paradigm tolerably well:

marks is virtually infinite and, in consequence, . . . the actual mark chosen by a firm to represent its goods is irrelevant." Id. at 760. Finally, a suggestive, fanciful, or arbitrary mark clearly deserves trademark protection; therefore, courts will never confront the uncomfortable situation of having held a mark incontestable, but simultaneously, merely descriptive (and therefore unworthy of any trademark protection at all). See Munters Corp. v. Matsui Am., Inc., 909 F.2d 250, 252 (7th Cir. 1990) (upholding a district court opinion finding a trademark incontestable on the "validity of the mark" inquiry but merely descriptive on the "likelihood of confusion" analysis).

31. As it stands right now, "[t]rademark law . . . provides no incentive to create new marks. . . . Indeed, trademark law may be described as indifferent to the creation of marks, in the sense that the number of marks makes no difference." Carter, Trouble with Trademark, supra note 19, at 768. "[Instead of providing incentives to firms] to be clever in selecting a mark . . . the law encourages the development of goodwill and the association of that goodwill with a mark." Id.; see also Lemley, supra note 11, at 1694 ("We don't protect trademarks to encourage the creation of more trademarks . . . ."); Landes & Posner, supra note 15, at 291 ("Property rights are not necessary in order to induce the rapid creation of serviceable new words for new things. Trademarks are a minor source of generic names, and we can think of no product whose introduction or diffusion was retarded because it did not have a serviceable name.").

32. See Port, supra note 3, at 565.

By separating [as § 33(b) of the Lanham Act does] ownership of the mark (something not recognized at common law) from the exclusive right to use the mark (something recognized at common law), Congress raised the implication that there was an entity which could be absolutely owned — the mark itself. It is difficult to imagine that after twenty-six years of studying the matter, Congress and Representative Lanham were not aware of this distinction.

Id. (footnote omitted).
(1) it reduces trademarks to quasi-property; (2) it erects barriers to entry and competition by preventing free riding; and (3) judges find it impossible to apply. Unfortunately, incontestability has no saving grace: it is not particularly appealing in the case of emerging technologies or new media, and its logic is not somehow more sensible in the case of competitive behavior that is beyond the pale. On the contrary, judges may find themselves bound to apply the doctrine in situations where its impact is inequitable. In the following subparts, I illustrate how trademark incontestability for descriptive marks comports with and deviates from the International News paradigm.

A. Status as Property

Both the information protected by the International News misappropriation doctrine and trademarks occupy a peculiar purgatory between property and non-property. In this subpart, I survey the difficulties encountered in classifying either item as property, and I conclude that the primary harm of incontestability is its destabilizing impact: it transforms trademarks from non-property to quasi-property.

The Court in International News never attempted to classify news as anything other than quasi-property: news, in this context, was sufficiently like property to justify protection. The Court's fuzzy and unreasoned insistence that the Associated Press' information was entitled to protection from copying was devoid of the analytic rigor required to classify it as property (or to deem it non-property and discover another method of reaching the same outcome).

33. See Robert C. Denicola, Trademarks as Speech: Constitutional Implications of the Emerging Rationales for the Protection of Trade Symbols, 1982 Wis. L. Rev. 158, 172 (1982) ("Perhaps because we are unaccustomed to property rights that are effective against so small a minority, the Court declined to characterize AP's interest in the news as property, choosing instead the conveniently vacuous term 'quasi-property.'").

34. Justice Brandeis' impressive dissent undertook the grueling analysis that the majority dodged, and he concluded that "[t]he knowledge for which protection is sought in the case at bar is not a kind upon which the law has heretofore conferred the attributes of property. . . ." International News Service v. Associated Press, 248 U.S. 215, 251 (1918) (Brandeis, J., dissenting). Brandeis additionally unearthed an alternative theory for relief: "We find the positive suggestion in some cases that the only ground for relief is the manner in which knowledge of the report of the news was acquired." Id. at 253. This focus upon the manner in which the competitor obtains the information, rather than the character of the information as property, is exactly what Karjala advocates as a "third paradigm" for intellectual property protection: "[A]ny antimisappropriation statute that implements a general third paradigm must focus on
Regarding the news . . . as but the material out of which both [INS and AP] are seeking to make profits at the same time and in the same field, we hardly can fail to recognize that for this purpose, and as between them, it must be regarded as quasi property, irrespective of the rights of either as against the public.

In order to sustain the jurisdiction of equity over the controversy, we need not affirm any general and absolute property in the news as such. The rule that a court of equity concerns itself only in the protection of property rights treats any civil right of a pecuniary nature as a property right[3] and the right to acquire property by honest labor or the conduct of a lawful business is as much entitled to protection as the right to guard property already acquired.\(^{35}\)

Scholars subsequently sought to support this outcome theoretically. Richard Epstein's distinguished article about International News concluded that the case reached the right outcome, although for the wrong reason. He argues that the customs governing the relationship between INS and AP became a source of property rights,\(^ {36}\) and that the

\(\text{the evil to be avoided — misappropriation, or ‘market failure’ rather than on the nature of the works protected.” Karjala, supra note 16, at 2605.}\)

That the Court reached its outcome via the quasi-property path and not by means of condemning the method of conveying the information is unfortunate; its analytic indeterminacy has spawned a quasi-property progeny — incontestability — that, like its sibling misappropriation, is a bratty doctrine resistant to judicial control.

36. See Epstein, supra note 13, at 106.

Both [AP and INS] sought to partition the difficulties of collecting news from the European theater from the more general question of what rules govern the acquisition of property rights in news. In this backhanded fashion, both implicitly acknowledged the system of informal property rights that had evolved in the news industry without any apparent legal intervention.

\(\text{Id. Epstein concluded that, because INS and AP were competitors who were constantly involved in reciprocal transactions, the Court’s outcome correctly accorded with the outcome dictated by the informal system of property rights. “[C]ustom should be followed in those cases in which there are repeat and reciprocal interactions between the same parties, for then their incentives to reach the correct rule are exceedingly powerful . . . In a word, custom works well for direct competition, but not so well for follow-on cases.” Id. at 126.}\)
Court could have reached its outcome simply by following the established practices of the business.\textsuperscript{37}

Pitney [did] not expressly rely upon the customary practices within the industry to account for the result in the case. . . . [H]e manage[d] to produce, by diverging at . . . two critical junctures from the standard conception of common law rights, the very same distribution of outcomes that would have been achieved if he had simply decided that custom within the industry set up the property rights as between industry competitors.\textsuperscript{38}

Epstein argues for legitimating custom as a source of property rights in situations where the parties are in direct competition and must engage in repeated, reciprocal transactions; in these instances, self-enforcing contracts provide a workable analogy to the customs that arise. In other words, judges can trust that the customs arising in these situations will reflect a competently-conducted cost/benefit analysis because the circumstances giving rise to the customs will be analogous to self-enforcing contracts. According to Epstein, the legitimate scope of misappropriation is thus confined; \textit{International News} reached the correct outcome because the facts fell within the ambit of the self-enforcing contract analogy.

\textsuperscript{37} Specifically, the established practice that arose had two parts. First, the parties allowed each other to share tips, so long as they followed up on the tips independently. Second, the parties did not allow each other to appropriate wholesale each other’s new stories. \textit{See id.} at 98. Epstein criticized the judges’ reluctance to rely on this two-part distinction as follows:

\textit{[T]he methodology [used by the appellate and Supreme courts in \textit{International News}] . . . was flawed because both Hough and Pitney relied too heavily on their independent cognitive judgments about the inherent plausibility of the distinction [between following up on tips and misappropriating wholesale] and less upon the practices within the industry that led to its creation.}

\textit{Id.} at 101. This focus — on first principles and away from custom — was not entirely the doing of the judges, however, since the parties themselves argued the case in these terms. \textit{See id.} at 106 ("[N]either [INS nor AP] explicitly argued that property rights should follow the custom of the industry. Instead, the parties approached the property right issue . . . [by insisting that] matters of first legal principle . . . be brought to bear on the case.") (footnote omitted).

\textsuperscript{38} \textit{Id.} at 116–17.
Dennis Karjala proffered another impressive defense of the misappropriation paradigm. He argued that misappropriation was an apt cause of action when parties confronted market failure. "[M]arket failure' [i]s the central problem for the protection of products that fall through the crack between patent and copyright."39 "[M]isappropriation does not focus on specific objects of protection . . . but rather looks to methods of acquiring information that, if permitted, would result in disincentives to create desirable works . . . [M]isappropriation . . . would exclude from the new scheme of protection any information-based product that is not the subject of market failure . . . ."40 Karjala emphasized, however, that "[t]he deliberate results [of the patent and copyright systems] reflect a fear that greater protection would hinder the development of more and better products and works than it would engender,"41 and therefore, "[t]he burden of demonstrating a specific example of market failure . . . should be placed on the forces seeking protection . . . ."42 On this theory, International News reached the correct outcome because AP faced market failure as a result of new telegraph technology. Under Karjala's analysis, the nature of the news itself, as quasi-property or otherwise, is irrelevant because INS's method of appropriating the news created a market failure; normatively speaking, misappropriation should be available to remedy that harm.

Finally, Douglas Baird sought to fortify misappropriation by shifting the focus away from theory altogether. Baird rejected the notion that incentive theory or natural law justifications for common law intellectual property made much of a difference in terms of outcomes: "[I]n practice relatively little turns on the choice of an underlying theory. Rather, the danger is that judges will fail to identify the interest for

39. Karjala, supra note 16, at 2594. Like Karjala and Epstein, Wendy Gordon has also proposed limiting principles for the tort of misappropriation. One factor to which she suggests judges look is "asymmetrical market failure," which occurs when the copier goes to the creator to get a license, but the creator cannot bargain with the public at large. See Gordon, supra note 16, at 230–31. Interestingly, another of Gordon's limiting principles is "nonreciprocity," id. at 223, which parallels Epstein's focus on long-standing relationships involving reciprocal transactions. See supra note 36. This repeated emphasis in the literature highlights that misappropriation has a narrow, legitimate role to play where parties are in direct, long-standing competition and new technologies create either potential or actual market failure.

40. Karjala, supra note 16, at 2595.
41. Id. at 2597.
42. Id. at 2606. "The presumption of a new paradigm should be that, when a product falls outside the protection of the two major paradigms, it falls outside for valid social policy reasons that have been honed and refined over years of statutory tinkering and judicial interpretation." Id.
which protection is being urged and hence fail to discover the
telepathy property cases that provide the most useful analogies."43
Citing Justice Pitney's use of the reap/sow analogy,44 Baird concluded
that Pitney was comparing information (a public good) to wheat (real
property).45 To the extent that Pitney erred, Baird argues, his mistake
was not his attempt to classify news as "quasi-property," but rather his
selection of an analogy that was not a public good.46 On this theory,
misappropriation is a valid and useful doctrine, so long as judges
undertake a very precise analysis that carefully matches analogies to the
case at hand.

Though these scholars do succeed in their efforts to justify the
outcome in the case, none supports Pitney's reasoning; each faults his
methodology, either for relying too much on his own intuition instead
of empirical facts about the nature of the industry, for classifying news
as special instead of focusing on the nature of the taking, or for using
the wrong analogy. Strangely, Pitney's reasoning47 about quasi-

43. Baird, supra note 17, at 411.
44. See id. at 412 ("[N.S.] in appropriating [the news] and selling it as its own is
endearing to reap where it has not sown . . . ." (quoting International News Service
v. Associated Press, 248 U.S. 215, 239 (1918))).
45. See id. at 413 ("[T]he analogy between wheat and information does not apply
with full force . . . .")
46. See id. at 421, 429.

Balancing between the rights of the creator and the copier or
between incentive and free access is necessarily approximate, and
the differences between protecting a creator's individual rights and
giving him an incentive or between imposing limits on a natural
rights theory and ensuring public access are elusive. Rarely will the
case arise the outcome of which turns on the principle the judge
embraces. . . . [Thus,] identifying [proper analogies] may be more
important than deciding between natural rights and economic
incentive theories of intellectual property.

Id. (emphasis added).

47. The reasoning, essentially, is this: because the information is valuable in this
case, it must be property-like. Scholars have excoriated precisely such reasoning:

As Ralph Brown reminded us often, the essence of any intellectual
property regime is to divide the valuable subject from private
appropriation from the valuable subject that, precisely because of its
importance, is reserved for public use. . . . Value, without more,
does not tell us whether a particular item for which protection is
sought belongs in the proprietary pile or the public one.

Litman, supra note 11, at 1728–29 (footnotes omitted); see also 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, 124 (1996) ("To my mind, courts are too quick to equate value with right; to leap
property is exactly what has survived — despite its lack of explanation — in the International News paradigm that so influences incontestability doctrine.

Unlike the news in International News, trademarks were not born into quasi-property (or semi-aristocracy, for that matter). "At common law, trademarks themselves have never been property. In fact, it is very well settled common law that there are no rights whatsoever in a trademark alone."\(^{48}\) Kenneth Port has noted:

Trademarks . . . enjoy none of the "bundle of rights" that other forms of property enjoy. Trademark holders possess only the right to exclude others from using that specific trademark on similar goods. . . . Mark holders do not possess a property right in the mark itself, because trademarks are nothing when devoid of the goodwill they have come to represent or the product on which they are used.\(^{49}\)

But even though trademarks were not property, the common law analysis was not easy. Like copyrights and patents, which are public goods,\(^{50}\) trademarks are information and have value; in this respect, they present difficulties similar to those posed by public goods. Public

\(^{48}\) Port, supra note 3, at 559 ("[J]ust because something has value does not mean that it is therefore property.").

\(^{49}\) Port, supra note 3, at 552; see also supra note 11.

\(^{50}\) See Myers, supra note 23, at 684 ("[T]he economic basis for intellectual property protection is that information is a public good."); see also JAMES BOYLE, SHAMANS, SOFTWARE, AND SPLEENS: LAW AND THE CONSTRUCTION OF THE INFORMATION SOCIETY xi (1996) ("Economic theory tells us that 'public goods' will be underproduced because there will be too little incentive to create them. . . . The obvious answer to these problems is the creation of 'intellectual' property rights."); W. Curtiss Priest, The Character of Information: Characteristics and Properties of Information Related to Issues Concerning Intellectual Property, in AN INFORMATION FRAMEWORK FOR THE PLANNING AND DESIGN OF "INFORMATION HIGHWAYS" § 2.2.1 (1985), available at <http://www.eff.org/pub/Groups/CITS/Reports/cits_nii_framework_ota.report> ("[Public goods] are goods that multiple consumers can enjoy at the same time . . . . Information has the characteristic of a public good — the use by one consumer does not prevent the use by others.").
goods suffer distinctive problems because they have two characteristic features: they are non-exclusive and non-rivalrous. Because of these traits, "public goods . . . give rise to a pattern in which consumers will get less of the good than they would otherwise be willing to pay for." Moreover, solving that problem usually entails resorting to centralized, governmental regulation because exclusive rights in public goods may actually decrease their exploitation, contrary to the generally accepted theory of the effect of exclusive rights and real property. Though 

51. See Myers, supra note 23, at 684 ("The first [feature of a public good] is a problem of appropriability — unless copyright law or another intellectual property right is in force, it is impossible to prevent other persons from copying or using information once it is created and disseminated."); see also Priest, supra note 50, § 2.2.1.1 ("Inappropriability of Information — The difficulty in receiving full market compensation for the creation of information due to the problem of exclusion.").

52. See Priest, supra note 50, § 2.2.1.2.

Information is a very durable good. It does not dissipate with use. It may become less valuable when "better" information is generated but the original information is still present.

Information and knowledge can therefore accumulate over centuries and millennia. From society's standpoint this is a very positive characteristic but from a firm's standpoint this is a negative characteristic. A producer of information must not only compete with other present producers of information but also with all past producers.

Id.; see also Myers, supra note 23, at 684 ("The second economic characteristic of information is inexhaustibility. Once information, such as a book, is created, it can be read and understood by an inexhaustible number of persons . . . .").

53. Wendy J. Gordon, Assertive Modesty: An Economics of Intangibles, 94 COLUM. L. REV. 2579, 2587 (1994) [hereinafter Gordon, Assertive Modesty]; see also Priest, supra note 50, § 2.2.1.1 ("The major result of inappropriability is under-production of information.").

54. See Priest, supra note 50, § 2.2 ("Market-failure and the role of government are closely entwined since a major role of government is to provide what the market cannot.").

55. See Restatement (Third) of Unfair Competition § 38 cmt. b (1993) ("Unlike appropriations of physical assets, the appropriation of information . . . does not ordinarily deprive the originator of simultaneous use. The recognition of exclusive rights may thus deny to the public the full benefits of valuable ideas and innovations by limiting their distribution and exploitation."). See generally Myers, supra note 23, at 684 ("As a matter of economics . . . once information is created, it is desirable for that information to be disseminated to all persons who have an interest in it because there is little or no cost involved in doing so."); Epstein, supra note 13, at 115 ("[O]nce the [intellectual] property is effectively developed, the information may well have greater value if it is used by many people simultaneously than if it is used and kept by one person alone . . . .")

56. See Naresh, supra note 1, at 986.

The economic theory of property rights asserts that the creation
trademark is not a public good, ... it nevertheless exhibits non-excludability, for ... if a firm of good reputation tried to mark its goods with a symbol to let consumers know them[, ... other firms could imitate the symbol and trade on the first firm's reputation."

