I. INTRODUCTION

Firms take branding seriously. They spend hundreds of billions of dollars each year developing and maintaining their brands, and for...
good reason. In 2009, the top one hundred global brands were worth a collective $2 trillion, and the Google brand alone was valued at over $100 billion. For many companies, their brands are among their most valuable assets. In light of this value, companies aggressively protect their investments in brands. Firms with valuable brands undertake significant efforts to police the use of their trademarks, not only to protect against consumer confusion, but also to guard against any loss of brand value.

The value of a brand derives, in part, from its power to elicit a connection in the minds of consumers to the products or services that the brand represents. This connection and the brand equity it creates take time to develop. As a result, consistency can be crucial to maximizing the value of a brand, providing firms strong incentives to think twice before altering a name or image with which consumers have grown familiar.

Despite these incentives, firms routinely elect to alter, and in some cases abandon, established brands. Rebranding occurs for many reasons. It is necessitated by mergers and spinouts, prompted by aesthetic considerations, and sometimes demanded by law.

This Article focuses on a particular subset of rebranding efforts — unbranding. What sets cases of unbranding apart is the firm’s motivation. When a brand suffers from strong negative consumer perceptions, it transforms from a valuable asset to a major liability. Faced with the reality of an irreparably damaged brand, many firms understandably seek a fresh start. Rather than take steps to repair their public image, they create a new one.

For example, Comcast, a company with a beleaguered reputation among its customers, recently announced its plan to rebrand its consumer services under the name Xfinity. And while BP has not changed its name in the aftermath of the Deepwater Horizon disas-
ter — at least not yet — the federal agency many have charged with contributing to the disaster through regulatory incompetence and corruption, the Mineral Management Service, was recently renamed the Bureau of Ocean Energy Management, Regulation and Enforcement.

Unbranding is the practice of eliminating or selectively reducing the use of a brand in response to unfavorable consumer opinion. This practice threatens to confuse and mislead consumers about the source and characteristics of goods and services. Firms are likely to unbrand only when their existing brand is deeply and widely unpopular, perhaps because the firm has produced dangerous products or engaged in illegal activities. As a result, unbranding can mislead consumers to do business unwittingly with firms that are perceived to present significant risk of concrete harm. But not all instances of unbranding put consumers at risk. In fact, sometimes unbranding helps consumers make better-informed decisions by clarifying ambiguous relationships and refocusing consumer attention.

This Article’s examination of rebranding and unbranding proceeds in three parts. Part II draws on marketing literature to outline the variables that shape decisions to rebrand and unbrand. It catalogs several recent examples of unbranding and argues that while unbranding frequently poses risks for consumers, it can occasionally help them. Finally, Part II demonstrates that, despite its costs and risks, unbranding is a rational strategy for firms faced with sufficiently damaged brands.

Part III begins to explore one potential legal response to unbranding. It looks to trademark law as a means of limiting the risks posed to consumers by the replacement of toxic brands. Although restrictions on unbranding would prevent consumer confusion and mesh well with the dominant justifications for trademark law, Part III demonstrates that trademark doctrine is structurally incapable of fully addressing unbranding.

Part IV turns to a more promising set of doctrinal tools. It argues that the Lanham Act’s false advertising provision and the Federal Trade Commission’s power to regulate deceptive advertising practices are better suited to the task of restraining unbranding. Both of these approaches have drawbacks, most notably that consumers lack standing to bring claims against unbranders. Part IV concludes that the


FTC is best positioned to protect the interests of consumers in the unbranding context. Part V concludes.

II. BRAND TRANSFORMATION

This Part considers the phenomenon of rebranding by examining the strategies and motivations that lead firms to remake their images in ways that challenge marketing orthodoxy. In particular, it focuses on unbranding — the practice of eliminating or replacing an existing brand in order to escape the negative associations it triggers among consumers. Although unbranding is an expensive and risky proposition, it is a rational strategy for firms with deeply damaged reputations.

A. Rebranding

In the broadest terms, rebranding occurs any time a company alters an existing brand identity, creating a new name, symbol, or design associated with its offerings. At this level of generality, rebranding is common. When your favorite Tropicana orange juice appears on store shelves sporting newly designed packaging, you encounter rebranding. When that new packaging proves unpopular, and Tropicana retreats to its old familiar design, you experience rebranding yet again.

But not all rebrandings are quite so mundane. Rebranding efforts vary in three key aspects. First, they vary in the number of brand components that are altered. Brands are comprised of numerous elements, including logos, slogans, packaging, and names. A firm might decide to alter just one of these elements, or it might redesign them all. As more elements change, the rebranding becomes increasingly profound.

Second, regardless of which brand elements are changed, those modifications can be subtle or obvious to consumers. The recently updated Microsoft Office logo, for example, might spark debates among designers, but will likely go unnoticed by most consumers.

9. Muzellec & Lambkin, supra note 1, at 804–05.
12. See Muzellec & Lambkin, supra note 1, at 804–05.
In other instances, rebranding is far less subdued. The thoroughly overhauled AOL logo that debuted in 2009 is an example of a more dramatic rebranding. Changes to a brand name are particularly likely to register as significant among consumers.

Third, rebrandings vary based on where in the brand hierarchy they occur. Brands exist at several levels within an organization. Individual products, lines of related products, corporate divisions, and the parent company are often each associated with independently valuable brands. The higher up a rebranding occurs in this chain, the greater its potential impact. Rebranding an individual product generally entails smaller risks to overall brand equity than rebranding the firm that makes that product.

Together these three variables define a continuum between evolutionary and revolutionary rebranding. Changes at the evolutionary end of the spectrum are common; those that fit the revolutionary paradigm are comparatively rare. Minor changes to one component of a product brand define an incremental approach to rebranding. The most aggressive rebrandings occur when a firm makes sweeping changes to all aspects of its corporate identity. The choice between these strategies depends largely on the factors that motivate rebranding.

1. Some Motivations for Rebranding

Efforts to remake a brand are driven by a diverse set of factors. Some of these motivations are better satisfied by incremental changes to a brand, while others demand a more comprehensive redesign. Incremental changes are more likely when rebranding is discretionary. Firms elect to rebrand for several reasons. In some instances, they do so in order to increase distinctiveness. In 1994, BSN, the third largest food company in Europe, adopted the name of its leading product brand, Danone. This switch was motivated in part by the use of “BSN” by other firms in unrelated industries, including a bank in Spain, a television station in Japan, and a textile company in the

15. See Muzellic & Lambkin, supra note 1, at 805.
16. Id. at 806.
17. This is not always the case. Some corporate brands go largely unseen by consumers. When Pepsico, the maker of Pepsi, Frito-Lay, Tropicana, Gatorade, and Quaker products, tweaked its corporate logo in 2002, only two signs had to be changed worldwide to reflect the new design. Tony Spaeth, Honors to the Bold, ACROSS THE BOARD, Mar./Apr. 2003, at 27.
18. KEVIN LANE KELLER, STRATEGIC BRAND MANAGEMENT 585 (3d ed. 2008).
United States. By using its well-known product brand as the new corporate brand, Danone set itself apart from the BSN crowd without disrupting the established connection between its brand and its products.