So at common law, a trademark was not property, but a representation of property (goodwill or the exclusive right to use the mark on a product).\[58\] Despite this status, a trademark still bore resemblance both to intellectual property and to public goods: it had value, it was information, and it was non-excludable. Into this system of definite classification (a system which, nonetheless, already yielded sometimes precarious applications), Congress threw the monkey wrench of incontestability. Incontestability obfuscates the property status of trademarks because "[b]y separating ownership of the mark (something not recognized at common law) from the exclusive right to use the mark (something recognized at common law), Congress raised the implication that there was an entity which could be absolutely owned — the mark itself."\[59\] Moreover, the justifications for incontestability invariably resort to theories of property rights; if trademarks are not property, then explaining incontestability in terms of property rights is nonsensical. And to complicate things further, none

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of a property right in a resource is justified by the need, statically, to direct the resource to its highest-valued use, and dynamically, to ensure its optimal utilization and proper development. These objectives cannot be achieved unless the resource is subjected to exclusive control. In the absence of such control, it cannot be directed to its highest-valued use, for the bidding-up process essential to such direction cannot occur. It cannot be optimally utilized, for each user's private costs will be lower than the social costs associated with its use, and this difference will lead to overutilization. Finally, the resource cannot be properly developed, because no one will invest in development without some assurance of reaping the fruits of that investment.

Id. (footnotes omitted); see also Landes & Posner, supra note 15, at 267–68.

57. Carter, Trouble with Trademark, supra note 19, at 762–63; see also Landes & Posner, supra note 15, at 276 ("A proper trademark is not a public good; it has social value only when used to designate a single brand.").

58. See Port, supra note 3, at 558 ("[R]ather than describing property rights in and to a trademark itself, it is conceptually more consistent with the evolution of trademark jurisprudence to say that an owner has property rights to use the mark on certain products, and not a property right in the mark itself."); see also Litman, supra note 11, at 1720 ("Trademarks should not be considered freestanding items of property, but instead [as] only symbols, mere repositories of the good will that accumulate[s] around the products that they distinguish . . . .").

59. Port, supra note 3, at 565.
of the property-rights explanations offers a complete account of incontestability for descriptive, suggestive, and arbitrary or fanciful marks. Some make more sense for one type of mark than others, while some of the theories are ridiculous as explanations for any portion of incontestability. Nevertheless, the explanations proliferate, and a sneaking suspicion lurks that these rationalizations announce a radical transformation.

The tired and trite justification for incontestability "is that it is necessary to quiet the registrant's title to the mark." Suman Naresh adeptly disposes of this shoddy argument by demonstrating why none of the rationales for quieting title in an adverse possessor applies to trademark, and I see no need to revisit his analysis in detail. One thing Naresh does not mention, however, is that adverse possession cannot run against the federal government. When the federal government holds public goods, like national parks, in trust for the populace, no amount of adverse possession of the land by a prospector will yield property rights. If adverse possession cannot run against the federal government, then, to the extent the federal government holds our language in trust for the populace, a firm cannot remove a word from the public domain simply by using it exclusively for five years.

60. Naresh, supra note 1, at 982; see also Mahaney, supra note 1, at 1186 ("Incontestability has been analogized to a decree quieting title in real property because [it] . . . forecloses any further contest over the ownership of the property. . . . The [holder] can expend money and effort on its business and trademark without fear of losing its right to the mark later.").

61. See Naresh, supra note 1, at 982–85. The two rationales for quieting title in the adverse possessor are the "evidentiary" rationale, and the "holdout" concern. Id. at 982. The former seeks to prevent the destruction of evidence over time, and the latter addresses the risk that the real owner may conceal his presence until the adverse possessor has invested substantial amounts in improving the property, at which point the real owner will emerge and "hold out for settlement at a price that includes a substantial rent component." Id. at 982–83. Unfortunately, "([I]ncontestability only eliminates challenges to validity, where the registrant's property right is attacked on the ground that the mark lacks distinctiveness . . . . [And] neither rationale for adverse possession has much (if any) relevance in this context." Id. at 984–85 (footnote omitted).

62. See 28 U.S.C. § 2409a(n) (1994) ("Nothing in this section [which permits the United States to be a defendant in suits to quiet title] shall be construed to permit suits against the United States based upon adverse possession.").

63. See United States v. California, 332 U.S. 19, 40 (1947) ("The Government, which holds its interests here as elsewhere in trust for all the people . . . [cannot] lose its valuable rights by [the] acquiescence, laches, or failure to act [of its agents].").

64. This point never comes up in litigation (and therefore does not make it into the case law) because trademark infringement suits are paradigmatically between two private parties; the government is not present, and neither of the parties with a stake in the
Therefore, even if incontestability doctrine catapulted trademarks from non-property to the hallowed ground of property-dom (and it seems to have done so), the quieting title rationale would still be a dud.

A second theory undergirding incontestability is the familiar idea that granting exclusive rights is necessary to foster optimal exploitation of the mark. But this also fails as a viable account. A descriptive mark, at least, "is not a scarce resource. Since one person's use of a descriptive mark does not affect its availability (either quantitatively or qualitatively) to other users, there is no static allocation problem, and no dynamic utilization problem requiring for its solution the creation of a property right." 65 And while "[i]t is true that, in the absence of [exclusive] rights, sellers are deterred from adopting distinctive marks and from investing resources to make them distinctive," 66 Naresh concludes (and I agree) that "there is nothing wrong with this result." 67 "[T]he increased marketability of a descriptive mark is not necessarily a socially beneficial objective. The common law places such marks in the public domain, and views it as neither necessary nor desirable to permit private property rights in them." 68 In short, descriptive trademarks are not scarce resources, so providing prospectors with incentives to develop them is not a relevant policy concern. That is not to say that the scarce resources theory — or for that matter, the first appropriation and labor theories — have no application to incontestability: they seem to offer powerful justifications for transforming suggestive, arbitrary, and fanciful marks into property; the scarce resources theory simply has no bearing on descriptive marks. Since a more thorough explanation of my argument is tangential here, but directly relevant later in the Article, I explain it more fully below. 69

The final two property theories that scholars advance to support incontestability readily collapse when applied to descriptive marks, and I quickly survey them. The first is the "I got there first" theory of

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65. Naresh, supra note 1, at 986.
66. Id.
67. Id.
68. Id. at 985. "The common law distinctiveness criterion embodies a perception that this informational barrier [erected by exclusive rights in descriptive marks] would be substantial and should not be permitted." Id. at 967.
69. See infra Part III.A.
property. In a nutshell, the law entitles mark holders to claim incontestable status because they registered their mark first. While this theory has a respectable and legitimate lineage, it cannot explain incontestability except through the most tortured and discombobulated application. Exactly what does it mean to be first possessor of a word? One could be the first person to invent a word to put on a product, or the first to place a word on a particular product, but how does that constitute possession, as opposed merely to use? For that matter, how is fencing off a word from the public (and thereby taking possession of it) even possible? Mark holders can undertake genericide policing campaigns, or lobby dictionary makers to define their words as trademarks, but neither of these acts is likely to prevent people from referring to a generic can of cola as a "coke" or to a tissue as a "kleenex." And even assuming arguendo that "the registrant is the first possessor, . . . the acts of possession prescribed by the [Lanham Act] are purely unilateral, and so cannot justify the creation of exclusive

70. See Epstein, supra note 13, at 107.

The rule [of first possession] holds that anything in the initial position (that is, something that no one possesses or owns) is a res nullius — a thing owned by no one. The act of possession and occupation takes things from the initial position and confers upon the first taker the full rights of ownership — the rights of possession, use, and disposition.

Id. (footnote omitted).

The primary problem with using the rule of first possession as it applies to language is that no initial position can be ascertained. Language is constantly evolving and its meaning shifting; only fanciful marks — those invented for the purpose of being used as trademarks on a particular product — can ever be in the initial position. I discuss the possibility that the first appropriation theory can support property rights in fanciful marks infra at text accompanying notes 187-88.

71. See Port, supra note 3, at 561 ("Boudewijn Bouckaert concludes that the twin features of natural scarcity and possibility of physical possession — elements that justify property rights in oneself and tangible objects — do not justify recognition of property rights in any intellectual property.") (citing Boudewijn Bouckaert, What Is Property?, 13 HARV. J.L. & PUB. POL’Y 775 (1990)).

72. See 2 McCarthy, supra note 7, § 12:28, at 12-67; see also Joseph E. Washington, The Impact of Public and Media Use on Trademark Rights: An Analysis of Illinois High School Ass’n v. GTE Vantage, Inc. and “Dual Use” Terms, 48 CATH. U. L. REV. 605, 610 (1999) ("[T]rademark owners should police the use of their own trademarks diligently to retain full protection . . . ").

73. See 2 McCarthy, supra note 7, § 12:28, at 12-67 to 12-68; see also Washington, supra note .72, at 643-44 ("[T]rademark holders have trademark awareness campaigns, aimed at consumers and the trade [which includes the media and book and dictionary publishers], designed to prevent these popular misuses of their marks.").
rights that bind the public as a whole."^{74} "Finders keepers" cannot apply in any meaningful sense to language and therefore does not rationalize incontestability doctrine in any satisfactory way.

The final theory, much maligned but seemingly ever-present, is the "labor" theory of property. "John Locke is credited with the observation that he who takes something out of a state of nature to create something useful thereby makes it his property."^{75} This theory usually has far less persuasive impact with respect to trademarks than with copyrights and patents because registrants generally expend far less work^{76} on trademarks than they do on other creations. But even assuming that the registrant engages in sufficient "work" to warrant ownership of the "fruit," the situation is identical to the "I got there first" theory: "the labor theory fails securely to bridge the gap between possession and property, for to labor upon something is no less unilateral than to take possession of it, and just as incapable of being the source of rights that the whole world is bound to respect."^{77} More generally, "[n]atural law approaches to intellectual property ... tend to move quickly and controversially from 'labor' to 'reward' to 'property.' But property is not the only possible form of reward."^{78} Offering a reward other than property — in other words, a prize other than incontestability — is particularly appealing in a situation where, with descriptive trademarks, the "work" expended to create the trademark is usually de minimis.^{79} Finally, "[i]t would be

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74. Naresh, supra note 1, at 988; see also Steven Wilf, Who Authors Trademarks?, 17 CARDozo ARTS & ENT. L.J. 1, 29 (1999) ("L]anguage is different than real property because its appropriation always demands consent.").

75. Alex Kozinski, Trademarks Unplugged, 68 N.Y.U. L. Rev. 960, 966 (1993); see also Naresh, supra note 1, at 989 ("It could be argued that the registrant is entitled to the ownership of the registered mark because the acts of possession undertaken involve labor, and everybody is entitled to own the fruits of his labor.").

76. I say, "generally expend far less work" because firms that undertake motivational research to ascertain which marks resonate best with consumers, see infra text accompanying note 177, clearly do expend a tremendous amount of time, money and labor. With respect to these marks, the labor theory of property carries more weight. I discuss this point in more detail below. See infra text accompanying notes 189–202.

77. Naresh, supra note 1, at 989; see also Gordon, supra note 16, at 169–70 ("For one person to be able to trump the interests of one who follows simply because she attached her labor first seems unfair. The morally arbitrary fact of temporal priority would gain too much power.").

78. Gordon, supra note 16, at 192; see also Port, supra note 3, at 560 ("In a society such as ours, the reward for labor is not and should not always be property.").

79. The reward for a descriptive mark need not be anything greater than the bounty offered by common law trademark theories.
disproportionate to give a creative laborer payment for all valuable things, however beneficial, that might make some use, however slight, of her contribution ...." Where a mark holder uses a descriptive term, awarding exclusive rights and allowing the mark holder to extract rents in the form of an enhanced competitive advantage is nonsensical because (1) the holder of a descriptive mark is not a "creative" laborer, since he or she merely culled a term from common usage, and (2) the holder's contribution is so slight as to approach non-existent — a descriptive term is a function of linguistic evolution that will have virtually nothing to do with the mark holder.81

Since I have rambled on, for the sake of comprehensiveness, in this overview of theories of property rights and their inability to undergird incontestability doctrine, a summation seems useful at this point. Basically, trademarks were definitely not property in the traditional sense at common law. The Lanham Act ushered in a new era when it introduced the concept of incontestability because the statute suggests that mark holders can own the mark itself. Moreover, no one seems to have come up with a rationalization for incontestability that does not involve property rights, yet explaining incontestability in terms of property rights is peculiar if trademarks are not property.

The ultimate point of this section is that incontestability created a classification limbo for trademark law. It removed trademark from the unambiguous "not property" designation and has nudged it part way toward the "property" grouping. My emphasis in that last sentence is on "part way." Incontestability has, for all intents and purposes, made trademarks quasi-property, like news in International News. Trademarks have become enough like property to warrant protection in terms of property, but the honing, paring, stretching, and shaping required to make the theory meet the reality is beyond the scope of a single judge in a single case. Since the theories do not fit the practical application, and a legislative amendment (whether the amendment abolishes82 or fixes incontestability) is unquestionably necessary, judges

80. Gordon, supra note 16, at 188; see also id. at 243 ("I suggest that unearned gains simply do not violate the reap/sow principle unless they somehow interfere with the plaintiff's own plans to utilize the intangible.").

81. For a discussion of linguistic evolution, see infra note 181.

82. Port makes a powerful argument in favor of abolishing incontestability when he argues that the doctrine is an illegitimate and unwarranted deviation from the common law. See Port, supra note 3. I agree that incontestability doctrine is unacceptable as it now stands, but I do not advocate abolition of the doctrine. First, mark holders have come to rely on it, and they have settled expectations with respect to its existence and application to their marks. Second, common law trademark was not
resort to treating trademark like quasi-property as a means of getting through a particular case. Hence, trademarks — with the advent of incontestability — conform to the first prong of the *International News* quasi-property paradigm: they are items of value which traditional theories of property only uncomfortably bolster.

**B. Raises Barriers to Competition by Preventing Free Riding**

Both *International News* misappropriation and incontestability doctrine create similar predicaments for market economies: they erect barriers to the flow of information.83 Barriers, per se, are not bad; certainly they are necessary to maintain privacy, national security, and other valuable conditions. But the *International News* paradigm is too indiscriminate about where it places barriers because it contains no inherent mechanism to distinguish between positive and negative forms of free riding. As a result, the paradigm yields doctrines that prevent necessary flows of information, may lead to predatory pricing, and which savage the public domain.

Leo Raskind identified the analytic flaw in *International News* that gives rise to the stoppage of information flows:

Putting aside the extra-legal issue of commercial ethics, the taking of AP news was essentially a competitor’s decision on the cost side of its economic equation. In this context, the case raises the competitive issue of the extent to which a competitor may lawfully enter the market arena without incurring the same cost structure as a rival.84

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immaculate; it has many problems — for instance, the difficulty of establishing secondary meaning for descriptive marks. I think, in revamping incontestability, that we can polish some of these common law flaws. Finally, incontestability may be necessary to preserve firms’ market advantage in domestic and global commerce, particularly as our economy becomes increasingly information-based. *See* Lemley, *supra* note 11, at 1687 (“More and more of the currency of commerce is not goods, but information and even brand loyalty itself.”). Our monetary currency is property, as is most of our information currency (i.e., copyright, patent); I argue that trademark should be as well.

83. *See* Baird, *supra* note 17, at 414 (“Granting exclusive rights to information does not . . . necessarily promote a market economy. Competition depends upon imitation.”).

In other words, laws against misappropriation erect barriers to entry in the sense that they may require a competitor entering the field to incur the identical cost structure as the existing firms. Raskind points out that "any legal restraint on the decision of a seller to lower prices runs the risk of undercutting the competitive process itself. Indeed, the insensitivity of the International News majority to the process of competition is its singular defect." For this reason, Raskind essentially advocates that misappropriation of a competitor's information should not be legally actionable unless it enables the newcomer to engage in predatory pricing or other behavior deemed illegal under the antitrust laws. This approach allows courts to direct their attention to "the specifics of cost and pricing practices . . . instead of on general notions of unfairness." Absent Raskind's proposal, misappropriation can be used to prevent the migration of information in situations where its distribution would maximize the social good.

In addition to interfering with competitive relationships, these informational barriers can block access to the public domain. "Unlike misappropriation law, other fields of intellectual property law have distinct boundaries and limits, each of which furthers public policies regarding protection of the public domain and full productive use of information once its original creators have been duly rewarded." Misappropriation, on the other hand, decreases the productive use of information, even after the original creators have been justly compensated, by giving a cause of action to "parties whose

85. This kind of cost may be all the more troublesome because, in the estimation of at least one scholar, it may not be necessary:

The ultimate decision [in International News] reflected an implicit determination that the preservation of economic incentive outweighed both the resulting injury to competition and the reduced public access to the service at issue. . . . [T]he cost — in terms of decreased competition — extracted by the misappropriation rationale may often be unnecessary to maintain the incentive.

Denicola, Trademarks as Speech, supra note 33, at 178–79.

86. Raskind, supra note 14, at 902.

87. See id. at 899–904 ("By viewing the parties as competitors with this cost differential in mind, the court would decide whether the defendant's conduct was predatory being designed to destroy AP as a competitor.").

88. Id. at 899–900 ("Because the INS majority failed to address any of these issues at the core of the competitive process, its opinion gave rise to an ad hoc rationale grounded only in a reaction to distasteful conduct and therefore devoid of analytical content.").

89. Myers, supra note 23, at 688.
information . . . would otherwise be in the public domain."90 It thereby minimizes the social good.91

We see the same impact on markets and the public domain with the incontestability doctrine. Incontestable descriptive marks most starkly demonstrate these harms.92 Descriptive marks do get registered;93 the Patent and Trademark Office ("PTO") sometimes makes mistakes at the time a mark holder registers a descriptive mark with alleged secondary meaning,94 and the PTO does not undertake any investigation when a mark holder moves for incontestable status.95 Therefore, allowing incontestable marks means running the risk of firms monopolizing descriptive marks.

Scholars writing about the issue have long argued that monopolies in descriptive marks can lead to increased start-up or marketing costs, endow one firm with an unfair competitive advantage, and, in extreme

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90. Id. at 697; see also David L. Lange, The Intellectual Property Clause in Contemporary Trademark Law: An Appreciation of Two Recent Essays and Some Thoughts About Why We Ought to Care, LAW & CONTEMP. PROBS., Spring 1996, at 213, 222 ("We are unwise . . . [in the] degree to which we have allowed intellectual property doctrines to encroach upon the public domain.").

91. Decreasing productive use of information minimizes social good because "[a]s a matter of economics, . . . once information is created, it is desirable for that information to be disseminated to all persons who have an interest in it because there is little or no cost involved in doing so." Myers, supra note 23, at 684; see also Keith Aoki, How the World Dreams Itself to Be American: Reflections on the Relationship Between the Expanding Scope of Trademark Protection and Free Speech Norms, 17 LOY. L.A. ENT. L.J. 523, 532 (1997) ("Overprotecting intellectual property is as harmful as underprotecting it. Creativity is impossible without a rich public domain.").

92. While I restrict my discussion to descriptive marks, Robert Denicola has written thoughtfully about how trademarks generally have created difficulties for the free flow of information: "Since a trademark may frequently be the most effective means of focusing attention on the trademark owner or his product, the recognition of exclusive rights encompassing such use would permit the stifling of unwelcome discussion . . . [T]rademark use often offers opportunities unmatched by more conventional methods of expression." Denicola, Trademarks as Speech, supra note 33, at 196–97.

93. Justice Stevens, dissenting in Park 'N Fly, clearly thought the mark "Park 'N Fly" was a descriptive mark that had been registered in error. See Park 'N Fly v. Dollar Park and Fly, Inc., 469 U.S. 189, 206 (1985) (Stevens, J., dissenting) ("The mark 'Park 'N Fly' is at best merely descriptive in the context of airport parking."); see also Naresh, supra note 1, at 970 n.71 ("Notwithstanding the fact that section 2(f) of the Act permits registration of a descriptive mark only upon proof of its distinctiveness, it is possible, as a result of error in the registration process, for such a mark to be registered even though it lacks distinctiveness.").

94. For example, Park 'N Fly "never submitted any . . . proof [of secondary meaning] to the Commissioner [of the PTO]." Park 'N Fly, 469 U.S. at 207 (Stevens, J., dissenting).

95. See supra note 6.
cases, enable a firm to engage in predatory pricing. These harms seem, at first blush, extreme emanations from an exclusive right to use a word, but Naresh and Stephen Carter provide similar, interesting, and logical explanations for this outcome. Both argue that a mark's most important function is to convey information, but Naresh dissects this observation, offering that marks impart primarily two varieties of information. "A trademark conveys information directly by virtue of its natural meaning or descriptiveness, and indirectly by enabling buyers to link the labeled goods with a stock of information associated with the mark as a result of how it has been used." Descriptive marks, without secondary meaning, convey more direct than indirect information.

A mark's capacity to convey direct information can be realized quickly and cheaply, simply by exploiting its natural meaning; its capacity to convey information indirectly, on the other hand, cannot be realized until the seller invests time and resources in achieving buyer recognition. Therefore, a seller who chooses a relatively descriptive mark can instantly convey a certain amount of (direct) information for "free," whereas one who chooses a relatively distinctive mark starts with a smaller bonus and may ultimately incur considerable expense to convey some (indirect) information.

96. See Naresh, supra note 1, at 959 ("[T]he informational role of trademarks is more extensive and complex than is generally realized . . . ."); Carter, Trouble with Trademark, supra note 19, at 761 ("Successful trademarks are valuable because of the information that they convey."); see also Lemley, supra note 11, at 1688 ("Trademarks are a compact and efficient means of communicating information to consumers. By granting ownership rights over trademarks, we serve the twin goals of encouraging investment in product quality and preventing consumer deception.").

97. Naresh, supra note 1, at 959; Carter, Trouble with Trademark, supra note 19, at 770 ("[F]irms invest heavily in development and testing of marks. . . . [S]ome words and symbols are inherently cheaper information economizers than others.").

98. See Naresh, supra note 1, at 961 ("[A] particular mark's capacities to convey direct and indirect information are inversely related to each other. The greater a mark's natural descriptiveness, the less likely it is that buyers will be able to associate it with only a small range of products coming from a single source . . . .").

99. Id. at 962; see also Landes & Posner, supra note 15, at 294 ("Why, then, would anyone choose a suggestive or descriptive mark? The answer is that . . . such a mark conveys additional information to the consumer — to wit, information about the attributes as well as just the source of the good — and is thus a partial substitute for advertising."). Landes and Posner go on to speculate that "the shorter the expected life of a brand, the more likely the producer is to use a suggestive [or descriptive] mark."
Carter explains:

[the] unhappy truth is that firms try consistently (often against their attorneys’ advice) to find marks that, while perhaps not generic, are a long way from being fanciful. . . . [P]eople who market products for a living believe that even in the absence of goodwill, some marks are better than others, in the sense that the start-up costs of gaining consumer confidence and the long-run costs of maintaining it are both lower. 100

A monopoly in a descriptive term is a depletion of the public domain; and here, unlike in the International News misappropriation example, the ramifications of depleting the public domain are concrete and immediate: such exclusive use eradicates the very boon trademarks have always offered — the exclusive use raises consumer search costs. 101 Moreover, if some sellers can spend less because they are conveying certain information for “free,” then they have a competitive advantage that will be compounded (sometimes negatively or unfairly) by the exclusive use of the word. 102 Related to this cost advantage is the following problem: if competitors cannot effectively communicate with their consumer base by using certain descriptive words, they either must spend even more money to find ways to communicate without using the trademarked words, or they must cease competition. 103

Id. This makes a great deal of sense, since the mark holder will not have the time necessary to make worthwhile investing in secondary meaning.

100. Carter, Trouble with Trademark, supra note 19, at 774. Cf. Naresh, supra note 1, at 966 (“[A] rational seller . . . will adopt a descriptive mark only when the expected gain in its ability to convey direct information exceeds the expected loss in its ability to convey indirect information. This usually will occur only when . . . direct information is the more relevant to buyers’ purchasing decisions . . . ”).

101. See Landes & Posner, supra note 15, at 278 (“[I]f one firm is given exclusive rights to words that define or describe a product, this will reduce the productivity of the trademarks of other firms that make the same product and thus will increase the search costs of those firms’ consumers.”).

102. See Naresh, supra note 1, at 967 (“If there are many sellers of a product, all of whom wish to use a certain descriptive mark, allowing one of them to monopolize that mark would create an informational barrier between buyers and other sellers.”); see also Landes & Posner, supra note 15, at 286 (“[T]he grant of legal protection to [a nondistinctive] mark might prevent the other producers from continuing to use words that they require to compete effectively.”).

103. See Naresh supra note 1, at 967 (“It is familiar learning that to compete effectively under conditions of imperfect knowledge, a seller must not only offer a good substitute for its competitors’ products, but also tell buyers that it has done so.”).
"[T]he protection of marks that convey no [secondary meaning] to consumers carries significant but rarely mentioned costs. . . . [A]llowing protection of marks devoid of [secondary meaning] may raise substantial barriers to entry by competitors."^{104}

This information barrier may lead to even more serious problems. For instance, the Supreme Court has taken the position that predatory pricing is not a viable strategy for a firm unless it possesses a significant market share^{105} — or unless substantial barriers to entry exist.^{106} Yet an incontestable descriptive word, even one that has secondary meaning, but which is necessary to convey the relevant information consumers desire, can function as a barrier that may enable a firm with a relatively small market share to engage in predatory pricing. This is quite a wallop for a doctrine to pack, and, given the importance of information in our economy, this is not a risk that we ought to dismiss lightly.

As we have seen, under the International News paradigm, the doctrines that prevent free riding are insufficiently sensitive to whether free riding in a particular instance is negative. As a result, doctrines adhering to the paradigm, like misappropriation and incontestability, prevent information exchanges when they would be beneficial. This increases barriers to entry and competition and can even lead to predatory pricing. Additionally, these exclusive rights deplete the public domain, leaving competitors at a severe disadvantage and disabling future wordsmiths from building on our common linguistic heritage.

C. Circumstantial Limitations

Courts tend to reach for quasi-property in two situations: (1) when emerging media and new technologies make copying or appropriating information cheap and easy; and (2) when competitive behavior has exceeded the bounds of decency. To the extent that these are implicit limits on misappropriation that adequately cabin its expansive impulses, they have no application to incontestability. This deviation from the

^{104} Carter, Trouble with Trademark, supra note 19, at 760.


^{106} See Matsushita Elec. Indus. Co. v. Zenith Radio Corp., 475 U.S. 574, 591–92 n.15 (1986) ("[W]ithout barriers to entry it would presumably be impossible to maintain supracompetitive prices for an extended time."); see also Raskind, supra note 14, at 902 ("[T]he Supreme Court has taken the position that recoupment from lost sales is unlikely unless barriers to the entry of new competitors exist; thus, low prices alone are not probative of predation.").
International News paradigm leaves incontestability far too unstable to continue in its quasi-property state; if judges lack even a general idea of the circumstances under which incontestability should (normatively speaking) apply, then its application will be uneven, unpredictable, and potentially quite destabilizing.

As I have already discussed, Karjala advocates a misappropriation cause of action to remedy market failure. He identifies as "vulnerable to misappropriation" those products for which "competitive products can cheaply and rapidly be brought into production after the original appears on the market and before the original creator has a chance to recover investment costs." Bruce Keller posits a similar idea when he argues that "[t]he common law has emerged as a source of protection for intellectual property rights throughout this century whenever statutory protection for new forms of media were unavailable." Karjala and Keller were both writing, at least in part, about the Internet, a relatively new form of media that is vulnerable to reproduction and for which the most workable manner of protection may ultimately be misappropriation. Keller specifically tailored his observations to a case in which a website called Total News provided hyperlinks to the news sites of other established organizations, like the Washington Post. A viewer accessing the Washington Post news site through Total News would see Total News' frame (containing its advertising, not that of the Washington Post), and therein lay the problem. A misappropriation cause of action in this situation makes a good deal of sense. If Total News can usurp the content, but not the advertising, of the Washington Post site, then advertisers will be far less likely to pay to display their messages on the Washington Post site; without advertising, the Washington Post will not be able to provide its site for free. Here, the free riding is clearly negative and minimizes the social good; a misappropriation cause of action would rectify the imbalance and do no harm.

But this situation has nothing to do with incontestability. Allowing the Washington Post to sue for infringement of its incontestable mark would not prevent Total News's free riding in this instance. If "Washington Post" is incontestable, that fact would not prevent Total

107. See supra text accompanying notes 39–41; see also Raskind, supra note 14, at 882 ("[Misappropriation] can serve as a barrier against competitive behavior that reduces the supply of a given product to the detriment of social welfare.").
News from referring to the "Washington Post" on its site, so long as Total News was not using the mark "Washington Post" on news (or other goods) in commerce. Moreover, there is not now, nor ever has been, and likely never will be a problem with cheap and easy methods of copying leading to market failure in the creation of trademarks; in other words, new and better methods of counterfeiting trademarks is not a source of market failure that is impacting trademark creation. As a result, neither Karjala nor Keller's ideas justifying misappropriation apply: incontestability is irrelevant for purposes of sheltering new technologies from parasitic copying that will terminate their growth, and the rate of creation of new trademarks is not vulnerable to being decreased because of market failure.

In its second realm of usefulness, misappropriation is a favorite doctrine when courts try to remedy competitive conduct that has exceeded the bounds of business ethics. For instance, in *National Telephone Directory Co. v. Dawson Manufacturing Co.*, the plaintiff sold advertising space on the covers of its telephone books; the defendant sold covers (with different advertising on them, naturally) to put over the plaintiff's covers. The court was unsympathetic to the defendant's industrious efforts and held for the plaintiff on a theory of misappropriation. But as Gary Myers points out, the plaintiff's claim for recovery is far from clear: the owner of the telephone book (in this case, a hotel) would have been "free to place a plain brown paper cover over the telephone books or to tear off the cover entirely . . . ." That being the case (and excluding the possibility of reverse palming off), why should a competitor's supplanting the cover be any different?

Raskind argues that "courts frequently face allegations of 'piracy' and 'dirty tricks,' without having available a core of analysis suited to drawing the line between 'fair' competition and its excesses." Unless courts "[place] the issues of fairness and misappropriation in the

112. 263 S.W. 483 (Mo. Ct. App. 1924).
113. Myers, supra note 23, at 704.
114. The factual similarities (putting to one side the variety of media involved) between *Dawson Manufacturing* and *Total News* are striking. In both instances, competitors sought to usurp content to append to their own advertising. The identity of the circumstances (despite a time disparity of three-quarters of a century) bolsters Karjala's and Keller's arguments about the need for misappropriation doctrine — either the competitive behavior or the moral condemnation of it (or both) apparently have not changed in eighty years.
115. Raskind, supra note 14, at 896.
context of competition . . . [they will become mired in the] fruitless task of characterizing by unstated normative standards the market behavior of a competitor." 116 This seems to be precisely what happened in National Telephone Directory: the court classified the competitor's behavior as a "dirty trick" and proceeded to build the law around that judgment. The problem with this approach, Raskind argues, is that without engaging in analysis of the competitive relationship between the parties, the court cannot know which tricks are dirty.

Here I will not argue that misappropriation is normatively desirable to remedy deviations from business ethics; I agree with Raskind. My point, rather, is that courts reach for misappropriation when the competitive situation seems unfair according to the readings on their personal, internal, fairness barometers. Right or wrong, the situation at least is predictable, and stability is a goal of the law.

That is not the case with incontestability. Judges must apply incontestability in any situation in which a mark holder has registered its mark and used it continuously in commerce for five consecutive years, regardless of the conduct of the parties or the fairness of depriving the competitor of use of the word. In Park 'N Fly, for instance, the equities of the situation point against application of incontestability. The plaintiff Park 'N Fly operated businesses in St. Louis, Cleveland, Houston, Boston, Memphis, and San Francisco. 117 The defendant Dollar Park and Fly operated a parking facility in Portland, Oregon. 118 The two companies were not in direct competition; forbidding Dollar Park and Fly to operate under its own name seems quite harsh. Far more fair would be to apply a corollary of the rule in Dawn Donut Co. v. Hart's Food Stores, Inc., 119 which, as restated by Carter, is the following:

Despite the senior user's prior registration, a junior user who has adopted the mark in good faith, is not competing in the senior user's market, and has generated its own good will in the mark, will be permitted to use the mark until the registrant is actually ready to move into the geographic area that the junior user is serving. 120

116. Id. at 897.
118. See id. at 192.
119. 267 F.2d 358 (2d Cir. 1959).
120. Carter, The Trouble with Trademark, supra note 19, at 791. Interestingly, § 1115(b)(6) provides a defense to incontestability on the ground that the supposed infringer has temporal priority in a narrow geographic region. In other words, § 1115
In other words, if incontestability were about mandating ethical competitive practices, then the claim of a plaintiff who suffered no direct or unfair competition ought to fall on deaf ears; the Supreme Court in Park 'N Fly would have told Park 'N Fly to wait until it was ready to open a parking garage in Portland.\textsuperscript{121} Prior to that time, the purpose of enjoining Dollar Park and Fly's use of its name is elusive, arbitrary, and unfair — three adjectives whose application a rational legal system like our own seeks to avoid.

My overarching point in this subpart is that misappropriation keeps cropping up in cases and commentary because it seems aptly suited for specific situations — protection of emerging technologies that are susceptible to cheap and easy copying methods and the regulation of competitive behavior. Incontestability does not apply in either of these situations: the doctrine is not necessary to prevent market failure that might stymie the creation of new media, nor will it rectify unfair competitive practices. Therefore, to the extent that misappropriation has a limited, but legitimate, role to play in our scheme of legal regulation, the rationale does not extend to incontestability. Incontestability may adhere to the International News paradigm in other respects, but its deviation on this critical point leaves it unmoored from limiting principles.

\textbf{D. Pragmatically Unworkable}

Judicial confusion regarding application plagues the International News quasi-property paradigm. Both misappropriation and incontestability are formidable opponents with which judges wrestle, both because the doctrines are so expansive and because felicitous analogies are so difficult to draw.\textsuperscript{122} In this subpart, I argue that administering the International News paradigm is an operose task; this

\textsuperscript{121} Outcomes like this convinced Callmann that incontestability made trademarks property. \textit{See infra} note 162 and text accompanying note 213.

\textsuperscript{122} \textit{See} Baird, supra note 17, at 428.

The common law judge reasons by analogy, and when a new kind of intellectual property dispute confronts him, he must search for analogies in a legal universe that, like all universes in which first principles dot the landscape, is so primitive and so unformed that it is hard to identify clear landmarks.

\textit{Id.}; see also Raskind, supra note 14, at 881 ("[In International News, t]he traditional practice of adapting analogous principles failed to reveal relevant precedent.").
is as much a reason as any theoretical rationale for redesigning incontestability to avoid the pitfalls of the International News model.