In other cases, design problems might encourage a change in branding. One rationale for Cisco’s decision to replace its “bridge-in-a-box” logo was the difficulty of faithfully reproducing the complicated design on small products. So the company opted for a simplified design that echoes the bridge motif, but is easier to reproduce.

Firms also update their brands for the simple reason that brand elements become dated over time. United Parcel Service (“UPS”) used its iconic Paul Rand-designed logo, featuring a package tidily secured with string, for over forty years. By the time the logo was redesigned in 2003, UPS refused to accept packages tied with string because they ensnared its automated sorting system.

Rebranding can also reflect changes in strategy. When a company seeks to expand to an international market, diversify its offerings, or become a better corporate citizen, it can communicate those decisions by rebranding. Rebranding functions as both a leading and lagging indicator of such strategic shifts. Some firms rely on rebranding to signal their aspirations to better customer service or environmental responsibility. But more frequently, rebranding serves as a lagging indicator of already implemented changes.

Apple’s subtle rebranding is one recent example. In 2007, Apple Computer dropped the “Computer” from its corporate name, becoming simply Apple Inc. Apple’s expanded product line precipitated its

19. Id.


21. See id.


24. Id. at 21.


26. Tony Spaeth, Brand Evolution, CONF. BOARD REV., January/February 2009, at 60 [hereinafter Spaeth, Brand Evolution]. Changes to a brand might also signal a firm’s intent to take steps that increase profitability to employees, business partners, and the market generally. See Dan Horsky & Patrick Swyngedouw, Does It Pay To Change Your Company’s Name? A Stock Market Perspective, 6 MARKETING SCI. 320, 327 (1987). Of course, rebranding alone offers little assurance that these aspirations will be realized.


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rebranding. Although Apple still produces computers, it creates products like the iPod, iPhone, and other electronic devices that do not fit neatly in the mold of a personal computer.\textsuperscript{29} To reflect this broader mission, Apple removed the constraints implied by its former name, while keeping the rest of its brand intact.

Revolutionary rebrandings are motivated by a very different set of considerations. Rather than concerns with the brand itself, these more radical shifts are usually driven by factors external to the brand. Mergers and acquisitions prompt roughly a third of revolutionary rebrandings.\textsuperscript{30} Merged firms often opt for an amalgamation of two formerly distinct brands.\textsuperscript{31} Thomson Reuters, the result of Thomson’s acquisition of Reuters, followed this model.\textsuperscript{32} A bolder approach is the creation of a new independent brand.\textsuperscript{33}

Spinout companies represent an additional twenty percent of revolutionary rebrandings.\textsuperscript{34} When a unit of an established firm becomes a freestanding company, it faces strong incentives to communicate its corporate ancestry, but it must also stake out an identity of its own. After DuPont spun out its textiles and fibers units in 2003, the new firm adopted the name Invista.\textsuperscript{35} But to signal its valuable heritage, Invista incorporated the slogan “Built on DuPont Innovation.”\textsuperscript{36}

Legal constraints prompt rebrandings as well. Trademark infringement presents the most obvious legal impetus for rebranding a brand. If the marks that make up a brand are likely to be confused with those of a senior user, rebranding is likely.\textsuperscript{37} But trademark law

\textsuperscript{29} The debate surrounding the classification of Apple’s recently announced iPad underscores the reasoning behind Apple’s name change. See Dan Ackerman, \textit{Should the Apple iPad Be Considered a Computer?}, \textsc{CNet News} (Jan. 27, 2010, 11:41 AM), http://news.cnet.com/8301-17938_105-10442315-1.html.

\textsuperscript{30} Muzellec & Lambkin, supra note 1, at 809.

\textsuperscript{31} See Spaeth, \textit{Brand Renewals}, supra note 20, at 28.

\textsuperscript{32} See Spaeth, \textit{Brand Evolution}, supra note 26, at 61. This hyphenate branding strategy can quickly result in unwieldy names. The successive mergers of a number of law firms left some attorneys saddled with the firm name DLA Piper Rudnick Gray Cary. See Neil Irwin, \textit{Piper Rudnick To Merge With Big British Firm}, \textsc{Wash. Post}, Dec. 6, 2004, at E01. The firm shortened its name to the pithy DLA Piper. See \textit{About Us}, DLA PIPER, http://www.dlapiper.com/global/about/overview (last visited Dec. 21, 2010).

\textsuperscript{33} When Brazilian paper company Votorantim Celulose e Papel acquired Aracruz Celulose in 2009, for example, the resulting firm took the name Fibria. Tony Spaeth, \textit{The Identity Recession, CONG. BOARD REV.}, Winter 2010, at 21, 23.

\textsuperscript{34} Muzellec & Lambkin, supra note 1, at 810.

\textsuperscript{35} Spaeth, \textit{Rebranded and Reborn}, supra note 23, at 18. Although spinout rebrandings fall on the revolutionary end of the spectrum, firms sometimes hedge their bets by referring to their corporate roots.

\textsuperscript{36} See id.

\textsuperscript{37} Sometimes an otherwise infringing use can be licensed. For example, when GE Financial was spun out from General Electric, it negotiated rights to continue using the GE brand for five years. At the expiration of that license, the firm rebranded itself Genworth Financial, maintaining an allusion to General Electric while satisfying the legal necessity of a new brand. See id.
is not the only legal regime that can spur rebranding.\textsuperscript{38} Recently, copyright concerns led the French government agency charged with reducing online copyright infringement to rebrand. When Haute Autorité pour la Diffusion des Œuvres et la Protection des Droits sur Internet (“Hadopi”) unveiled its new logo, designers noted its unlicensed use of Bienvenue, a typeface designed exclusively for France Telecom.\textsuperscript{39} In response, Hadopi quickly rolled out a logo rendered in a licensed typeface.\textsuperscript{40}

We can draw some rough conclusions about the relationship between the reason for a rebranding and the degree to which it alters the existing brand. Rebrandings motivated by inherent shortcomings of a brand are more likely to fall on the evolutionary end of the spectrum. In order to maintain existing goodwill, they generally involve fewer and more modest changes. In contrast, rebrandings necessitated by external factors unrelated to the value of an existing brand are generally more revolutionary. Revolutionary rebrandings are typically not undertaken for their own sake; instead, they are dictated by business decisions that supersede concerns over brand equity or are occasionally compelled by law. Such rebrandings tend to involve substantial changes to multiple brand components, often at higher levels of the brand hierarchy. As discussed below, the relative scarcity of revolutionary rebranding is a function of economic considerations.

2. The Economic Rationale for Rebranding

Revolutionary rebranding runs counter to corporate reputation orthodoxy. Because the value of a brand is the result of associations in the minds of consumers that accrue and strengthen over time, we would expect firms to alter their brands gradually to avoid disrupting these associations. Because radical rebranding entails sweeping

\textsuperscript{38} AT&T’s divestiture of the seven regional Bell operating companies led to significant rebranding. \textit{See United States v. Am. Tel. & Tel. Co.}, 552 F. Supp. 131 (D.D.C. 1982) (ordering the divestiture of local operating companies). Rather than continuing to offer services under the AT&T brand, the operating companies adopted new names and accompanying brands. Some, like Bell South, Bell Atlantic, and Southwestern Bell, communicated a connection to their corporate parent, while others, like Ameritech, Pacific Telesis, NYNEX, and US West opted for greater distance from the Bell monopoly. \textit{See Joseph D. Kearney, From the Fall of the Bell System to the Telecommunications Act: Regulation of Telecommunications Under Judge Greene}, 50 HASTINGS L.J. 1395, 1419 (1999).


\textsuperscript{40} Peters, supra note 39. In this case, the rebranding was relatively minor in light of the rather thin copyright protection for typefaces.
changes to a brand over a short timeframe, it can be a risky and costly undertaking.

A major component of brand equity is brand awareness. In order for consumers to associate a brand with any particular quality or attribute, they must first be aware of the brand. Radical rebranding threatens to sever this most basic link between the consumer and the brand. If rebranding interferes with the brand’s power to conjure up associations in the minds of consumers, brand equity is either greatly reduced or destroyed altogether.

The loss of brand equity is not merely a theoretical decline in the value of an intangible asset. It translates into real dollars that directly impact a firm’s balance sheet. For example, when UBS acquired and rebranded PaineWebber, the value of the firm’s brand identity decreased by £434 million, reflecting the lost value of the old brand.

Brand equity aside, the implementation of a rebranding strategy requires significant outlays. The development of a new brand and an advertising campaign to support it will often require outside identity and marketing expertise. Even mundane expenses like new websites, business cards, and livery add up quickly and can easily total tens of millions of dollars.

Taken together, the loss of brand equity and the cost of implementation help explain why revolutionary rebranding is relatively rare. Incremental strategies, because they are less likely to undermine the connection between the consumer and the brand, retain brand equity and are often cheaper to implement. Thus, it is no surprise that revolutionary rebranding occurs primarily when dictated by some external consideration apart from the value of the brand.

But one important class of revolutionary rebranding efforts does not fit neatly within this model. Brands are sometimes eliminated or replaced not because of a merger or other superseding business decision but because of strongly negative consumer perceptions. The value of the brand itself, rather than any external factor, motivates these rebrandings.

The economic rationale for favoring incremental rebranding depends on the assumption that a firm wants to retain the established connections in the minds of consumers between its brand and its of-

42. See Muzellec & Lambkin, supra note 1, at 807.
44. The rebranding of KPMG Consulting to BearingPoint entailed “a uniform global website (and adaptation of local websites); 16,000 new business cards printed and 16,000 e-mail addresses changed; 500 signs replaced in 200 offices; and 20,000 launch announcement packages sent to clients and associates” at an estimated cost of between $20 and $35 million. Helen Stuart & Laurent Muzellec, Corporate Makeovers: Can a Hyena Be Rebranded?, 11 BRAND MGMT. 472, 478–79 (2004).
ferings. In other words, we expect firms to act in a manner that preserves brand equity. But if brand equity represents net negative value, this rationale is turned on its head. To the extent a brand represents a liability rather than an asset, a firm will prefer a rebranding strategy that eliminates rather than preserves existing brand equity.

Every brand elicits both positive and negative reactions from consumers. This mix of associations operates on the individual level as well as the group level. For example, a consumer who encounters the Toyota brand might recall her 1985 Corolla fondly, but be dissuaded by the automaker’s recent safety recall.\footnote{See Ken Belson, \textit{A Wrecked Image Needs the Right Bodywork}, N.Y. TIMES, Feb. 14, 2010, at WK3 (noting the recall of millions of Toyota automobiles as a result of problems with their gas pedals).} Depending on which consideration the consumer weighs more heavily, her contribution to Toyota’s overall brand equity may be positive or negative.\footnote{One way to conceptualize negative brand equity is to ask whether a consumer would prefer an unknown brand to a familiar one. A consumer who prefers a brand about which she has no information, other factors being equal, regards the known brand as a disincentive to purchase. Note, \textit{Badwill}, 116 HARV. L. REV. 1845, 1852–54 (2003).} At the group level, trends in brand associations vary across demographics — age, gender, ethnicity, political affiliation, and so on. The parents of young children, for example, might be more likely than high school students to regard the Toyota brand with skepticism in the wake of its recent troubles.

But even strong negative reactions among consumers are rarely sufficient to spur revolutionary rebranding. In order to economically justify the abandonment of an existing brand and the adoption of a new one, those negative associations must outweigh the positive ones. Most brands, even in the face of negative publicity, retain positive brand equity. Occasionally, however, a brand suffers from some catastrophic decline, and its net value slides below zero. As discussed in more detail below, the reasons for such declines vary. Regardless of the cause, a firm confronted with negative brand equity is likely to consider ridding itself of the liability a tarnished brand represents and starting fresh with a new brand, unknown but untainted.\footnote{Muzellec & Lambkin, supra note 1, at 809–10.} If existing negative brand equity outweighs the cost of developing and implementing a new brand, unbranding makes economic sense.

\textbf{B. Unbranding}

Just as brands can function as repositories of consumer goodwill, reflecting favorable public sentiment, they can also represent badwill, negative associations in the minds of consumers.\footnote{See \textit{Badwil}, supra note 46, at 1852–54.} Badwill, just like goodwill, stems from multiple sources. In some instances these nega-
tive associations are justified. A consumer who purchases Fisher-Price toys tainted by lead paint or experiences the small corner of hell that is the Comcast customer service department has good reason to regard those brands with skepticism or scorn. Other sources of consumer animus — rumors, false reports, or unfortunate coincidence — can damage a brand even if it represents high quality products or services. Regardless of its source, consumer hostility provides firms strong incentives to minimize the use of a tarnished brand.