The primary problem with applying International News misappropriation is that analogizing situations to "quasi-property" is extremely difficult — perhaps because of the gaping dearth of other examples of quasi-property, which is an unfortunate result of misappropriation springing whole, like Athena, from the head of International News. For this reason, Judge Learned Hand limited International News to its facts. The temptation, of course, is to analogize quasi-property to real property, which will, almost invariably, lead to over-protection of intellectual property because analogies to real property generally fail to take into account the public good aspect of information. But whether courts are analogizing the misappropriated information to real property is difficult to discern because, when courts do accept the misappropriation claim, they tend to do so in summary terms — though this trend is no less a function

123. In fact, Leo Raskind maintains that the International News court only resorted to "quasi-property" to explain its outcome because it could not find a relevant analogy in the precedents: "The fundamental difficulty that the majority faced was the absence of common law precedent treating the cost side of competitive rivalry." Raskind, supra note 14, at 887.

124. See Cheney Bros. v. Doris Silk Corp., 35 F.2d 279, 280 (2d Cir. 1929) ("[T]here are cases where the occasion is at once the justification for, and the limit of, what is decided. [International News] appears to be such an instance; we think that no more was covered than situations substantially similar to those then at bar.").

125. Consider, for example, Pitney's analogy of news to wheat, as identified by Baird. See supra notes 44–45 and accompanying text.

126. The overprotection is inevitable because exclusive rights in real property increase efficient exploitation of a resource, while exclusive rights in a public good may have the opposite effect. See supra note 55.

127. Acceptance of the misappropriation rationale is far from assured. Since International News is pre-Erie common law, it is not binding. See Alcatel USA, Inc. v. DGI Techs., Inc., 166 F.3d 772, 788 n.59 (5th Cir. 1999) ("International News was decided pre-Erie as a matter of federal common law, and thus nowhere is binding precedent."). Claims for misappropriation are usually based on state statutes passed after International News that vary in enough significant respects as to preclude generalizations about why individual claims fail. See, e.g., U.S. Golf Ass'n v. St. Andrews Sys., Data-Max, Inc., 749 F.2d 1028 (3d Cir. 1984) (applying New Jersey law); Metropolitan Opera Ass'n v. Wagner-Nichols Recorder Corp., 101 N.Y.S.2d 483 (N.Y. Sup. Ct. 1950), aff'd, 279 A.D. 632 (N.Y. App. Div. 1951) (applying New York law). See also Denicola, supra note 27, at 630 ("[T]he misappropriation rationale has been rejected as often as it has been embraced.").

128. See, e.g., A&M Records, Inc. v. MVC Distrib. Corp., 574 F.2d 312, 314 (6th Cir. 1977) ("We conclude that the district court did not err in finding a common law right against unfair competition . . . . [The precedents upon which it relies] are fully
of the difficulty of drawing analogies as it is one of using real property as an analogy (judges have so much practice protecting Blackacre that their rationale for so doing is obvious to them).

Another difficulty with misappropriation is its breadth, a problem compounded by the amorphous quality of the cause of action. “[T]he misappropriation tort is easily misunderstood by lawyers, judges, and juries” because “[m]isappropriation involves reaping where one has not sown[, ] though] it is unclear what must be sown or how one cannot reap.” Myers even concludes that “[t]he parties and the courts ultimately [waste] precious resources in disposing of the misappropriation claim[s]. Intellectual property litigation would be simpler and more predictable if this tort claim were unavailable . . . .”

Like misappropriation, incontestability has been a doctrine constantly dogged by seemingly irreconcilable difficulties with its application.

Whereas before Park 'N Fly there was confusion and divergence between the circuits over the offensive/defensive use of incontestable marks, and whereas prior to the Trademark Amendment Act of 1988 there was confusion over use of equitable defenses to an incontestable mark, there now exists confusion and inconsistency over whether incontestability can be used (and to what extent) in the strength of the mark analysis.

Finding adequate analogies is a problem with incontestability; many judges likely do not understand that trademarks were not property and now are quasi-property. Even if they did, understanding the taxonomical nightmare that accompanies trademark incontestability cases might not aid the analysis much because the overriding problem with applying incontestability is the terrible drafting of passages of the Lanham Act. Poor drafting is most directly responsible for the litany of dilemmas that perpetually shadow incontestability.

consistent with Supreme Court decisions concerning unfair competition and commercial misappropriation.”). See also A&M Records v. Hellman, 142 Cal. Rptr. 390, 396 (Ct. App. 1977) (“[T]his conduct presents a classic example of the unfair business practice of misappropriation of the valuable efforts of another.”).

129. Myers, supra note 23, at 707.
130. Id.
131. Id. at 694.
132. Port, supra note 3, at 551.
As Kenneth Port pointed out above, the latest issue in applying incontestability is the extent to which a finding of incontestability impacts the strength of the mark analysis.\textsuperscript{133} Fundamentally (and unsurprisingly), the problem boils down to analogies: if trademarks are property, then an incontestable mark ought to be a strong mark for purposes of both the validity and likelihood of confusion inquiries. But if trademarks are not property (or are quasi-property), then a judge may conduct an independent investigation of the strength of the mark on the likelihood of confusion prong. Basically, judges do not know with what to equate an incontestable trademark, and a comparison of \textit{Dieter v. B & H Industries of Southwest Florida, Inc.}\textsuperscript{134} and \textit{Munters Corp. v. Matsui America, Inc.}\textsuperscript{135} nicely illustrates the resulting pandemonium. Both cases have fairly identical fact patterns. In each case, the district court considered an incontestable mark and presumed its validity. But in conducting the likelihood of confusion analysis, each district court labeled the mark “merely descriptive” and without secondary meaning

\textsuperscript{133} The strength of the mark analysis is a part of the infringement inquiry. The test for infringement has two prongs. On the first prong, the validity inquiry, the court asks whether the mark is valid and deserving of protection. See Brookfield Communications, Inc. v. West Coast Entertainment Corp., 174 F.3d 1036, 1047 (9th Cir. 1999) (“[W]e must first determine whether Brookfield has a valid, protectable trademark interest in the “MovieBuff” mark.”). In this part of the test, the court must classify the mark and, if the mark is descriptive, confirm that the mark has secondary meaning. See 4 McCarthy, supra note 7, §27:18, at 27-31 (“[T]he traditional elements of validity of the asserted mark must be proven in a §43(a) case, such as secondary meaning for non-inherently distinctive marks.”). Incontestability requires a judge to presume that an incontestable mark is valid. See id. §32:142, at 32-205 (“[T]he registration shall be conclusive evidence of the validity of the registered mark . . . .”).

For the second prong, the likelihood of confusion inquiry, the court balances numerous factors. See Brookfield, 174 F.3d at 1053. Each circuit considers some variation of the following factors: (1) strength of the mark, (2) proximity of the goods, (3) similarity of the marks at issue, (4) evidence of actual confusion, (5) defendant’s intent in adopting the mark, (6) the type of goods involved and the sophistication of the buyers, (7) likelihood that the plaintiff will “bridge the gap” between the two products and expand into new product lines, and (8) overlapping markets and the marketing channels used. See, e.g., AMF Inc. v. Sleekcraft Boats, 599 F.2d 341, 348–49 (9th Cir. 1979); Helene Curtis Indus. v. Church & Dwight Co., 560 F.2d 1325, 1330 (7th Cir. 1977); Polaroid Corp. v. Polarad Elecs. Corp., 287 F.2d 492, 495 (2d Cir. 1961).

The issue with incontestable marks, then, is whether a judge must (or should) undertake the strength of the mark analysis in the likelihood of confusion prong after having presumed the mark valid on the validity prong.

\textsuperscript{134} 880 F.2d 322 (11th Cir. 1989).

\textsuperscript{135} 909 F.2d 250 (7th Cir. 1990).
when it considered the "strength of the mark" factor. Each holder of the incontestable mark appealed, complaining that an incontestable mark could not be "merely descriptive" and without secondary meaning for purposes of the likelihood of confusion analysis.

In *Dieter*, the Eleventh Circuit agreed with the appellant and held that "incontestable status is a factor to be taken into consideration in likelihood of confusion analysis. Because Dieter's mark is incontestable, it is presumed to be at least descriptive with secondary meaning, and therefore a relatively strong mark." Contrariwise, in *Munter*, the Seventh Circuit agreed with the appellee that its "argument that Munter's mark was merely descriptive was not intended to demonstrate that Munter's mark was not protectible but rather was advanced solely to bolster Matsui's claim that there was no likelihood of confusion." Neither opinion provided significant reasoning for its conclusion, although both acknowledged that the question had not been answered by *Park 'N Fly*.

Both formulations have significant problems that cannot be explained merely by adherence to the plain meaning of the language of the Lanham Act. Despite the fact that it does not explicitly state this, *Dieter* seems to comport with § 1115(b)'s admonition that registration of an incontestable mark is "conclusive evidence of . . . the registrant's exclusive right to use the registered mark in commerce." After all, if a mark holder has conclusive evidence of its exclusive right to use the registered mark in commerce, then many of the likelihood of confusion factors ought to be irrelevant. In essence, the trademark infringement suit involving alleged infringement of an incontestable mark must only assess (1) that the mark is incontestable and (2) that the competitor is using the mark (or one that is confusingly similar) on comparable goods and services. If, for example, two competitors are using the term

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136. 880 F.2d at 329.
137. 909 F.2d at 252. *See also id.* at 252–53 ("We agree with the district court that Matsui's present use of the word honeycomb is not likely to cause confusion among current or potential purchasers of Matsui's and Munter's products.").
138. *See id.* at 252 ("The Supreme Court's holding in *Park 'N Fly* does not address likelihood of confusion. In fact the Court specifically directed the district court to consider the likelihood of confusion argument on remand."); *Dieter*, 880 F.2d at 328 ("Whether 'incontestable' status affects the strength of the mark for purposes of 'likelihood of confusion' determinations was left open to question by *Park 'N Fly'.").
140. *See Pollack, supra* note 3, at 294–95 ("In cases involving incontestable marks, the subject of secondary meaning is never litigated . . . . This largely reduces the test for trademark infringement of incontestable marks to similarity between the junior and senior users' marks.").
“Shutterworld” to describe related products, as was the case in Dieter, the cost of the goods, the buyer’s attention to the purchasing decision, the alleged infringer’s intent, the retail and marketing channels utilized to distribute and advertise the goods, and the strength of the owner’s mark ought not to matter at all. If Dieter has an incontestable right to exclusive use in commerce of the term “Shutterworld,” much of the balancing test for likelihood of confusion has no bearing on the issue.

The Dieter court de facto reached this outcome when it mandated that district courts take incontestability into account in determining the likelihood of confusion. In the Eleventh Circuit, “the type of mark and the evidence of actual confusion are the most important” factors to consider in assessing likelihood of confusion.141 By holding that courts must presume that an incontestable descriptive mark has secondary meaning, the Dieter court essentially tipped the likelihood of confusion analysis heavily in Dieter’s favor and, as a general matter, may have done so dispositively since evidence of actual confusion is rare. If the type of mark bears more weight than the other factors, and an incontestable descriptive mark is — as a matter of law — relatively strong, then a finding of incontestability will almost always yield a finding of likelihood of confusion, consistent with the language of § 1115(b).

But Dieter’s formulation of the doctrine has two major problems. First, though it is consistent with the language of section 1115(b), it is inconsistent with virtually everything else that has ever preceded it in the history of trademark law. The touchstone of trademark infringement has always been likelihood of confusion, and a radical departure the likes of which Dieter ushers into existence ought to be accompanied by something other than the unexplicated comment, “[a]fter careful consideration of the district court’s position, as well as the case law in this circuit, we decline to follow [the precedent the district court followed].”142 Dieter tells us nothing about why such a change should occur, or how the judiciary should respond to § 1115(b) — legislation that is, at best, poorly drafted, and at worst, completely batty. The roteness with which Dieter applies the law is reminiscent far more of judges in a civil code system than in our tradition of common law, where judges actually think, reason, and explain, taking into account policy as well as the letter of the law.143

141. Dieter, 880 F.2d at 326 (citing Freedom Sav. & Loan Ass’n v. Way, 757 F.2d 1176, 1186 (11th Cir. 1985)).
142. Id. at 329.
143. See Robert D. Cooter & Tom Ginsburg, Comparative Judicial Discretion: An
Second, Dieter gives holders of incontestable descriptive marks unwarranted power over the competition, particularly when the mark is merely descriptive. If incontestable descriptive marks on their own create barriers to trade and entry into markets, how much the worse the problem if incontestability eviscerates the standard for infringement. If incontestability alone becomes the de facto requisite for a finding of infringement, mark holders could wreak havoc not only on their competition, but on firms in other, wholly unrelated businesses and fields.

Empirical Test of Economic Models, 16 INT’L REV. L. & ECON. 295, 295 n.2 (1996) ("In the common law tradition, judges may have a legitimate role in the creation of norms. This is less true in the continental or civil law tradition, where judges are urged to apply legislatively created norms.").

144. Cf. Gordon, supra note 16, at 192 ("A right to exclude is at the center of any property right, but to give the creator a prima facie right to exclude at whim would threaten to sever a defendant’s liability from considerations of whether the plaintiff deserves a cause of action." (emphasis added) (footnote omitted)). This point is at the heart of my critique of incontestability doctrine as applied to descriptive marks: courts hold defendants liable for infringement when the plaintiff should not even have a cause of action.

Interestingly, at least one scholar has identified situations in which International News misappropriation doctrine "permits the protection of descriptive names by parties in situations where the name does not indicate the source of the goods or services." Myers, supra note 23, at 700. This is another striking illustration of the similarity between the two doctrines.

145. § 1115(b) limits the conclusive presumption of a right to use a mark in commerce to those goods or services "specified in the affidavit filed under the provisions of [15 U.S.C. § 1065], or in the renewal application filed under the provisions of [15 U.S.C. § 1059] if the goods or services specified in the renewal are fewer in number . . . ." 15 U.S.C. § 1115(b) (1994). See also Fisons Horticulture, Inc. v. Vigoro Ind., Inc., 30 F.3d 466 (3d Cir. 1994) (reversing a finding of no likelihood of confusion between "Fairway" for peat moss and "Fairway Green" for fertilizer). Nevertheless, cases sometimes find infringement where a non-competing product uses a trademark that has become incontestable as to other goods. See id.; E&J Gallo Winery v. Gallo Cattle Co., 967 F.2d 1280 (9th Cir. 1992) (finding a likelihood of confusion between "Gallo" on wine and "Gallo" on cheese).

A particular risk exists where a holder of an incontestable mark seeks to enjoin use of that mark on a non-competing product on the basis that the mark holder is planning to "bridge the gap," or expand into the other user’s product line. Courts must be careful, when assessing the likelihood of confusion between such marks, to segregate an incontestable mark’s power with respect to the goods it demarcates from its effect regarding non-competing goods. Irrespective of a mark holder’s intent to expand into another (even related) product area, if that expansion does not appear on a § 1065 or 1059 affidavit, then the mark is not entitled to a conclusive presumption with respect to the expansion product. Thus, incontestability’s weakening of the infringement inquiry has the potential to cause very serious damage as companies ever more frequently expand into new or related markets or engage in tie-in promotional
Unfortunately, the alternative to Dieter fails to inject incontestability (and its application) with a much-needed shot of rationality. Munters likewise suffers from two primary flaws. The first is a flaw so damaging that it transforms the likelihood of confusion analysis into a farce. By allowing the district courts to conduct an independent analysis of the type of mark in considering likelihood of confusion, the Seventh Circuit requires district courts to confront the following problem: if the independent analysis reveals that the mark is merely descriptive and without secondary meaning, then the conclusive presumption in favor of the validity of the mark and the holder’s exclusive right to use the mark in commerce is incorrect. In melodramatic terms, the problem is tantamount to a conclusive presumption in favor of guilt in the face of overwhelming evidence of innocence. 146 Munters leads to a completely convoluted analysis: in the first prong of the infringement inquiry, district court judges presume the mark to be valid, and then in the second part, they find it invalid. 147 Additionally, since the strength of the mark is a factor in determining infringement, finding the mark merely descriptive increases the chances that a judge will find no likelihood of confusion; and if the district court judge does not find likelihood of confusion, § 1115(b)’s promise of “exclusive” use of the mark in commerce rings hollow.

The second problem with Munters is unpredictability. Courts will savage the very stability that legislators had hoped to provide with incontestability if the mark can be found merely descriptive (and therefore imminently contestable) in the likelihood of confusion analysis.

endavors.

146. The Seventh Circuit is (disappointingly) not as melodramatic as I: “The most that can be said by critics is that this Circuit’s practice of including a strength of the mark component in its likelihood of confusion analysis is a practice that is, itself, likely to cause confusion.” Munters Corp. v. Matsui Am., Inc., 909 F.2d 250, 252 (7th Cir. 1990). I find nevertheless the acknowledgment of the practice’s propensity for obfuscation significant.