Unbranding is the process of eliminating or selectively reducing the visibility of a brand marred by negative consumer impressions. Recent years offer no shortage of examples of firms that have relied on unbranding to sever the connection between their offerings and a burdensome brand. In the most troubling cases, firms abandon brands to dissociate themselves from low-quality goods, poor performance, or outright illegality. For example, after a fatal crash in 1996 that killed 110 travelers and crew members, discount airline ValuJet acquired a small competitor, AirTran, and adopted its name. By jettisoning the ValuJet brand, the firm shed the stigma of its blemished safety record. Consumers who may have shied away from ValuJet after the crash of Flight 592 boarded AirTran flights just a year later.

In 2003, Philip Morris, maker of Marlboro, Parliament, and Virginia Slims cigarettes, rechristened itself Altria. In the wake of successful lawsuits against tobacco companies, growing public

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52. In the immediate aftermath of the Flight 592 crash, passengers were “too skittish” to board ValuJet planes. ALSOP, supra note 51, at 272. But after the name change, passengers were willing to board “the very same ValuJet planes.” Id. at 273.


awareness of the dangers of smoking,\textsuperscript{55} and evidence that cigarette makers knew of these health risks,\textsuperscript{56} it is no surprise that Philip Morris was eager to hit the reset button on its public image. Philip Morris cited a desire to shift public focus away from its cigarette products to its other offerings as the motivation for its name change.\textsuperscript{57} At the time, those offerings included Jell-O, Kool-Aid, Post Cereals, Oreos, and Oscar Mayer meats.\textsuperscript{58} Presumably, Philip Morris predicted parents might be reluctant to purchase snacks for their children from a company best known for selling cigarettes and resisting the scientific consensus warning of their dangers.

That same year\textsuperscript{59} telecommunications giant WorldCom changed its name to MCI after the revelation of $9 billion in fabricated revenues and underreported expenses,\textsuperscript{60} “one of the largest public company accounting frauds in history.”\textsuperscript{61} For his part in the scheme,

\begin{itemize}
\item \textsuperscript{56} See id. at 333.
\item \textsuperscript{57} Explaining the reasoning behind the name change, Altria chief executive and chairman Louis Camilleri stated:
\begin{quote}
All our research showed that the name Philip Morris was solely associated with tobacco . . . . And I would defy you to find anybody who knew that Kraft was part of Philip Morris. To this day, people are shocked and say: “Really, you have Oreos? I don’t believe it.”
\end{quote}
\item \textsuperscript{59} A third notable unbundling occurred in 2003. Gator, a company whose name was “synonymous with ‘spyware’ — that is, ad-tracking software that can be installed surreptitiously,” opted to rebrand itself as Claria in 2003. Stefanie Olsen, \textit{Gator Sheds Skin, Renames Itself}, CNET NEWS (Oct. 29, 2003, 9:17 PM), http://news.cnet.com/2100-1024_3-5099212.html. Gator became notorious as the developer of free programs, such as eWallet, that inundated users with on-screen advertisements after users unwittingly installed Gator’s programs. Gator software monitored users as they browsed the web and served them ads based on the sites they visited, earning it a reputation as “one of the most reviled companies on the Net.” Annalee Newitz, \textit{Don’t Call It Spyware}, WIRED, Dec. 2005, available at http://www.wired.com/wired/archive/13.12/spyware.html. Gator was sued for its advertising practices by a number of content providers, including the New York Times and Washington Post, who alleged that their trademarks were infringed by inclusion in Gator’s software code and that Gator interfered with their own advertising revenue by obscuring their webpages with pop-up ads. \textit{Id.} In 2003, Gator went on the offensive in an effort to repair its public image. It sued a company whose website labeled Gator’s programs “spyware.” \textit{Id.} Shortly thereafter, in order to distance itself from its tarnished image, Gator unveiled its new identity — Claria. See Olsen, supra.
\item \textsuperscript{60} Dennis R. Beresford et al., \textit{REPORT OF INVESTIGATION BY THE SPECIAL INVESTIGATIVE COMMITTEE OF THE BOARD OF DIRECTORS OF WORLDCOM, INC.} 1 (2003), available at http://news.findlaw.com/wsj/docs/worldcom/bdspcomm60903rpt.pdf.
\item \textsuperscript{61} Id.
WorldCom CEO Bernard Ebbers was sentenced to twenty-five years in prison.\textsuperscript{62} Shortly after the revelation of WorldCom’s financial straits, the company sought Chapter 11 protection in what was then the largest bankruptcy filing in history.\textsuperscript{63} During the pendency of its bankruptcy proceedings, WorldCom rebranded itself MCI, adopting the name of a firm it had acquired years earlier.\textsuperscript{64} The WorldCom brand had become a liability, and the name change represented an effort to escape the stigma associated with WorldCom’s fraudulent mismanagement.

More recently, private military contractor Blackwater changed its name to the ominous-sounding Xe amidst growing criticism of its role supporting U.S. military efforts in Iraq.\textsuperscript{65} The name change came in February of 2009, just months after five Blackwater guards were indicted for manslaughter for an attack on more than a dozen unarmed Iraqi civilians.\textsuperscript{66} These charges, among others, led the Iraqi government to refuse Blackwater a license to operate within the country and the State Department to decide against renewing a security contract that comprised one third of Blackwater’s $1 billion annual revenues.\textsuperscript{67} As the company moved away from a business model dependent almost entirely on government contracts to a model that demanded a broader range of potential customers, Blackwater recognized the need for a new untarnished image.\textsuperscript{68}

In each of these examples, a corporate brand was damaged, arguably beyond repair, as the result of defective products or services, dishonest dealings with the public or regulators, criminal behavior, or some combination thereof. Unbrandings of this sort are alarming because of their potential to mislead consumers about the source of products and services that present significant concrete risks to individual consumers and impose broadly dispersed costs on public and


\textsuperscript{65} See Blackwater Dumps Tarnished Brand Name; Now Called Xe, Company Downplays Security Contracting, GRAND RAPIDS PRESS, Feb. 14, 2009, at A10.


\textsuperscript{67} Blackwater Dumps Tarnished Brand Name, supra note 65.

\textsuperscript{68} See id. (noting that Xe’s President, Gary Jackson, “told employees the name change reflects the a [sic] new focus”).
private institutions. But, as the following examples suggest, not all instances of unbranding have such dire consequences.

1. Some Variables in Unbranding

The Starbucks brand is among the most valuable in the world. It represents the largest coffeehouse company on the planet with over 16,000 stores in about forty countries. The company’s consumer satisfaction scores are generally high. The Starbucks brand, in short, is not facing a crisis. Nonetheless, the company recently opened the first of three planned stealth stores in its home city of Seattle. These locations sell Starbucks coffee, but have been systematically scrubbed of the instantly recognizable Starbucks logo, graphics, and packaging. Each store bears a name tied to its geographic location. The first of these stores, dubbed 15th Avenue Coffee & Tea, opened in Seattle’s Capitol Hill neighborhood in July 2009.

15th Avenue Coffee & Tea bears little observable resemblance to the typical Starbucks location. It has the aura of a locally owned and operated coffeehouse, complete with a coffee scale purchased at a local flea market. The signage, cups, and coffee packaging all bear the 15th Avenue Coffee & Tea brand. Consumers who overlook the rather vague “Inspired by Starbucks” fine print are unlikely to connect this local gem to its parent company.

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69. See INTERBRAND, supra note 4 (ranking Starbucks the 97th most valuable brand with an estimated value of over $3 billion); MILLWARD BROWN OPTIMOR, BRANDZ TOP 100 GLOBAL BRANDS 17 (2010) available at http://www.millwardbrown.com/Sites/mbOptimor/Ideas/BrandZ_Rankings/BrandZTop100.aspx (ranking Starbucks the 85th most valuable brand with an estimated value over $8 billion).
71. See Scores by Company: Starbucks, supra note 70.
74. Berfield, supra note 72.
75. Allison, supra note 73.
Although the public generally holds the Starbucks brand in high esteem, the company has faced criticism from some corners. Many have criticized Starbucks for its aggressive market expansion strategy, alleging that the company has forced out locally owned coffeehouses through a variety of unsavory practices, including saturating markets with Starbucks locations and local price cutting. These criticisms feed into a general antipathy some consumers feel towards homogeneous mass-marketed goods and a corresponding resentment of national chains. In combination, the ubiquity of its brand and the aggressiveness of its tactics have cabined the popularity of Starbucks within trendy neighborhoods rife with coffee-drinking consumers. The elimination of the Starbucks brand in the company’s pilot stealth stores is best understood as an attempt to counter this “hipster and anti-corporate backlash.” For this segment of consumers, the Starbucks brand is a deterrent. The company determined that to compete with local coffeehouses, it is not enough to offer Starbucks stores with a unique look and feel. Each store must also bear a unique name, one that distances it from the Starbucks brand.

The Starbucks stealth stores highlight two important variables in unbranding scenarios. The first is the scope of the unbranding effort. A firm might remove an unpopular brand from all of its products and services. Alternatively, it could adopt a selective unbranding strategy to remove a brand only from those products and services most likely to suffer in the marketplace as a result of their association with that brand. The choice between total and partial unbranding turns on both the extent of the damage to the brand and the structure of the relevant market. Where damage to a brand is limited to a particular region, demographic, or product category and the structure of the market allows a firm to isolate that harm, less drastic measures may suffice. This targeted strategy is particularly attractive if the brand retains positive value among the bulk of consumers. But if a brand is

77. See NAOMI KLEIN, NO LOGO 136–37 (2002). Local price cutting occurs when a firm operates at a loss in a local area in order to drive out competitors. WILLIAM H. S. STEVENS, UNFAIR COMPETITION: A STUDY OF CERTAIN PRACTICES 10–11 (1917).
80. Other beverage makers have adopted similar stealth marketing strategies. See Abhijit Roy & Satya P. Chattopadhyay, Stealth Marketing as a Strategy, 53 BUS. HORIZONS 69 (2010). When PepsiCo introduced the protein drink Fuelosophy, it omitted any reference to the product’s corporate origins in an effort to promote a “homespun lifestyle oriented” image that would attract “the Whole Foods consumer.” Id. at 74. Similarly, in hopes of reaching “younger consumers [who] are skeptical of name brand companies,” the Red Dog and Ice House beer brands feature no references to parent company MillerCoors. Id.
distrusted among a broad cross-section of consumers in an undifferentiated market, a complete unbranding is more likely.

Unbrandings also vary in the degree of harm they threaten to cause. Airlines with poor safety records, manufacturers who hide the health risks of their products, and companies with deceptive accounting practices pose considerable risks to consumers, investors, and the public generally. The danger flowing from unwitting support of a chain of coffeehouses appears less distressing by comparison. That is not to say that critics of Starbucks’ practices do not voice legitimate concerns. Nor is it to suggest that consumer purchasing decisions would not be affected by consistent and conspicuous branding at stealth Starbucks locations.\(^8\) It is merely to claim that the consequences of unbranded Starbucks coffee are less alarming.

In some cases, unbranding could actually improve consumer decision-making by reducing confusion as to the source and quality of goods and services. If a brand triggers factually inaccurate negative associations in the minds of consumers, unbranding can refocus consumer attention on other, more relevant characteristics. Sometimes the reputation of a brand suffers because of historical accident or mere coincidence.\(^8\) When a brand carries negative connotations because of mere happenstance, unbranding can clarify the relationship between the tarnished brand and the firm’s goods or services, rather than confusing it.

The renaming of Andersen Consulting, now Accenture, offers one example of a name change that reduced potential confusion. In 1989, the consulting division of accounting firm Arthur Andersen separated from its parent and began operating under the Andersen Consulting moniker.\(^8\) In 2000, an arbitration decision severed all contractual relationships between the estranged firms and required Andersen Con-

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81. See Rebecca Tushnet, Fighting Freestyle: The First Amendment, Fairness, and Corporate Reputation, 50 B.C. L. REV. 1457, 1463 (2009) (noting that consumer protection “includes consumers’ interest in getting what they paid for, be it cruelty-free beauty products or low-calorie ice cream, regardless of whether their preferences are rational or not”).

82. To understand the power of coincidental similarity in shaping public sentiment, one need only recall the resistance that then-candidate Barack Obama faced in the 2008 presidential campaign from some corners of the electorate based on the unfortunate fact that his last name is spelled similarly to the first name of the world’s most wanted terrorist. See Marcella Bombardieri, Romney Mixes Up Osama, Obama During S.C. Speech, BOS. GLOBE, Oct. 24, 2007, at A12. In a more recent example, the daughter-in-law of convicted investment scam artist Bernie Madoff has petitioned a New York court, seeking to change her children’s names to escape the stigma of Madoff’s crimes. Aaron Smith, Madoff’s Daughter-in-Law Wants Her Name Changed, CNNMONEY.COM, Feb. 25, 2010, http://money.cnn.com/2010/02/25/news/companies/madoff_name_change/.

sulting to adopt a new name. It chose Accenture, a choice widely panned at the time.

The loss of the Andersen brand, however, soon proved a fortuitous turn. Within two years, Arthur Andersen’s role in the collapse of Enron, then the largest Chapter 11 bankruptcy in history, led to the accounting firm’s conviction for obstruction of justice and the effective end of its operations. Accenture, which played no role in Arthur Andersen’s misdeeds, likely would have suffered reputational harm had it not distanced itself from the soon-to-be-tarnished Andersen name. Equally important, without the name change, potential customers would have focused on the perceived connection between Arthur Andersen and Andersen Consulting rather than the characteristics of Accenture’s services. By changing its name, the firm avoided potential confusion among consumers, albeit unintentionally.