147. The Seventh Circuit’s argument on this point — that a finding of “mere descriptiveness” on the “likelihood of confusion” prong does not show invalidity, but merely “no likelihood of confusion,” see Munters, 909 F.2d at 252 — is unpersuasive. The Seventh Circuit cites no authority for this assertion except the district court’s opinion, nor does it explain this reasoning in any detail whatsoever. The “type of mark” prong of the “likelihood of confusion” test has always merely plugged in the results of the “validity” prong of the infringement analysis. See, e.g., Pebble Beach Co. v. Tour 18, Ltd., 942 F. Supp. 1513, 1543 (S.D. Tex. 1996) (rejecting defendant’s arguments about the strength of the mark on the likelihood of confusion prong on the basis that “[t]he Court determined above [in the validity analysis] that the marks” are strong). Therefore, why the “type of mark” analysis should suddenly not comment upon the validity of the mark’s entitlement to protection is still unclear.
In short, *Dieter* follows the language of § 1115(b) but lacks a theoretical underpinning and has potentially harmful policy ramifications, while *Munters* tries to cabin incontestability doctrine to the validity of the mark inquiry but ends up running afoul of § 1115(b) and giving rise to equally troubling policy implications. Regardless of the interpretation, courts cannot apply incontestability doctrine satisfactorily to descriptive trademarks because they do not know whether the scope of protection ought to be concomitant with intangible property or quasi-property.

That judges cannot apply incontestability should come as no surprise; that result is consistent with the *International News* paradigm. Thus far, we have seen a paradigm that spins off doctrines that are riddled with theoretical inconsistencies and mired in pragmatic paradoxes. Little can be said in favor of maintaining the *International News* quasi-property paradigm. Misappropriation should abandon the quasi-property formulation and look to the factors of direct competition and market failure; trademark incontestability should resign its intermediary status and commit to being full-fledged property.

### III. THE TRADEMARK-AS-PROPERTY PARADIGM

At the outset of this Part, I would like to clarify that I am not an Ayn Rand-loving libertarian\(^\text{148}\) or a right-wing property zealot. I do not think the world would be a better place if the law conceived of all civil rights as property rights, nor do I agree that the common law “intuited” economic efficiency principles.\(^\text{149}\) In fact, up until quite recently, I would have endorsed *narrowing* trademark rights and decried the privatization and propertization of information (and I still find the


\(^{149}\) *See* George L. Priest, *The Common Law Process and the Selection of Efficient Rules*, 6 J. LEGAL STUD. 65 (1977). For a piquant view of the “objectivity” such a perspective imparts, see *BOYLE, supra* note 50, at 37 n.7:

> It also makes one a little skeptical to note that, when done by economic analysts of law, this ad hoc balancing of [the free circulation of information against the need to commodify, a balancing that employs] empirically unspecified and unquantified factors tends to track the distinctions made by the existing case law with surprising fidelity — surprising, that is, unless one had already assumed that the common law was working its way toward the economically efficient solution.

*Id.*
reasons for narrowing trademark rights quite persuasive). Yet I now think that many of the concerns about the breadth of trademark rights can be assuaged by making suggestive, arbitrary, and fanciful trademarks full-fledged property. I recognize that elevating trademarks to property is an idea besotted with drawbacks. However, my guiding ideology (or at least part of it) is pragmatism. And making trademarks property is eminently pragmatic.

First, judges and parties already speak of trademarks in property terms.150 They already think trademarks are property,151 or at least treat them that way, and the status quo is a difficult current against which to swim.152 Advocating against trademarks as property strikes me as idealistic, though ultimately impractical; while writing about how the quality of our lives will suffer if we cannot construct our identities out of the raw materials of trademarks is intellectually and emotionally

150. See Lemley, supra note 11, at 1687–88 (1999) ("Commentators and even courts increasingly talk about trademark as property rights; as things valuable in and of themselves, rather than for the product goodwill they embody." (footnote omitted)); Port, supra note 3, at 563 ("The use of property rhetoric causes courts to go through great contortions to validate outcomes still using property rhetoric.").

151. See, e.g., Boston Prof’l Hockey Ass’n v. Dallas Cap & Emblem Mfg., 510 F.2d 1004, 1014 (5th Cir. 1975) ("A trademark is a property right which is acquired by use.").

152. For instance, "U.S. courts . . . are more willing than ever before to permit transfers [of trademarks] with minimal associated goodwill, particularly in the context of allowing financiers to take a security interest in trademarks.” Lemley, supra note 11, at 1710. Common law trademark theory cannot justify assignments like this because the trademark itself is not property in any traditional sense — it is merely a representation of the good will associated with a product. See 2 McCarthy, supra note 7, § 18:2, at 18-5 to 18-7.
rewarding. I do not foresee Congress using such theories to remodel the Lanham Act.

Second, the nature of trademarks has changed. Certainly, some companies still use trademarks as a source identifying signifier, but the real money is to be made in merchandising — developing trademarks as products in and of themselves is the lucrative future of trademark law, and that is the engine that will drive further developments and amendments to the Lanham Act. Perhaps a dual system of laws will be necessary for trademarks whose primary function is informative and for those whose principal capacity is consumptive. But a dual system

153. There are several engaging articles describing the role of trademarks in both individual and cultural identity formation. See Wilf, supra note 74, at 22 ("The culture of mass consumption . . . [spawned] a new consumer mentality where consumer choice served as a primary means of establishing individual identity. . . . With this new found emphasis upon consumption as expression, trademarks took on an increased significance paralleling the rise of mass consumer markets."); Aoki, supra note 91, at 542 ("The recodification of cultural imagery by nonowners is central to the process of creating culture because meanings expressed through systems of signification are, by definition, perpetually unstable . . . ."); Dreyfuss, supra note 47, at 139 ("[O]nce symbols are introduced into a culture, they tend to be recoded by those who see and hear them. Audiences fit what they see and hear into their own cognitive frameworks, . . . giving [signals] meaning according to their own experiences, agendas and needs."); Rochelle Cooper Dreyfuss, Expressive Genercity: Trademarks as Language in the Pepsi Generation, 65 NOTRE DAME L. REV. 397, 402 (1990) ("[T]hese terms apparently have meanings of their own. They may, for example, serve to announce that characteristics associated with the product on which they appear as signals, are true of, or endorsed by, the purchaser; they may create an identification between the purchaser and the trademark owner, or act as a vehicle for commenting on the product or its manufacturer.") [hereinafter, Dreyfuss, Expressive Genercity]: Malcolm Gladwell, True Colors, THE NEW YORKER, Mar. 22, 1999, at 70, 81 ("[A]ll of us, when it comes to constructing our sense of self, borrow bits and pieces, ideas and phrases, rituals and products from the world around us — over-the-counter ethnicities that shape, in some small but meaningful way, our identities.").

154. See Litman, supra note 11, at 1726.

[T]he descriptive proposition that trade symbols have no intrinsic value has come to seem demonstrably inaccurate. The use of trademarks on promotional products has evolved from an advertising device for the underlying product line to an independent justification for bringing a so-called underlying product to market. . . . The worth of such valuable trade symbols lies less in their designation of product source than in their power to imbue a product line with desirable atmospherics.

Id. (footnote omitted).

155. See id. at 1728 ("Toys are designed, perfumes are compounded, and breakfast cereals are devised for no better reason than to serve as a vehicle for the trade symbol du jour.").

156. See Landes & Posner, supra note 15, at 305 ("[M]any persons purchase
may prove needlessly complicated. My pitch is for a simpler, pared-down trademark law meant to accommodate the elite trademarks: the fanciful, arbitrary, and suggestive powerhouses of market language.¹⁵⁷

Third, and finally, making trademarks property — despite all the obvious and recondite problems — actually makes some quirky kind of sense.¹⁵⁸ I was struck, at moments, while I researched this article, by the thought: “Well, then, maybe trademarks should be property.” Following that wavering flicker is what brought me here, and I now think the arguments in favor of propertizing trademarks provide a very powerful vehicle for reformation. Perhaps that is why making trademarks property is not a new idea.¹⁵⁹ The Supreme Court assumed they were property at common law in The Trademark Cases.¹⁶⁰ Felix

branded goods for the purpose of demonstrating to others that they are consumers of the particular goods — in other words, to impress others. Higgins and Rubin treat this as a pure consumption preference, but we prefer to view it as investment in reputation capital.”) (citing Richard S. Higgins & Paul H. Rubin, Counterfeit Goods, 29 J.L. & ECON. 211 (1986)). Dr. W. Curtiss Priest explains the consumption function of trademarks as follows: He identifies as “synthesized experiences” those intellectual property works whose function encompasses not merely the imparting of information, but also feelings, attitudes, and experiences, be they vicarious or empathetic. See Priest, supra note 50, § 1.2. “The ‘synthesized experiences’ . . . if they are consumed again and again (like seeing a movie many times), become less and less information each time and more a simply consumptive good like food.” Id. § 2.1.

¹⁵⁷ When I argue against a dual-track system, I refer to multiple tiers of statutory protection for trademarks. I advocate maintaining common law trademark, unfair competition, palming off, and misappropriation doctrines to protect consumers and holders of descriptive marks.

¹⁵⁸ See Carter, supra note 11, at 721.

The Trademark Law Revision Act, enacted in 1988, provided that a firm may apply for registration prior to making any use, and has been criticized by some commentators — including myself — for moving us in the direction of a property-based rather than an incentive-based trademark system. But perhaps it is not such a bad idea after all. . . . Certainly, to do so would begin to create a new conversational habit in which we would call trademarks property.

Id. (footnote omitted); see also Litman, supra note 11, at 1728 (“If society now values the persuasive function of trade symbols more than it used to, then perhaps it ought to protect that persuasive function more powerfully than it used to.”).

¹⁵⁹ See Lemley, supra note 11, at 1693 n.30 (“To be sure, the concept of trademarks as property is not itself a new one.”).

¹⁶⁰ 100 U.S. 82, 92 (1879) (“[Trademark] is a property right for the violation of which damages may be recovered in an action at law.”). For that matter, the most recent Supreme Court pronouncement on the matter toes the same line. See College Sav. Bank v. Florida Prepaid Postsecondary Educ. Expense Bd., 119 S.Ct. 2219, 2224 (1999) (“The Lanham Act may well contain provisions that protect constitutionally cognizable property interests — notably, its provisions dealing with infringement of
Cohen expressed his disapproval of the idea in 1935.\textsuperscript{161} Rudolph Callmann argued that the Lanham Act endowed trademarks with property rights the very year the Act took effect.\textsuperscript{162} And, as recently as in 1999, Mark Lemley wrote that "[t]he forces arrayed in favor of propertization are powerful indeed."\textsuperscript{163}

So, having catalogued the pragmatism of making this argument, exactly what is the argument? Such is a fair question. The argument is that endowing trademarks with property rights solves those problems raised by the \textit{International News} quasi-property paradigm. Whatever else may be said for and against propertizing trademarks, doing so is a complete panacea for the malady of quasi-property.

To say that it is a "complete panacea," however, is not to say that propertizing trademarks will leave the Lanham Act unscathed. On the contrary, making trademarks property will require a substantial amount of shearing, discarding, and restitching of trademark law. Specifically, I am suggesting that we abandon the current classification scheme of generic, descriptive, suggestive, arbitrary, and fanciful marks. I maintain that we should collapse the classifications of generic and descriptive into one category\textsuperscript{164} (or, if we maintain two categories, trademarks, which are the "property" of the owner because he can exclude others from using them.)\textsuperscript{165} (citing K-Mart Corp. v. Cartier, Inc., 485 U.S. 176, 185–86 (1988))). Notwithstanding this somewhat callous classification of trademarks as property by a very hallowed (and knowledgeable) institution, those jurists and scholars who take the property status of trademarks for granted neglect serious counterarguments. See, e.g., Simone A. Rose, \textit{Will Atlas Shrug? Dilution Protection for "Famous" Trademarks: Anti-Competitive "Monopoly" or Earned "Property" Right?}, 47 FLA. L. REV. 653, 687–97 (1995). In the ten pages Rose devotes to explaining why trademarks are property, she merely asserts that trademarks fit with Bentham's formulation of property, though less easily so within Locke's or Landes' and Posner's definitions. She does not address any arguments against endowing trademarks with property rights, nor does she even attempt to address the most obvious problem with trademarks as property: why are trademarks not freely alienable if they are property? For my discussion of the feasibility of making trademarks freely alienable, see infra text accompanying notes 216–22.


162. See Rudolf Callmann, \textit{Unfair Competition Without Competition?: The Importance of the Property Concept in the Law of Trade-Marks}, 95 U. PA. L. REV. 443, 467 (1947) ("This development [of incontestability] should very effectively put to rest all arguments advanced by opponents of the property right theory. . . . [I]t would seem that Section 15 of the Trade-Mark Act demonstrates Congressional willingness to recognize the trade-mark as a property right.").

163. Lemley, \textit{supra} note 11, at 1714.

164. At least with respect to incontestability, some amount of linguistic ambiguity — suggesting that perhaps descriptive and generic marks already are one category — exists:
recognize that neither category gets any trademark protection, regardless of whether the descriptive mark has secondary meaning) and allow protection only for suggestive, arbitrary, and fanciful marks.

I do not advocate jettisoning descriptive marks simply because they do not fit within my scheme of property rights for trademarks, although the incompatibility of property rights and descriptive marks is apparent. Protecting descriptive marks has proved precarious from the beginning because establishing secondary meaning is a nightmarish undertaking. Parties frequently do not even submit surveys to back up their claims of secondary meaning;165 when parties produce surveys, they are often a statistical joke — their sample populations are too small166 or miss the relevant population167 or they ask leading or irrelevant questions.168 Even when the surveys do reveal numbers that are methodologically

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The Park 'N Fly decision equated a common descriptive term with a generic one, thereby creating a crucial distinction between a common descriptive and a merely descriptive term. A common descriptive term can be canceled after five years of registration and cannot become incontestable; a merely descriptive term cannot be cancelled after five years and can become incontestable. . . . This distinction between common descriptive and merely descriptive is not compelled by the statutory language. First, the term "common descriptive" has a plain meaning — a name that primarily describes the product rather than its source — that encompasses both generic and merely descriptive terms. Second, . . . the categories "merely descriptive" and "generic" have been terms of art in trademark law since before the Lanham Act's passage, while the term "common descriptive" has not. If the drafters meant "generic," they would have used that well-known term.

Mahaney, supra note 1, at 1170 (footnotes omitted). In other words, the possibility exists that Congress never intended that incontestability protection extend to merely descriptive terms.

165. See, e.g., Mana Prods., Inc. v. Columbia Cosmetics Mfg., Inc., 65 F.3d 1063, 1071 (2d Cir. 1995); The Vision Ctr. v. Opticks, Inc., 596 F.2d 111, 119 (5th Cir. 1979).


167. See id. (holding that a survey did not establish secondary meaning when "[o]f the 50 people surveyed . . . 43 actually operated a Sno-Wizard machine" and "[o]f the 33 surveyed in Texas, 18 owned or operated a Sno-Wizard"; the court concluded that the survey "can thus be interpreted to mean that operators of snowball machines can identify the type of machine they use each day.").

168. See, e.g., Zatarains, Inc. v. Oak Grove Smokehouse, Inc., 698 F.2d 786, 794 n.4 (5th Cir. 1983) ("[A] glance at the survey itself convinces us that, regardless of its purpose, the questions were not framed in a manner adequate to classify the mark properly.").
respectable, no one is quite sure how to interpret those numbers: what percentage of a population needs to recognize a mark for it to have secondary meaning? The secondary meaning analysis does not provide the judge with sufficient guidance to make the decision on the basis of anything more substantial than his or her own judgment as to the secondary meaning of the term, and the unpredictability of what an individual judge will think about a descriptive term introduces an unacceptable level of instability into the system. Therefore, eliminating descriptive marks solves several problems. It absolves judges of the necessity of conducting secondary meaning analysis, it allows trademarks to become property, and it disposes of the multiple problems generated when incontestability applies to descriptive marks.

In the next subparts, I address how propertizing trademarks will resolve the four problems I raised above — the absence of a theoretical justification for trademark incontestability, the barriers to entry and competition that incontestability raises, the application of incontestability in inequitable circumstances, and the inability of judges to apply incontestability doctrine. In the penultimate subpart, I address the major costs of making trademarks property. Finally, I consider whether the Intellectual Property Clause of the Constitution now mandates protection of trademarks as intellectual property and if so, whether the Constitution likewise demands that they be of limited duration.

169. Compare Thomas & Betts Corp. v. Panduit Corp., 138 F.3d 277, 295 (7th Cir. 1998) ("Figures in the 30% range are marginal and do not establish secondary meaning as a matter of law."); with Zatarains, 698 F.2d at 795 (finding 23% and 28% in two surveys sufficient to establish secondary meaning).

170. A fair observation is that eliminating descriptive marks creates at least one major problem: what does one do about the myriad of registered, protected, incontestable descriptive marks (with and without secondary meaning) already in existence? My impulse would be to permit a "grandfathering" of these descriptive marks and to apply the new regime only in a forward-looking manner. This would necessitate duplicate legal schemes, however, and possible transition rules as well. Nobody, least of all judges, would think that a dual-track system is an ideal situation, but, in my estimation, cutting our losses with this current system is the best solution. Our economy is increasingly information-based and intellectual property-dependent, and trademark incontestability creates such a hole in our legal foundation that it will not support much superstructure.

171. When considering trademarks as property, Carter wrote, "How simple and elegant it would be to conclude that secondary meaning is unnecessary because the first to appropriate the mark owns it; owns it not because of its representational nature, but because it is a product of the mind." Carter, supra note 11, at 721.
A. Theoretical Justification

Before plunging headlong into this analysis, I think I ought to acknowledge, at least, the relative awkwardness of my argument here. After all, I basically denounced in Part II.A. the very theories I now seek to praise. Nevertheless, I do not see what I am doing here as back-pedaling. Rather, I see my argument as generally consistent. In Part II.A., I confined my critique to the application of property rights to descriptive marks; now I review how they fare with stronger marks. Moreover, I will not argue that property rights are a perfect match for trademarks; I do not think property rights are a perfect match for any intellectual property — property rights invariably solve some problems associated with the public goods nature of information and exacerbate others. Instead, my argument is more constrained: property rights for strong marks are better than quasi-property rights for strong and weak marks. Finally, I am not oblivious to the blunt political realities of creating property: “Property, quite famously, is only a legal conclusion.”\textsuperscript{172} If we decide to conclude that suggestive, arbitrary and fanciful marks are property, then we could do so on the basis of at least three property theories: maximizing exploitation of scarce resources, the first appropriation theory, and the labor theory of property. I address each in turn.