All cases of unbranding share a common motivation — the desire to escape the consequences of a damaged brand. But not all unbrandings give equal cause for concern. Sometimes, unbranding allows a firm to avoid unwarranted reputational harm by eliminating a brand that implies a connection with another company’s bad acts. Other times, unbranding allows a firm to avoid well-deserved reputational harm, potentially influencing consumer behavior by obfuscating the true relationship between a product or service and its source. The next Part considers the extent to which trademark law can or should restrain unbranding strategies that leverage consumer confusion.

III. CONFUSION AND ITS LIMITS

The dominant theoretical justifications for trademark law support efforts to control unbranding and prevent the consumer confusion that it creates. But the few courts to analyze unbranding through the lens of trademark law have demonstrated striking insensitivity to the potential harms unbranding strategies impose on consumers, competitors, and the market broadly. As this Part will explain, that insensitivity is largely a reflection of structural features of trademark

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84. See Lynn Sweet, Editorial, Accenture Wants Congress To Believe that It Never Ran Away from the United States, CHI. SUN-TIMES, May 29, 2003, at 37.
85. Id.
88. KELLER, supra note 18, at 585 (noting that in the absence of the name change, “[s]ome residual negative perceptions from Arthur Andersen would likely have transferred to the Andersen Consulting brand”).
law that render it incapable of adequately addressing the problem of unbranding.

A. The Rationales for Trademark Law

Unlike other forms of legal exclusivity labeled intellectual property, trademark protection is not justified by an incentive theory.\(^89\) The source indicators protected by trademark law, in contrast to many patented inventions and copyrighted works, do not require the additional nudge of legal exclusivity to motivate their creation. Producers of goods and services have freestanding incentives to identify their offerings to potential customers. Rather than inducing the creation of source indicators, trademark law is meant to assure their integrity.

The dominant justifications for protecting the integrity of trademarks are economic. Trademarks reduce transaction costs by giving consumers concise and reliable ways to identify goods and services in the marketplace.\(^90\) Trademarks function as powerful linguistic shorthand, allowing producers to convey a host of ideas about product characteristics, performance, and price, often with a single word or image. In a world without trademarks, the simplest of transactions would force consumers to contend with daunting obstacles. For example, a trip to the supermarket to pick up your favorite pasta sauce would begin to resemble an epic quest. Absent tasting dozens of options — and perhaps not even then — most consumers would be reduced to guessing which jar contained the desired recipe. Trademarks and the brands they enable greatly reduce the search costs that would otherwise overwhelm consumers.\(^91\)

Trademarks also influence product quality. If consumers can easily and consistently identify products based on source indicators, producers have greater incentives to maintain product quality.\(^92\) In a market without source indicators, a producer has little assurance that a satisfied customer will be a repeat customer. Unable to capture the benefit of investments in quality, producers will tend to maximize

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91. This is particularly true with respect to products whose attributes cannot easily be evaluated prior to purchase. Product characteristics can be divided into three categories depending on when consumers are able to obtain information about them. Search characteristics can be observed before purchase. Experience characteristics are those that are directly observable only after purchase. Finally, credence characteristics cannot be readily observed even after purchase. Michael R. Darby & Edi Karni, *Free Competition and the Optimal Amount of Fraud*, 16 J.L. & Econ. 67, 68–69 (1973) (noting that the benefits of certain automobile repairs are a credence characteristic since the driver may not directly observe the claimed benefits).
profits by producing goods at the lowest possible cost, irrespective of quality.93 But if low quality goods are traceable to their source, consumers will avoid cost-cutting producers of shoddy goods. Trademarks therefore give producers a reason to maintain consistent quality. As a result, marks serve a trust function, signaling to consumers that their future experience with a product will be reflective of their past experience.94

In order to achieve these economic benefits, some degree of legal protection for trademarks is necessary. Once a firm develops a mark that elicits positive associations among consumers, generally at significant cost, other firms will be enticed to take advantage of that value.95 After all, in the absence of legal constraints, it costs far less to copy a valuable mark than to develop a new one. Trademark law addresses this problem by prohibiting potentially confusing uses of a mark by second comers.

The likelihood of consumer confusion is the “touchstone of [trademark] infringement.”96 Confusion also provides a distinct justification for trademark protection. In addition to ensuring market-wide efficiencies, trademark law protects individual consumers from fraud.97 A producer who adopts the mark of a competitor in order to dupe consumers into purchasing an inferior product weakens the linguistic power of the mark and undermines incentives to maintain quality. But that infringing producer also inflicts concrete harm on the consumer. By preventing such fraud, trademark law protects consumers.

A very different rationale for trademark law focuses not on protecting consumers, but on protecting trademark holders from misappropriation of the value of their marks.98 Brands and the trademarks that compose them can be immensely valuable assets. That value is the result of a number of factors — among them, careful selection of a mark, policing against third party uses, investments in product quality, and advertising expenditures.99 One way to understand trademark law is to view it as a mechanism for ensuring that trademark holders retain

93. See id. at 270.
95. Landes & Posner, supra note 90, at 270.
96. Pebble Beach Co. v. Tour 18 I Ltd., 155 F.3d 526, 543 (5th Cir. 1998).
97. See Grupo Gigante SA De CV v. Dullo & Co., 391 F.3d 1088, 1094 (9th Cir. 2004) (“Trademark is, at its core, about protecting against consumer confusion and ‘palming off.’”).
98. See Mishawaka Rubber & Woolen Mfg. Co. v. Panther-Panco Rubber Co., 153 F.2d 662, 667 (1st Cir. 1946) (describing “the appropriation of the good will of another’s established mark” as “manifestly the essential wrong of trade-mark infringement”).
the value of their marks. By prohibiting unauthorized use, trademark law guards against the appropriation of goodwill. From this perspective, goodwill is property, and trademark law enforces rights to that property. 100

This constellation of rationales suggests that trademark law serves three distinct sets of interests. First, trademark law serves the interests of the market broadly. Trademarks facilitate the efficient and accurate exchange of information necessary for a functioning market and provide incentives for competition on the basis of quality. Second, it serves the interests of consumers by protecting them from confusion. Finally, it serves the interests of trademark holders by protecting them against misappropriation of goodwill. Typically, these three sets of interests are well aligned. 101 In the classic case of the unauthorized use of a mark, the trademark holder, the consumer, and the market all benefit from legal intervention. But when these interests diverge, trademark law is forced to prioritize. 102

In recent decades, doctrinal expansions have emphasized the interests of trademark holders. Dilution and initial interest confusion are two commonly cited examples. Protection against dilution allows the holder of a famous mark to prevent uses by third parties that reduce the mark’s distinctiveness even in the absence of any likelihood of confusion. 103 By abandoning the traditional consumer-focused test for infringement, the dilution doctrine accepts the trademark holder’s interest in goodwill as a sufficient justification for legal intervention. Similarly, the theory of initial interest confusion bears little connection to the consumer protection rationale, despite being couched in the terms of the traditional likelihood of confusion test. Initial interest confusion occurs when a mark attracts the attention of a potential customer on the basis of pre-sale confusion. 104 Even if that confusion is

100. The unqualified characterization of marks as property interests is a controversial one. See infra notes 110–14 and accompanying text.

101. See Mark P. McKenna, The Normative Foundations of Trademark Law, 82 NOTRE DAME L. REV. 1839, 1866 (2007) (noting that because trademark disputes “traditionally involved instances of passing off by competitors, the relative weight given to producer and consumer interests was not particularly important” since courts would reach similar results “regardless of whose interests they prioritized”); see also Robert G. Bone, Hunting Goodwill: A History of the Concept of Goodwill in Trademark Law, 86 B.U. L. REV. 547, 574 (2006).

102. There is debate over which approach, the focus on consumer protection or the focus on goodwill, more accurately reflects the history of trademark doctrine and better explains modern doctrinal innovations. Compare Bone, supra note 101, at 548, with McKenna, supra note 101, at 1840–41.

103. Starbucks Corp. v. Wolfe’s Borough Coffee, Inc., 588 F.3d 97, 109 (2d Cir. 2009) (noting that “the absence of actual or even of a likelihood of confusion does not undermine evidence of trademark dilution”). In Starbucks, the court held that even if consumers were unlikely to confuse the defendant’s Charbucks coffee with the Starbucks product, the dilution claim could proceed. Id. at 109–10.

104. In Brookfield Communications, Inc. v. West Coast Entertainment Corp., 174 F.3d 1036 (9th Cir. 1999), the court concluded:
dispelled entirely by the time of purchase, a user of a confusing mark may be held liable.\textsuperscript{105} Although initial interest confusion is easy to characterize as free riding,\textsuperscript{106} material harm to the consumer is often difficult to discern.

In both of these examples, courts have justified expansions of trademark law on the grounds that trademark holders are entitled to benefit from the full measure of their mark’s goodwill, regardless of any likelihood of harmful consumer confusion. In contrast, unbranding reveals a wider gap between the interests of consumers and trademark holders. Unbranding allows trademark holders to maximize goodwill by creating and exploiting consumer confusion.

1. Applying Trademark Rationales to Unbranding

If we take these standard justifications for trademark law seriously, what do they tell us about how much the law should regulate unbranding? The economic and consumer protective rationales lend strong support for legal interventions that restrain unbranding. But to the extent trademark law reflects a commitment to property rights of mark holders, controls over unbranding appear less appropriate.

Unbranding implicates both components of the economic rationale for trademark protection. When a firm retires a tarnished brand in favor of a fresh one, the substitution disrupts the linguistic function of trademarks. The tarnished mark represents a set of qualities, characteristics, and experiences in the minds of consumers. Replacing that mark with one that has either no meaning or a different meaning among consumers undermines the linguistic efficiency marks are intended to promote. The search costs rationale applies not only to the products consumers want to buy, but also to those they wish to avoid. If consumers are forced to investigate each product they encounter in the market to ensure it is not made by a poorly regarded firm masquerading as a market newcomer, transaction costs increase significantly. On the other hand, if consumers have assurances against such shifts in branding, search costs remain low.

Although there is no source confusion in the sense that consumers know they are patronizing [the junior user] rather than [the senior user], there is nevertheless initial interest confusion in the sense that, by using [the mark] to divert people ... [the junior user] improperly benefits from the goodwill that [the senior user] developed in its mark.\textsuperscript{106}

\textit{Id.} at 1062.

\textit{Id.}

\textsuperscript{105} Free riding, by itself, tells us little about the extent to which trademark law should prevent initial interest confusion. See Mark A. Lemley, \textit{Property, Intellectual Property, and Free Riding}, 83 \textit{Tex. L. Rev.} 1031, 1044 (2005) (criticizing the “focus on free riding [because it] leads to an assumption on the part of courts that all enrichment derived from use of an intellectual property right is necessarily unjust”).
Unbranding similarly undermines the quality control incentives that trademarks offer. If a brand is sufficiently damaged by a record of poor quality or performance, unbranding allows the firm to escape those reputational consequences. Of course, firms with positive brand equity have an interest in maintaining product quality. But as a brand approaches the threshold separating goodwill from badwill, those incentives evaporate. In this sense, unbranding provides a reward for those firms with the worst reputations. While firms with middling but net positive reputations cannot justify unbranding, firms with toxic reputations get a fresh start. This incentive structure might encourage greater risk taking by insulating firms from the biggest losses to brand equity. Moreover, if unbranding is prevalent, it could shake consumer confidence in brands generally. If consumers expect firms to change brands to escape responsibility for past performance, they may regard unknown brands with greater suspicion.

Restrictions on unbranding would further trademark law’s goal of insulating consumers from confusion. If the consumer protective goal of trademark law is to reduce the risk that consumers will make purchasing decisions on the basis of misleading source indicators, unbranding raises concerns at the core of that rationale. When a consumer chooses to buy her latte at 15th Avenue Coffee & Tea rather than the Starbucks two blocks down the street, there is a good chance that decision was influenced by source confusion. Likewise, a considerable number of AirTran passengers likely would have flown some other airline if they had been aware of AirTran’s former life as ValuJet. The harm consumers face as a result of unbranding is no less substantial than the harm suffered in the average case of trademark infringement. Indeed, given the magnitude of damage to a brand that typically precipitates unbranding, we might expect consumer harm from unbranding to be greater than the harm in an average trademark dispute.

The protection of goodwill as property is the sole rationale for trademark protection that is inconsistent with limits on unbranding. To the extent trademark law aims to help firms maximize the value of their brands, unbranding achieves that end. If the ValuJet name is a $1 billion liability and the AirTran name has a brand equity of zero, unbranding increases goodwill. If we conceive of marks as property, we would expect firms to have the freedom to exploit their property as they see fit or to abandon that property altogether. Restricting unbranding is inconsistent with the notion of trademarks as tools for maximizing goodwill or property rights in brands.

However, such a broad property theory of trademark protection rests on shaky ground. As Mark McKenna has demonstrated, throughout the nineteenth and early twentieth centuries, courts relied
on natural rights as the underlying basis for trademark protection. But the relevant property interest articulated by those courts was much narrower than modern property-based justifications favored by trademark holders. Trademark law has traditionally protected the trademark holder’s right against illegitimate diversions of trade, namely those that relied on deceiving customers about the source of goods or services. The modern iteration of the property rationale goes much further, however, and “seeks to protect brands, construed broadly.”