The scarce resources idea runs counter to conventional wisdom: “[T]he traditional economic justification for trademark law rests on the premise that the set of available marks is virtually infinite and, in consequence, that the actual mark chosen by a firm to represent its goods is irrelevant.”\textsuperscript{173} Carter calls this premise the “irrelevant mark assumption, or IM.”\textsuperscript{174} He writes:

All that is needed is a different mark for each producer. . . . [Consequently,] trademark law has never provided incentives to be clever in selecting a mark. . . . This view in turn assumes that the mark bears no relation to the ability to build goodwill, except insofar as the mark serves as a low cost vehicle for the transmission of other information about the source of the product. The mark, in this view, is purely

\textsuperscript{172} Carter, supra note 11, at 716.
\textsuperscript{173} Carter, Trouble with Trademark, supra note 19, at 760.
\textsuperscript{174} Id. at 769 (emphasis omitted).
representational,\textsuperscript{175} and, to the consumer, has no independent significance.\textsuperscript{176}

The word on the street, essentially, is that some marks do work better,\textsuperscript{177} and if a firm can hit upon such a mark, it can lower its costs of entry into a market\textsuperscript{178} and its "long-run costs of maintaining"\textsuperscript{179} the mark. These marks — "Oasis" for cigarettes, "Riviera" for Buick's

\begin{footnotesize}

\textsuperscript{175} As a matter of semiotics (the study of signs), the IM assumption is wrong. One might be tempted to think of language as a nomenclature: a series of names arbitrarily selected and attached to a set of objects or concepts. It is, Saussure says, all too easy to think of language as a set of names and to make the biblical story of Adam naming the beasts an account of the very nature of language. . . . If language were simply a nomenclature for a set of universal concepts, it would be easy to translate from one language to another. . . . If language were like this, the task of learning a new language would also be much easier than it is. But anyone who has attempted either of these tasks has acquired, alas, a vast amount of direct proof that languages are not nomenclatures, that the concepts or signifieds of one language may differ radically from those of another. . . . Each language articulates or organizes the world differently. Languages do not simply name existing categories; they articulate their own.

Jonathan Culler, Ferdinand de Saussure 31 (1986). In other words, trademarks (other than fanciful trademarks, like Kodak, which is a nonsense word) cannot be purely representational because language is not purely representation — rather, it is a means of "organizing the world into concepts or categories." \textit{Id.} at 33.

\textsuperscript{176} Carter, \textit{Trouble with Trademark}, supra note 19, at 769. But as Carter points out,

\begin{quote}
\textquoteright Virtually no one involved in the selection and testing of marks seems to think that IM presents a useful picture of the world. On the contrary, firms invest heavily in development and testing of marks. . . . [And] unless some marks are better than others, consumer product firms are acting irrationally when they test to see which names or symbols will be most attractive to consumers before choosing marks for new products.
\end{quote}

\textit{Id.} at 770 (footnote omitted).

\textsuperscript{177} For instance, the psychologist Herta Herzog used motivational research to "choose the name of Oasis cigarettes, because her psychological research suggested that the name — with its connotations of cool, bubbling springs — would have the greatest appeal to the orally-fixated smoker." Gladwell, \textit{supra} note 153, at 79.

\textsuperscript{178} See Carter, \textit{Trouble with Trademark}, supra note 19, at 770 ("[E]ven before proceeding to advertise — that is, before beginning to build good will — a firm that adopts one of the better marks will face lower entry costs, and probably lower long-run costs, than a firm that adopts one that is not as good.").

\textsuperscript{179} \textit{Id.} at 774.
\end{footnotesize}
luxury coupe, "Accutron" for Bulova's quartz watch\textsuperscript{180} — are scarce resources. They are scarce because these words (or, in the case of Accutron, parts of words) resonate with consumers by an accident of linguistic evolution.\textsuperscript{181} These trademarks mean something unique, surprising, poignant, or metaphoric when applied to different products because of the arbitrary coalescence of our particular identities as Americans and English-speakers and our individual psyches.\textsuperscript{182} In other words, by some capricious accident of fate, some words are a veritable gold mine (in terms of saving start-up and maintenance costs) when used to designate products in commerce, and these words are scarce resources. Using incontestable property rights as insurance for the costs of prospecting to find such valuable ore is consistent with a social policy that promotes both a strong consumer-based and an indomitable information-based economy.\textsuperscript{183} Thus, the scarce resources theory does

\textsuperscript{180} See Gladwell, supra note 153, at 78.

\textsuperscript{181} What words mean at a particular time, and any multiple layers of significance, shift: "[T]he history of languages is full of examples of concepts shifting, changing their boundaries. The English word cattle, for example, at one point meant property in general, then gradually came to be restricted to four-footed property (a new category), and finally attained its modern sense of domesticated bovines." Culler, supra note 175, at 32.

Incidentally, a similar thing happens with trademarks. See Port, supra note 3, at 529 ("The assignment of a specific trademark to these categories is not necessarily static. A mark can conceivably move from one category to another based on how the mark is used by the owner and the degree of consumer recognition developed in the mark."). For instance, Singer, once famously defrocked of its mark, see Singer Mfg. Co. v. June Mfg. Co., 163 U.S. 169 (1896), recovered its trademark for use on sewing machines. See Singer Mfg. Co. v. Briley, 207 F.2d 519 (5th Cir. 1953).

\textsuperscript{182} We have a (perhaps) surprisingly complex "relationship... to the products we buy, and... advertisers [slowly realized] that unless they understood the psychological particulars of that relationship — unless they could dignify the transactions of everyday life by granting them meaning — they could not hope to reach the modern consumer." Gladwell, supra note 153, at 77–78; see also Wilf, supra note 74, at 2 ("Peculiar to trademarks, the communicative sign is a placeholder for a robust but intangible cultural relationship between producer and consumer."); James Atlas, The Million-Dollar Diploma, The New Yorker, July 19, 1999, at 42, 46 ("I was thinking about my life in general and Campbell's soup came to mind. I know it sounds crazy, but I thought a lot about the sustainability of it as a brand. When I was a little kid, you know, you always think, Mmm, good.").

\textsuperscript{183} See Lange, supra note 90, at 221–22.

Scheckter's insight — namely, that the trademark proprietor's interest lies mainly in recouping and then protecting the investment made in creating and promoting the mark — has come to dominate the thinking in a field in which, increasingly, the rhetoric of 'free riding' or "reaping where one has not sown" is a central concern. ... It is rational to wish to protect an
explain and justify incontestability (and property rights) in suggestive, arbitrary, and fanciful marks, though not in descriptive marks.

Even if one finds the idea of labeling any mark a “scarce resource” unpersuasive, the economic theory of property rights — to promote exploitation of resources — justifies the same outcome of property rights in trademarks. As Robert Denicola argues, with respect to the ornamental (consumptive) use of marks:

[T]he sheer volume of ornamental use may affect the value of the symbol as the market becomes saturated with merchandise bearing the mark. Unrestricted access may thus fail to extract the maximum benefit from the mark, much as unrestricted use may lead to inefficient exploitation in the traditional example of the public common. . . . If use by some does diminish the value of the mark to others, a mechanism to manage its exploitation may be desirable. . . . One approach is to recognize a property interest in the merchandising

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investment; and while Professor Cohen has observed correctly that the resulting interest is neither a natural nor a moral right, still there is both practical sense and surely some ethical entitlement in the idea that trademarks are the property of proprietors for reasons that do not depend alone, or perhaps even primarily, on the public’s separate interest in freedom from confusion.

Id. (footnotes omitted). See also id. at 221 n.35 (“What Schechter did in essence was to bring the trademark proprietor’s interest front and center, by emphasizing the need to recoup investment made in developing marks that are unique and singular.”) (emphasis added).

184. Carter posits that marketing professionals implicitly accept what might be called the Modified Irrelevant Mark Assumption, or MIM, which holds that the elasticity of supply of low-cost substitute marks varies as a function of the distance of the mark from the generic. Thus, the further the mark moves on the scale away from genericness and toward fancifulness, the larger the set of available marks.

Carter, Trouble with Trademark, supra note 19, at 774–75. Thus, even the “realists” recognize that the supply of available marks approaches infinity in the “fanciful” category. Nevertheless, this does not undermine my argument. Even made-up words (like Accutron, Acura, Polaroid, and Kodak) resonate with the public, invoking ideas, emotions, memories, or desires. As Carter writes, “Why EXXON? Well, try selling gasoline under the name OXXEN. Or, for that matter, GRODROK.” Id. at 770. Basically, the fact that the supply of fanciful marks is infinite does not foreclose their status as a scarce resource because only certain marks, even made up ones, will endow their holders with start-up and competition cost advantages.
value of the mark, thus permitting the trademark owner to oversee its exploitation.\textsuperscript{185}

By and large, Denicola here summarizes the argument. My only objection to Denicola’s analysis is this: I have resisted dividing the legal protection afforded marks into two tiers. Denicola suggests offering property protection only to the merchandising or consumptive function of the mark. His proposal would endow any mark — descriptive, suggestive, fanciful or arbitrary — with property rights so long as the mark had merchandising value. I argue that the consumptive function of trademarks justifies property rights in marks, but that the property right should extend to both functions — informative and consumptive — of the mark. Because I favor property rights for the informative function of the mark, I suggest demoting descriptive marks to the status, essentially, of generic marks. Despite these differences, Denicola offers an analysis that justifies property rights in trademarks in terms of the economic theory of property, and to this extent, my argument dovetails with his.

So the economic theory of property rights could undergird full-fledged property rights in trademarks. What about our other theories? The first appropriation theory carries some theoretical weight when applied to fanciful marks. A fanciful mark can actually be in the initial position — a \textit{res nullius}. Conceivably, no one has ever uttered the word before or strung certain letters together previously. One could argue that arbitrary and suggestive marks are likewise in the initial position because no one has ever applied them to particular products before. (I accept this, but it is a weaker argument because it will not always be true. Market testing may reveal a particular affinity, on the part of the public, for having certain things bear certain names precisely \textit{because} some people already have been associating the item with that name — for instance, “Accutron” for a watch may be a great trademark because people already value the accuracy of a time piece.)

But simply because a fanciful mark can be in the initial position does not remedy the problem of possession and appropriation, nor does it explain why a unilateral act — such as registration — should succeed in removing a mark from the commons.\textsuperscript{186} As to possession, I argue that intangible rights cannot be possessed in the same manner as real property, and that, in the context of trademarks, registration of a fanciful mark ought to suffice. With copyrights, for instance, we

\textsuperscript{185} Denicola, \textit{supra} note 27, at 637–38.
\textsuperscript{186} See \textit{supra} text accompanying notes 70–74.
require an idea to be fixed in a tangible medium of expression to satisfy the possession element. With fanciful trademarks, registration alerts the PTO and the public that an applicant has coined a word. Registration is analogous, in this instance, to fixing an idea in a tangible medium of expression and thus can be construed as possessing or appropriating the mark. Since we do not require copyright holders to publish their work to gain protection, we should not require trademark holders to use their marks in commerce in order to garner their rights. For intangible property rights, reducing the idea to a tangible, permanent form is (or ought to be) sufficient.

With respect to a theory of how a unilateral act can remove a term from the commons, the answer, with fanciful marks, is that they never were in the commons. The unilateral act of registration can give rise to rights the whole world must respect because the mark holder is not depleting the public domain (and, after all, creation is itself frequently a unilateral act).

Thus, the first appropriation theory seems to suit fanciful marks. Moreover, it has a great strength in this context: ease of application.\textsuperscript{187} And since the harm associated with unjustifiably granting property rights here to arbitrary and suggestive marks is very small,\textsuperscript{188} the first appropriation theory at least merits consideration as a candidate for the role of bolstering property rights in trademarks.

Finally, I consider Locke.\textsuperscript{189} "Certainly, one may conceptualize trademarks as property in the Lockean sense, in the same way that one may conceptualize copyrights and patents in that way: they protect the creator's right to the intellectual products of the mind."\textsuperscript{190} Beginning

\textsuperscript{187} See Carter, supra note 11, at 722 ("[T]he first user thought of it, so the first user owns it. This approach would take the Court on trademarks where it has already gone on copyrights: in the direction of less concern with the 'rights' of the public and more concern with the property of the owner.").

\textsuperscript{188} Cf. Landes & Posner, supra note 15, at 287 ("[T]he economic consequences of individual trademark abuses are pretty much limited to raising consumer search costs . . . ."). Improper protection of arbitrary and suggestive marks poses a more remote risk of raising consumer search costs.

\textsuperscript{189} In addition to Locke's notion that laboring upon something gave rise to property rights, Locke insisted that private possession must do no harm. "Private rights are trumped by Locke's imposed duty that goods must be left in common when an unjustified or wrongful harm is caused by removing them." Wilf, supra note 74, at 26. I think that property rights in trademarks comport with Locke's proviso, but I discuss why removing trademarks from the commons does no harm below. See discussion infra Part III.E.

\textsuperscript{190} Carter, supra note 11, at 720 ("Put otherwise, the bare fact that the creator has brought the res into existence is the reason for its protection.").
largely with Frank Schechter,191 "the 'efforts and ingenuity' of the [trademark] makers was . . . proposed as a separate, additional, and ultimately more important basis for protecting trademarks than the public's right to avoid being confused."192

Schechter disassociated trademark from the sphere of production and reassOCIated it with consumption.193

....

... This step was critical for the most daring part of Schechter's argument, that "the trademark is not merely the symbol of goodwill but often the most effective agent for the creation of goodwill, imprinting upon the public mind an anonymous and impersonal guaranty of satisfaction, creating a desire for further satisfactions.194

"In traditional trademark doctrine, goodwill emerged only from repeat transactions. For Schechter, however, goodwill might be actively created through marketing."195 Where goodwill arises from repeat transactions, preventing consumer confusion is paramount. On the other hand, if a mark holder can generate good will strictly by marketing, then protecting the mark holder's investment might be more important.

Placing the focus on the mark holder rather than the mark does for incontestability what Karjala did for misappropriation when he focused on market failure instead of news: "[I]f creation implies a property right in it, then the identity of the thing is less important; the more instrumental one's conception, the more the range of rights will vary with the perceived societal benefit of the production of the particular thing."196 The labor theory, in essence, frees us from the troubling taxonomical difficulties of identifying trademarks as property and allows

192. Lange, supra note 90, at 221 n.35; see also Wilf, supra note 74, at 1 ("[I]n Frank Schechter's classic formulation . . . [s]ince the trademark holder both invents and sustains the worth of the mark, it is his or her claims to private ownership that must be protected.").
194. Id. (quoting Schechter, supra note 191, at 819).
195. Id. at 14.
196. Carter, supra note 11, at 716–17. See also supra note 16 and accompanying text.
us to treat trademarks as property simply because the mark holders labored upon them.

Of course, this raises the philosophical dilemma of why laboring upon something — a unilateral act — gives rise to rights the whole world must respect. This is especially troubling in the context of suggestive or arbitrary trademarks, whose use removes terms from the public domain. Why should conducting a marketing survey allow a mark holder to remove a term from the commons? I do not have an exact answer to this question. Instead, my counterargument derives from an analogy to a copyrighted derivative work that makes use of something in the public domain. For instance, the play *Rosencrantz and Guildenstern Are Dead* describes the adventures had by two characters during the time they are offstage in *Hamlet*. *Hamlet* plays in the background of *Rosencrantz and Guildenstern Are Dead*. In this example, a copyrighted work grows from a play in the public domain, and Tom Stoppard’s copyright in his play forecloses any other playwright’s use of *Hamlet* in the same (or too similar) manner. We tolerate this partial removal from the public domain because we want to provide incentives for creation. Likewise, an arbitrary or suggestive mark makes use of a term in the public domain and forecloses most other uses of that term in commerce. I argue that we should permit this partial removal from the public domain because we want to aid firms by reducing their start-up and competition costs and thereby support our information-based economy. In other words, to the extent that we answer the dilemma of why laboring gives rise to rights in the copyright context by saying, “It just does” or “Because we want to provide incentives for creation,” we should answer it similarly in the trademark context by saying “this is the best way to protect and foster our information-based economy.”

The labor theory of property is enormously appealing here for two additional reasons. First, it applies to all strong marks, be they suggestive, arbitrary or fanciful, and second, it rewards hard work.\(^{199}\)

\(^{197}\) TOM STOPPARD, ROSENCRANTZ & GUILDENSTERN ARE DEAD (Henry Popkin ed. 1991).

\(^{198}\) WILLIAM SHAKESPEARE, HAMLET (1611).

\(^{199}\) One could argue that Locke would just as soon justify property rights in descriptive marks. After all, building secondary meaning requires tremendous work. While this is true, an incontestable descriptive mark, whether bearing secondary meaning or not, is more likely to hamstring competition than an incontestable suggestive, arbitrary, or fanciful mark. Simply put, the dangers of allowing exclusive rights in a descriptive term — regardless of secondary meaning — outweigh the benefits of maintaining protection for descriptive marks of any variety. Since exclusive rights
And the development of robust trademarks unquestionably demands extensive labor.200 "Since investment costs are high and it is so relatively costless to reproduce the product, it is extremely important to protect the owners of the investment."201 Sheltering mark holders on grounds of Locke's labor theory appeals to our American romance with the Protestant work ethic; it also revives (and appropriately so, I think) the now-defunct copyright protection for "sweat of the brow" works.202

Thus, without overstating the case, theories of property rights are compatible with trademarks203 — once descriptive marks are out of the way. Descriptive marks are not scarce resources, but stronger marks may be. Descriptive marks are not res nullius, but fanciful marks are. Descriptive marks require no labor to capture (though they do require labor to build up secondary meaning); suggestive, arbitrary, and fanciful marks demand laborious market research to yield their discovery, but they reduce the costs of long term competition. And once trademarks

in descriptive marks would cause harm, Locke does not, in fact, provide support for such rights. See supra note 189.

200. "The development of information is labor intensive. Some film footage can cost $2000 a second to produce." Priest, supra note 50, § 2.1.3 ("The initial costs for creating information are high relative to the costs of reproduction. This contrasts sharply to most other goods where the production of multiple units of a good require considerable factor inputs of capital, labor, and materials."); see also Wilf, supra note 74, at 17 ("No question exists today about the magnitude of this labor-capital investment [in marketing trademarks]. Vast resources are expended on advertising alone.").

201. Priest, supra note 50, § 2.1.3.


203. But see Lemley, supra note 11, at 1709 ("[I]t is hard to find any theoretical or statutory basis for the property approach to trademarks."). Lemley's primary objection is that "[v]esting trademarks with the mantle of property — and giving them some of the indicia of real property, such as free transferability — defeats the purpose of linking trademarks to goods in the first place." Id. at 1695–96. Lemley is absolutely correct that trademarks as property sever the link between the mark and the good, but his objection — and his reluctance to see a persuasive reason to make trademarks property — ignores or discounts the consumptive function of trademarks. Viewing trademarks as consumption goods opens the door to a theoretical justification for the property approach because, in "consumption mode," the trademark has shed its underlying product. Moreover, very strong marks, such as "Coke," are now so established that endowing them with full property rights will not rend the connection between the trademark and the product. In essence, Lemley's objection is tailored to trademarks of a different era.
are property, incontestability — far from lacking justification — is inevitable.

B. Start-Up and Competition Costs

How do property rights in trademarks solve the problem of start up and competition costs? Returning to the initial argument, the problems arise when a firm appropriates a descriptive term, part of the market language, that is necessary for other firms to use if they are to compete effectively.\textsuperscript{204} Denying trademark protection to descriptive marks, regardless of secondary meaning, substantially reduces the risk that property rights in descriptive terms will impede a competitor's entry into the market. Moreover, the incentive structure so created would ensure that new entrants into the market would themselves have vigorous marks, or marks that, with some investment in advertising, could become very strong. Finally, barriers to competition will be lessened: If the only trademarks awarded protection are fanciful, arbitrary, or suggestive, the maintenance costs of the mark will be lower.\textsuperscript{205}

While some might object that this new system would encourage social waste — that is, product differentiation in the absence of a qualitative difference in products\textsuperscript{206} — I am not overly concerned about this possibility. First, the market has changed enormously since this argument was popular.\textsuperscript{207} Economists have largely rejected the idea that

\begin{footnotes}
\item[204] See supra note 101 and accompanying text.
\item[205] See supra text accompanying note 184.
\item[207] See Lemley, supra note 11, at 1693 ("Transactions in services, information, and intellectual property are a growing percentage of the economy. It may be that advertising and brand loyalty are more important in such transactions than they are in the relatively homogenous world of old." (footnote omitted)).
\end{footnotes}
trademarks lead to useless product differentiation. Second, I agree with those scholars who conclude that if consumers want to throw away extra money on substantially identical products, that is their prerogative as free market-loving Americans, although my reasoning has nothing to do with a reluctance to second-guess the market. I think the premium paid for brand-name quality is very much an identity-forming act. In a consumer culture, trademarks are consumptive goods in a very concrete sense, and that is justification enough for the premium.

Property rights in strong marks do not seem to exacerbate barriers to information flows. What relief they offer is partly because the free riding that will occur under such a scheme will mostly be negative. In other words, when two firms are both using weak marks, incontestability does a poor job of determining whether the free riding (what free riding there is) is harmful. If the only option was to have a strong mark, however, the resultant free riding would most likely be negative because it causes consumer confusion or leads to market failure. Thus, if trademarks were full-fledged property, then incontestability would better prevent only that free riding that decreased social happiness.

Ralph Brown argued in Advertising and the Public Interest that just because people paid more for products did not mean there had been any actual increase in productivity and welfare — rather, we had let ourselves be talked into paying more money for the same stuff. That... was wasteful for the public at large. Today, that once self-evident point is controversial. Productivity seems to be measured less by what people make than by what people are inclined to buy.

Litman, supra note 11, at 1725 (footnotes omitted).

208. See Landes & Posner, supra note 15, at 277 ("[T]he hostile view of brand advertising has been largely and we think correctly rejected by economics.").

209. See, e.g., Lemley, supra note 11, at 1692–93 ("My preference for Diet Coke over Diet Pepsi... may be an irrational one, induced by childhood memories of teaching the world to sing or some similar promotional effort. But in a free market economy, perhaps the choice should be mine to make, for good or ill.").

210. See id. at 1692 ("[E]conomists today are much more reluctant to second-guess the workings of the market than they were fifty years ago.").

211. See supra note 153; see also Wilf, supra note 74, at 15 ("Identification with a particular mark is intimately bound with self-constitution."); Atlas, supra note 182, at 46 ("[T]he brand is owned by the people who consume it.... I had my first kiss while I had a bottle of Coke in my hand.... Coca-Cola isn't about taste; it's about my life." (quoting Charlotte Beers, former CEO of Ogilvy & Mather)).

212. See Kozinski, supra note 75, at 962 ("Where trademarks once served only to tell the consumer who made the product, they now often enhance it or become a functional part of it." (footnote omitted)).
C. Equity

For those more concerned with justice than theory, perhaps the most appealing reason to adopt a system of property rights for trademarks is that judges will never have to apply incontestability inequitably. As I highlighted above, judges must apply incontestability even when — as in Park 'N Fly — to do so seems unfair. If trademarks are property, then judges can readily justify forbidding "trespass" (in the form of infringement) even when the parties are not in direct competition. In short, the law, as it stands now, makes sense if trademarks are property, and this is precisely the conclusion Callmann draws in his 1947 article, surmising that trademarks must be property because judges find infringement even when the parties are not directly in competition with one another.213 This outcome makes no sense unless the trademark is an entity unto itself, a property separate and apart from the good it represents and its information-impacting role in the context of its application to a particular consumer good.

Since the jurisprudence already suggests the property paradigm for trademarks, resisting this impetus will create enormous friction. Either Congress (in a bout of some lobbyist-induced good sense) must legislatively overturn a tremendous amount of common law and decree that, since trademarks are not property, incontestability and infringement cannot apply where the parties are not in direct competition, or we have to join the "forces" that favor propertization. Some impulse, as unconscious or unarticulated as it may be, pushes the law in that direction, and resisting it may prove more trouble than it's worth.

D. Ease of Application

If trademarks are property, then administering incontestability becomes facile. Judges need only determine whether the mark holder has an incontestable property right in the mark and whether the defendant is using the same mark on comparable goods or services.214 Bright line rules do not come in more user-friendly packages. Judges will no longer have to fuss with clarifying what type of mark is at issue,

213. See Callmann, supra note 162. See also Port, supra note 3, at 564 ("Callmann's conclusion is based on cases where courts have found infringement even though the infringing party is not a competitor. This makes sense, Callmann argues, only if the trademark is property.").
214. See supra text accompanying note 140.
and they certainly will not have to confront any inquiries into secondary meaning or how, exactly, parties are supposed to make that showing. Moreover, judges will be able to escape the burden of balancing multiple, unquantifiable factors. They will not have to examine meaningless surveys or lament their absence in the evidence; they will no longer have to guess whether consumers are confused or inquire into the irrelevant fact of whether the defendant intended to copy. Reducing judicial fear and apprehension about adjudicating trademark cases is an admirable goal since eliminating these psychological barriers is the first step toward advancing doctrinal clarity. Additionally, such simplicity will provide a bedrock foundation upon which trademark law can flourish. Property rights will transform incontestability from a black hole in the Lanham Act into the cornerstone of stable trademark rights in the new millennium.

E. Costs of Trademarks as Property

Creating property rights in intellectual property generally — and trademarks specifically — has numerous risks and drawbacks. For this reason, many scholars reject the possibility for property rights in intellectual property beyond those necessary to foster incentives to create, and the incentive rationale does not now and never has applied to trademarks with much persuasive force. Nevertheless, I think the costs of property rights for trademarks are manageable, despite the inapplicability of the incentive rationale. Landes and Posner have

215. See Lange, supra note 90, at 242.
   The Second Circuit has held that “intentional copying raises a presumption that the ‘second comer intended to create a confusing similarity.’” This is an utterly debased rule of law, if one thinks about it for more than a moment. An intent to copy in circumstances of this sort means nothing more, necessarily, than an intent to appropriate and, presumably, to compete.

Id. (footnote omitted) (quoting Charles of the Ritz Group v. Quality King Dist., 832 F.2d 1317, 1322 (2d Cir. 1987)).

In particular, an intent to copy does not mean, ipso facto, that the infringer succeeded in misleading or confusing customers, nor does an intent to copy reflect on whether the copying was wrongful under the circumstances.

216. See Lemley, supra note 11, at 1694 (“[T]he incentive rationale for intellectual property will not work here . . . . [And] if we are to conclude that the trademark itself is valuable property, we need some rationale beyond these traditional justifications for trademark law. . . . The rationale turns out to be hard to find . . . .”); see also Gordon, Assertive Modesty, supra note 53, at 2591 (“[R]ights to forbid copying . . . should be given for reasons of incentives. Receipts are not justified if they exceed what could be justified by the operative rationale.” (footnote omitted)).
outlined four of the major costs of property rights, and I think that an analysis of these costs in relation to trademarks will support my position. "[F]irst is the cost of transferring such rights. If it is too high, a property right may prevent optimal adjustments to changing values." This is the key problem with property rights in trademarks: free alienability. "Unlike copyrights and patents, which have the alienability attributes of real property, trademarks have never been freely alienable. Indeed, selling a trademark without the accompanying business assets or good will is called 'assignment in gross,' and it can lead to the invalidation of the trademark." Mark Lemley succinctly summarizes the argument against alienating trademarks:

There is a positive economic case to be made for free alienability in general. Restraints on alienation generally interfere with the operation of the market and may prevent assets from being put to their highest and best use. While this is a powerful argument when applied to most assets, it is much weaker when applied to trademarks, since the asset is only supposed to exist in connection with particular goods made by a particular manufacturer.

The traditional common law focus on source identification and preventing consumer fraud and the economic focus on reducing consumer search costs all depend on the restricted alienability.

The problem with the source identification/fraud/search costs rationale is that it only accounts for the information-impacting function of the mark, whereas many modern marks have an extraordinary consumptive component. After all, when a mark (say, the Chicago Bulls logo on a sweatshirt or hat) is the subject of a massive

218. Lemley, supra note 11, at 1710 ("Judicial willingness to permit firms to sell trademarks as things in and of themselves is . . . evidence of the disconnect between the law and trademark theory.").
219. Id. at 1710 n. 119.
220. See Rose, supra note 160, at 693 ("The trademarked goods or services must possess a consistent quality over time and across consumers for a true 'source identification' and a reduction in consumer search costs to occur."). The required "consistent quality over time" will not occur if the mark holder can sell the mark at will.
221. See id. at 690 ("Callmann noted that courts are reluctant to define trademarks as property because of the erroneous view that a trademark has no independent 'advertising' value or 'persona,' but is instead limited to its source identification and 'good-will' function.").
merchandising blitz, its function on the merchandise is entirely consumptive. And courts, confronting the consumptive use of trademarks, rightly allow free alienability in these instances. The point, then, is that property rights in trademarks should be freely alienable when the mark's primary function is consumptive and should be alienable only with the attendant goodwill when the mark's primary function is source-identifying.

The counterargument here is that a dual standard may raise the costs of alienability to the point at which a property right becomes inefficient. But what I am proposing is largely a restatement of the status quo. I am confident that courts can distinguish between the consumptive and information-impacting functions of the trademark because they are doing precisely that—if only intuitively. On the other hand, does this give rise to a dual track system, something I purported not to endorse earlier? I do not think so because I believe the status quo, and my proposal, are more moderate than a regime of separate legal rules for the different functions of a trademark. The law does, and should, reflect a sliding scale of alienability depending on the function of the mark. The more a mark functions as a consumption good, the more it should be freely alienable and vice versa. Thus, the overall rule is one of alienability that is variable according to the facts and circumstances.

"The second major cost of a property rights system is what economists call 'rent seeking.' " Intellectual property sometimes creates serious problems of rent seeking, because the resource is continuously created or discovered rather than being already owned. . . . [I]t is waiting to be invented." With respect to trademarks, Landes and Posner focus on the potential problem of warehousing trademarks — a practice that the law would unquestionably have to permit if trademarks are property:

222. See, e.g., Boston Prof'l Hockey Ass'n v. Dallas Cap & Emblem Mfg., 510 F.2d 1004 (5th Cir. 1975).
223. Nor do I think Denicola intended a dual track system in the course of this particular argument. "There is no clear dichotomy between the ornamental and trademark functions of famous [marks]. That a recognized mark prominently displayed on an article of manufacture may increase its aesthetic appeal . . . does not preclude the possibility that it will simultaneously be perceived as an indication of origin or sponsorship." Denicola, supra note 27, at 611.
225. Id. at 269.
226. See Carter, supra note 11, at 721 ("[W]hat is commonly known as the 'warehousing' problem — firms trying to prevent competitors from using marks that they themselves are not currently using — would cease to be a problem at all. A firm
A firm allowed to register trademarks without using them might invest substantial resources in thinking up plausible new brand names. For even if, as we have suggested, the availability of such names is very great, the ownership of a vast number of them, and the aggregate licensing revenues that such ownership would command, would be a magnet drawing resources into the activity of creating brand names, probably beyond the optimal level of such investment.  

The key word above is "probably." Undoubtedly, making trademarks full-fledged property and allowing registration and exclusive rights without use would give rise to a "brand name creation" industry. Perhaps companies would undertake to discover optimal brand names and then lease or sell them to companies who wish to use them. But whether this flurry of investment would exceed optimal levels is an empirical question, the answer to which cannot be discerned without a trial period of the new regime of trademarks as property (and, of course, also a study). The possibility always exists that this new division of labor will actually prove more efficient.

"The third cost of property rights is that of protection and enforcement. . . . Intellectual property is particularly costly to protect." Enforcing trademark rights has generated upwardly-spiraling costs, in part because the massive confusion about multiple doctrines makes litigation a sort of Russian roulette — firms are willing would have the right to exclude the world from using as many marks as it might create.").

228. Moreover, with the advent of the 1988 Trademark Law Revision Act, firms already can register marks without use (at least for six months). See 15 U.S.C. § 1051(b) (1994). Though I am not aware of any studies of whether this has led to skyrocketing investments in warehousing beyond optimal levels — and though the TLRA is not a complete proxy for an unlimited ability to warehouse — I do not see why market controls on warehousing will not cabin the practice at its optimal level.
230. Robert Denicolia makes the same point with respect to enforcing a merchandising right in trademarks in the absence of exclusive rights. See Denicolia, supra note 27, at 640 ("The transaction costs involved in invoking traditional doctrines will generally be substantial — costs that largely could be avoided if the right to ornamental use was exclusive, and the inefficiency that remains beyond the reach of existing doctrine may well outweigh any associated with an exclusive merchandising right.").
to undertake litigation to hamstring a competitor because a chance exists that they will win. In addition to increasing costs of enforcement, the entropy in the law creates instability, which, at some point, will direct investment away from trademarks; moreover, this instability decreases the ability of lawyers to serve their clients. I have previously discussed how making trademarks property will tremendously aid the administration of incontestability doctrine — and, because many trademarks will be incontestable (5 years, after all, is not a long time to have to use a trademark) — making trademarks property will also enormously simplify the infringement inquiry. As I argued above, all firms need establish is that their mark is incontestable and that the defendant is using it. Therefore, relative to the status quo, making trademarks property actually decreases the costs of enforcing trademark rights.

"The last cost of property rights is the social cost of restricting the use of property when it has a public good character." This is an extremely serious consideration in making trademarks property in the traditional sense. "Our language and our culture are impoverished when we cannot use the most familiar words to discuss — or make fun of, or criticize — the products and companies that are the basis of our economy. At the very least, it becomes inconvenient to do so."

231. See Litman, supra note 11, at 1730 n.77 ("If we put to one side the expense involved in judicial resolution of trademark law disputes, we still need to confront the fact that litigation over trade symbols and advertising can be a powerful weapon to deploy against a commercial competitor.").

232. See Lange, supra note 90, at 222 ("Lawyers cannot help clients whom they cannot counsel, and lawyers cannot counsel clients effectively about law they cannot sensibly predict or explain or defend.").

233. Landes & Posner, supra note 15, at 269 ("When the marginal cost of using a resource is zero, excluding someone from using it creates a deadweight loss, in addition to the cost of enforcing exclusion.").

234. Lemley, supra note 11, at 1696; see also Kożinski, supra note 75, at 973 ("Trademarks are often . . . injected into the stream of communication with the pressure of a firehose by means of mass media campaigns. Where trademarks come to carry so much communicative freight, allowing the trademark holder to restrict their use implicates our collective interest in free and open communication."); Priest, supra note 50, § 4 ("Copyright will actually . . . reduce social efficiency by withholding intellectual property from the public. . . . [It also] reduces non-pecuniary rewards [for creation] by restriction circulation."); Denicola, Trademarks as Speech, supra note 33, at 195–96 ("Famous trademarks offer a particularly powerful means of conjuring up the image of their owners, and thus become an important, perhaps at times indispensable, part of the public vocabulary. Rules restricting the use of well-known trademarks may therefore restrict the communication of ideas.").
Since the risks are so great, making trademarks property will require some revision of the Lanham Act: 235

The repositing of trademarks as consumption objects requires rethinking the legal protection afforded trademarks from use by nonowners because the self is created and defined through the integration of these objects with personal identity. Consumers may also use such objects to classify themselves and build an identity of both association with and differentiation from others. 236

In amending the Lanham Act to accommodate full-fledged property rights, I would institute an express and well-demarcated right of fair use. 237 The law must at least allow for a broad range of nominative, 238 descriptive, 239 parodic, and non-commercial uses of trademarks. Expanded fair use rights are, I think, a reasonable price to extract in return for full-fledged property rights in the trademark itself. "Words and images do not worm their way into our discourse by accident; they're generally thrust there by well-orchestrated campaigns intended to burn them into our collective consciousness. Having embarked on

235. Robert Denicola argues that, at least with respect to the ornamental use of trademarks (for instance, embroidering "DKNY" on a baseball cap), economic theory suggests that optimal licenses will issue, and thus, a legal amendment is not necessary: In many instances the ornamental use by a licensee will yield a substantial advertising benefit to the licensor. The Coca-Cola Company, for example, is surely not indifferent to the prospect of thousands of teenagers wearing red shirts emblazoned with its name and logo. This benefit may more than offset any loss in total merchandising revenues. In a few situations the advertising value is of such magnitude that companies actually demand no payment at all from their licensees. Thus, an exclusive merchandising right may at times produce only a relatively modest reduction in access.

Denicola, supra note 27, at 635 (footnote omitted).

236. Aoki, supra note 91, at 529–30.

237. But see Wilf, supra note 74, at 3 ("[E]ven if trademark included a more robust fair use exception, it might not provide an answer to the problem of public domain. Copyright fair use has been eroded through the courts' tendency to immunize creators from responding to even compelling public interests.").

238. See New Kids on the Block v. News Am. Publ'g, Inc., 971 F.2d 302 (9th Cir. 1992).

that endeavor, the originator of the symbol necessarily — and justly — must give up some measure of control.\textsuperscript{240}

The most obvious problem an expanded right of fair use raises is that of its direct conflict with dilution law. If trademarks are property in the traditional sense, then dilution — that is, the prevention of tarnishment or disparagement of famous marks\textsuperscript{241} — rests more or less on the same theory that supports defamation: protection of a property right in reputation. Trademark owners have already demonstrated that they distinctly lack a sense of humor when it comes to parodic use of their marks,\textsuperscript{242} and to the extent that the parody "tarnishes or disparages" their mark, dilution law entitles them to prevent such use. Legally, however, enjoining parodies on dilution grounds is a fairly weak argument, for the same reason that defamation cannot lie without a finding of actual malice: the First Amendment.\textsuperscript{243} Why an injunction against teasing a corporation by resorting to its trademark should issue more easily than an injunction against calumniating a person is unfathomable, and worse, unjustifiable. Thus, my answer to the conflict between fair use rights and dilution is to reduce the scope of dilution. This is not a new argument, and many scholars have made it far more competently, and in far more detail, than I.\textsuperscript{244}

The second problem with fair use rights is the simple fact that fair use rights are not given a particularly broad scope now. I have argued that we should grant trademarks full property status, at least in part, because judges are already endowing them with such status; why should I think that judges will respect expanded fair use rights when the jurisprudence currently suggests that so doing runs against the grain of recent case law? I admit that this argument puts me in a bit of a pinch. Nevertheless (and maybe here I fall prey to a certain naïveté), I think that judges will be more likely to protect fair use rights if the property rights in trademarks are full-fledged, clearly bounded, and delineated.\textsuperscript{245}

\textsuperscript{240} Kozinski, supra note 75, at 975.


\textsuperscript{245} Epstein laments that the Supreme Court did not consider a necessity defense in
After all, judges have no problems protecting the fair use rights of trespassers with a defense of necessity.\footnote{246}

What this overview suggests, then, is that the costs of making trademarks full-fledged property are not only bearable\footnote{247} but may actually be an improvement over the current system. With respect to alienability, switching to a traditional property system should not alter the status quo significantly; not enough information is available to determine if rent seeking will become a problem; making trademarks property will likely reduce the costs of enforcement; and the social cost of propertizing information will not be too high if adequate fair use rights exist.

\textit{International News}; Pitney did not so much as consider the impact of forbidding INS access to AP's stories. "[O]n the merits, recognizing a necessity exception appears to be the right approach." Epstein, \textit{supra} note 13, at 119. In other words, perhaps the ideal outcome, one that might have been reached if Pitney had not latched onto the quasi-property idea, would be to permit INS to use AP's stories, but to insist upon compensation to AP.

\footnote{246} See, e.g., Ploof v. Putnam, 71 A. 188 (Vt. 1908).

\footnote{247} One issue that has been a matter of debate in the literature is the question of who will bear the costs — what costs there are — of strengthening trademark rights. Stephen Will has argued that manufacturers pass such costs on to consumers. See Will, \textit{supra} note 74, at 17 ("If trademarks ensure product differentiation, sustain quality, create a usable short-hand to lower consumer search costs, or help stimulate the economy, it is the consumer who pays dearly for these benefits through his or her pocketbook."). Denicola counters this argument with an economic analysis:

Such an assumption [of increased costs to the consumer] ignores that the market may not permit manufacturers to pass through a significant portion of their increased costs to the ultimate purchaser. If, as has been previously assumed, the demand for items decorated with famous names and symbols is relatively elastic, so that an increase in price will produce a significant decrease in the quantity demanded by consumers, only a small portion of the royalty costs are likely to be borne by purchasers in the form of higher prices. . . . Thus, rather than weighing the trademark owner's moral entitlement against the pocketbooks of consumers, the distributional consequences perhaps may be viewed more accurately as pitting that entitlement against the profits of manufacturers exploiting the mark. This change in perspective can only strengthen the trademark owner's case.

Denicola, \textit{supra} note 27, at 640–41:
F. Constitutional Considerations

Scholars have recently turned their attention to the possibility that the Intellectual Property Clause applies to trademarks or at least limits the scope of trademark rights that Congress can grant under the Commerce Clause. This topic could constitute an entire article in itself. I address it briefly here only because my proposal for full-fledged property rights in trademarks seemingly implicates the Intellectual Property Clause, and, in the interest of thoroughness, I want to flag the issue for future consideration.

Discussing the Intellectual Property Clause in the context of trademarks is territory only now beginning to be charted. In The Trademark Cases, the Supreme Court held expressly that the Intellectual Property Clause did not justify protection of trademarks as it did patents and copyrights. But much about trademarks, to say nothing of the economy, has changed since 1879. "[T]he Court [has not] explicitly considered the possibility that some trademarks may well reflect attributes of authorship or invention in sufficient measure to justify or require protecting them under the Intellectual Property Clause after all." However, Malla Pollack argues that whether trademarks come within the purview of the Intellectual Property Clause does not necessarily depend on whether they could garner protection as patents or copyrights.

The non-use of "patent" and "copyright" by the Framers means that similarity to statutory copyrights and patents is not the test for the constitutionality of Commerce Clause-based rights in intellectual property. Instead, suspect provisions must be compared to "exclusive rights" over "writings and discoveries" given to "authors and inventors" for "limited times" in order to "promote the progress of science and the useful arts."

249. See, e.g., Theodore H. Davis, Jr., Copying in the Shadow of the Constitution: The Rational Limits of Trade Dress Protection, 80 MINN. L. REV. 595 (1996); Lange, supra note 90; Pollack, supra note 3.
250. See The Trade-mark Cases, 100 U.S. 82, 94 (1879) ("[W]e are unable to see any such power [to create a registration system for trademarks] in the constitutional provision concerning authors and inventors, and their writings and discoveries.").
251. Lange, supra note 90, at 218–19.
Thus, the Constitution might *require* protection of certain trademarks as full-fledged property, irrespective of whether they meet the standards for patent or copyright protection.\footnote{253} To qualify, trademark law must endow "authors and inventors" with "exclusive rights." Not too much imagination is required to expand the category of "authors and inventors," which encompasses scientists, engineers, toy makers, visual artists, choreographers, architects, and map-makers — to name a few — to include a marketer who "discovers" a mark that will save start-up and competition costs.\footnote{254} Moreover, incontestability — if trademarks are property — will grant exclusive rights in the word or symbol. A suggestive, arbitrary, or fanciful mark (remember, in this scheme, we have junked the descriptive mark category) can be a discovery\footnote{255} — after all, words and symbols sit patiently, laden with meaning, until someone exploits them — and marks do promote the progress of science and the useful arts.\footnote{256}

\footnote{253} Incidentally, according to Pollack, the constitutional rationale for making trademarks full-fledged property would conflict with any Lockean or moral entitlements to a property right in marks: "The Court's dicta on time limitations reflects its insistence that the Intellectual Property Clause be interpreted in harmony with the stated purpose of the clause. 'The primary objective of copyright is not to reward the labors of authors, but '[t]o promote the Progress of Science and useful Arts.'" Pollack, *supra* note 3, at 280 (quoting Feist Publications, Inc. v. Rural Tel. Serv. Co., Inc., 499 U.S. 340, 349–50 (1991) (internal citations omitted)).

\footnote{254} *But see* Wilf, *supra* note 74, at 4–5 ("It is the collective personality of culture that participates in the authorship of trademarks and that act of collective labor establishes a stake in trademark symbolism contemporaneous with any private claims [of the mark holder]."); *cf.* Pollack, *supra* note 3, at 293 ("[T]he companies using the trademarks may not have created them; therefore, no rights are given to 'inventors'.").

\footnote{255} *But see* Pollack, *supra* note 3, at 293 ("Trademarks do not have the non-obviousness of 'discoveries.'").

\footnote{256} *See* Lemley, *supra* note 11, at 1690 ("[E]conomists have pointed to the role of trademarks in allowing the growth of complex, long-term organizations spread over a wide geographic area."). To the extent that pharmaceutical companies, universities, aerospace consortiums, etc. are better able — thanks to strong trademarks — to achieve the economies of scale necessary to invest in sufficient research and development, marks promote the progress of science and the useful arts.

*But see* Pollack, *supra* note 3, at 293 ("[T]he purpose [of trademarks] is to prevent fraud in the market place, not to advance science and the useful arts.") Pollack maintains that promoting science and the useful arts necessitates an "enlargement of the public domain." *Id.* at 285. My answer to her assertion is this: to the extent that trademarks create an environment where companies are better able to obtain patents and copyrights, trademarks do, indirectly, promote the expansion of the public domain. I do not deny that trademarks themselves may nevertheless require a time limit to pass constitutional muster, but I think her assertion that trademarks do not promote the progress of science and the useful arts takes too narrow a view of the situation.
The sticking point is the "limited time." Pollack maintains that "[t]he constitutional phrase 'limited times' should be interpreted to mean that Congress' exclusive grants to authors and inventors must be temporally finite." 257 Since trademark duration is coterminous with use and can potentially be infinite, the current state of the law would most likely violate the "limited time" provision. For this reason, Pollack concludes that incontestable functional and merely descriptive marks are unconstitutional. 258 My proposal — eliminating protection for descriptive marks and granting full-fledged property rights to suggestive, arbitrary, and fanciful marks — skirts much of Pollack's objection because, in Pollack's assessment, these strong marks would be "preventing fraud in the marketplace." 259 Nevertheless, for reasons I explain below, I think that trademarks revamped according to my proposal would still require a limited duration to be constitutional.

Lange argues that "[o]riginality, a limited term, eventual dedication to the public domain, and concomitant rights to copy or otherwise appropriate the work so dedicated — these are the consequences of the Clause's influence, far more deeply so than of the doctrinal law itself." 260 In other words, a limited duration is central, not peripheral. If trademarks are to become full-fledged property because they bear the indicia of creations, then trademark law must confront the obstacle of duration. The problem is one of authority. Congress passed the Lanham Act pursuant to the Commerce Clause, but the Commerce Clause most likely will not sustain the creation of a full-fledged property right in trademarks that flouts one of the requirements of the Intellectual Property Clause. 261 In other words, full-fledged property rights for trademarks without a time limit would likely be unconstitutional despite the apparent authority for trademarks under the Commerce Clause. 262

257. Pollack, supra note 3, at 287.
258. See id. at 294.
259. Id. at 293 ("While trademarks do grant exclusive rights, their immortality does not violate the Patent Clause.").
260. Lange, supra note 90, at 239–40 ("[C]opyright has held the First Amendment at bay only because of the availability of such assurances [i.e., limited term, fair use] in copyright law . . . . Were these assurances to disappear from copyright . . . I think it is unimaginable that copyright could survive against the adverse weight of the First Amendment.").
261. See Pollack, supra note 3, at 298–99 ("[No intellectual property statute grounded in the Commerce Clause] suggest[s] Congress believes that by legislating under the Commerce Clause, it can by pass the 'limited [t]imes' provision of the Intellectual Property Clause.").
262. See id. at 291 ("Something very like an [author's exclusive right] or [inventor's exclusive right] with one element missing [i.e., limited duration] is, most probably, not
Therefore, trademarks must look to the Intellectual Property Clause itself for the authority to become full-fledged property, and, obeying the mandate of that section, trademarks must either adopt a time limit or forego protection. I do not think the second option is particularly practical given the vaunted role I have envisioned for trademarks in our information-based economy.

Therefore, I think the following conclusion is unavoidable: trademarks need a time limit.\(^{263}\) Where to set that limit is a matter beyond the scope of this Article, although I will cursorily review a few suggestions. Pollack, for instance, suggests setting the limit in accordance with the economic value of the mark to ensure that the creator generates sufficient returns on his or her investment.\(^{264}\) I like her idea, though clearly Congress ought to commission an empirical study of the feasibility of implementing it. I would be interested to know what the average life span of a trademark is. If, for instance, most trademarks do not last more than fifty years, then perhaps the exclusive, full-fledged property right should exist for fifty years, with common law trademark protection available thereafter. Thus, a company like Coca-Cola would have an exclusive full-fledged property right in its mark for the first 50 years of its existence, and thereafter, it could prevent infringing uses that create consumer confusion (though it could not prevent free riding in the absence of confusion, nor could it prevent others from adorning merchandise with its mark). Or perhaps, trademarks could have a de facto duration of 50 years, with an option of renewal thereafter for an additional, say, 25 years for those really strong marks (like Coca-Cola or Polaroid) which qualify for dilution protection. This renewal period may be an attractive option for firms with very successful trademarks; it would allow them to capitalize fully on the merchandising potential of their marks. Though I am tossing ideas out on the proverbial table, I hasten to add that intellectual property law has done more than enough without empirical backing for its policies; before we set a time limit for trademarks, let us crunch some numbers — we should not continue to base these legal protections on lobbyists instead of on field research.

### Footnotes

263. For a less explicit statement of a similar conclusion, see Lange, *supra* note 90, at 238 ("[T]he distinctions we have presupposed among copyright, trademarks, and patent law are not merely ephemeral and illusory, but are now constitutionally insupportable as well.").

Thus, I reach the final change I believe Congress should make to the Lanham Act: creating a time limit for trademarks. This, I believe, the Constitution mandates, and I also feel that such a limitation is a fair exchange for endowing trademarks with full-fledged property status.

IV. CONCLUSION

In the course of this Article, I have touched on several themes that all counsel in favor of amending the Lanham Act. One is the evolving function of trademarks in our society, from source designator to object of consumption. Another is the need for legal stability in a time of raucous economic and technological expansion. A related third theme is a desire, on my part at least, to see legal rules bolstered by reasonable and logical theories, and not vague, ad hoc rationalizations about good guys and bad guys or political compromises.

In the context of trademark incontestability, these themes each exert tremendous pressure on the direction the law does and should take. The consumptive function of trademarks pushes trademarks toward full-fledged property and favors incontestability. The need for legal stability counsels against the status quo; we have to amend the Lanham Act. And I argue that we can justify incontestability with traditional theories of property if trademarks are full-fledged property, not quasi-property.

In keeping with these themes, I advocate restricting trademark protection to suggestive, arbitrary, and fanciful marks and making those marks full-fledged property. I contend that descriptive marks, even those with secondary meaning, should garner no protection. I also suggest adding a time limit to trademarks, something I feel the Constitution mandates. These alterations to the Lanham Act are radical; I have no illusions about the extremity of my proposal. Nevertheless, in my assessment, these are the minimum changes necessary to preserve trademark’s usefulness in our ever-changing and increasingly information-based economy.

265. See generally Kozinski, supra note 75, at 977–78 ("It is enough for today to recognize that in our culture, trademarks are doing all kinds of work they weren’t originally meant to do. As their new functions become more important, so will the need for the law to keep up.").