As others have noted, this all-encompassing property right in brands is problematic for several reasons. First, it entails a degree of transferability incompatible with meaningful connections between marks and the goods or services they represent. If brands can be bought and sold like any other asset, consumers have no reason to expect product quality or characteristics to remain consistent. Trademark law has traditionally disfavored assignments in gross and naked licenses for precisely this reason. Similarly, the notion of marks as inherently valuable property supports broad merchandising rights that permit rights holders to control the use of their marks and limit competition regardless of potential consumer confusion. Finally, this approach increases the likelihood that trademark holders will assert their rights in ways that interfere with free expression and public discourse. Legal barriers to unbranding would conflict with the brand equity as property rationale. But in light of these criticisms, that conflict is insufficient to reject restrictions on unbranding.

As a matter of their underlying justifications, trademark doctrine and restrictions on unbranding ultimately share considerable common ground. The primary reasons we prevent the use of confusingly similar marks — reducing search costs, increasing incentives for quality, and protecting consumers — apply with equal force to unbranding.

107. McKenna, supra note 101, at 1896.
108. See id.
109. Id.
110. See Lemley, supra note 89, at 1695–96, 1710.
112. See Lemley, supra note 89, at 1709.
113. Cf. Stacey L. Dogan & Mark A. Lemley, The Merchandising Right: Fragile Theory or Fait Accompli?, 54 EMORY L.J. 461, 463 (2005) (“If a trademark is the product, giving one party exclusive rights over it runs in tension with the law’s procompetitive goals — frequently without any deception-related justification.”).
B. Analyzing Unbranding Through a Trademark Lens

The next two subparts demonstrate that courts face serious hurdles when they are asked to rely on trademark doctrine to combat unbranding. The first subpart looks at two cases where unbranding efforts were unsuccessfully challenged as trademark infringement. The second examines the structural features of trademark doctrine that all but guarantee the inability of courts to use trademark doctrine to regulate unbranding.

Litigation over unbranding is uncommon. However, two relatively recent cases shed some light on courts’ receptiveness to challenges of unbranding. These cases suggest that courts viewing disputes through the narrow lens of trademark infringement are unlikely to fully appreciate the potential harms of unbranding.

In the wake of the 2008 financial crisis, investment banks and other Wall Street firms found their brands circling the drain. Among the most damaged brands was American International Group, or AIG. As the recipient of the largest private federal bailout in U.S. history, AIG became known as a “zombie company,” “synonymous with the credit market freeze and subsequent economic meltdown.”\(^{115}\) AIG’s then-CEO Edward Liddy offered a dire prognosis for his firm’s brand, stating “the AIG name is so thoroughly wounded and disgraced that we’re probably going to have to change it.”\(^{116}\) Liddy’s predictions soon became reality. In order to distance itself from the AIG brand, AIG Financial Advisors, one of the firm’s broker-dealers, rechristened itself SagePoint Financial in January of 2009.\(^{117}\)

This switch is troubling because it lessens the likelihood that consumers will correctly connect SagePoint’s services to the beleaguered AIG, a firm many consumers would prefer to avoid. But more troubling from the perspective of Lincoln Financial was the similarity between AIG’s new SagePoint brand and Lincoln’s previously established Sagemark broker-dealer division. Lincoln, concerned that this similarity could lead some consumers to associate its services with AIG, brought a claim for trademark infringement and sought a preliminary injunction.\(^{118}\)

\(^{115}\) Paul Menchaca, AIG Unit Confident It Has Right Leaders for Tough Job, AM. BANKER, Oct. 29, 2009, at 8.


The court’s analysis began with a conventional assessment of Lincoln’s likelihood of success on the merits. It found that Sagemark was suggestive and thus protected regardless of secondary meaning. Next, the court examined the likelihood of confusion factors, which were split but weakly favored Lincoln. The court’s discussion of one of those factors offered the first indication of its awareness of the possible dangers of unbranding.

Intent is one of many factors courts balance in determining the likelihood of confusion. If a firm adopts a mark similar to that of a competitor in order to confuse consumers and trade on the senior user’s reputation, that bad faith favors a finding that confusion is likely. Here, despite Lincoln’s assertion that SagePoint was aware of its Sagemark division, the court concluded that AIG operated in good faith because it conducted a trademark search and acted on the advice of counsel. In itself, this line of reasoning is not particularly remarkable. But the court reached this conclusion despite its explicit recognition that AIG’s bailout and subsequent negative publicity served as the driving force behind the name change. In other words, AIG’s admitted efforts to throw consumers off its trail by adopting the SagePoint name did not factor into the bad faith analysis.

The court’s discussion of irreparable harm is unmindful of the risks unbranding presents for consumers. Lincoln argued that the “perceived connection between [its services] and the negative press attributed to AIG” would cause harm to Lincoln’s reputation for which it could not be adequately compensated at law. The court acknowledged the potential irreparable harm to Lincoln, but suggested the harmful association with AIG cut both ways. According to the court, “the potential harm to SagePoint Financial — both from the substantial costs of a re-launch campaign and the unmeasurable harm that a failed attempt at a name change would bring to a business already shadowed by its AIG past — favors denying injunctive relief at least to the same extent.” The court acknowledged that the association with AIG was “incorrect in Lincoln’s case, [and] correct but perhaps escapable for the defendant.” Despite that recognition, the court treated the threat of association with AIG as a wash for the purposes of irreparable harm, favoring both sides equally. The court drew no distinction between the harms suffered by SagePoint as a

119. Id. at *15–17.
120. Id. at *21–34.
121. See id. at *30–31.
122. Id. at *32–34 (finding that “[t]his selection process tends to show that SagePoint Financial acted reasonably and without bad faith in adopting its mark”).
123. Id. at *32.
124. See id. at *35–36.
125. Id. at *37–38.
126. Id. at *38.
127. Id. at *38–39.
result of accurate consumer associations with AIG and harms suffered by Lincoln as a result of mistaken associations.

Likewise, the court’s treatment of the public interest factor of the preliminary injunction standard fails to account for the impact of unbranding on informed consumer choice. As the court succinctly stated, the public interest “is not of great import in this dispute.”\textsuperscript{128} But the public undoubtedly has an interest in knowing whether the firms providing financial advice are the same firms that recently steered the economy off of a cliff. Trademark law assumes that consumers have an interest in accurate information about the source of goods and services in the most commonplace of transactions. Certainly the public interest is implicated when a firm adopts a name for the purpose of consumer misdirection. Yet that interest went unnoticed.

Another court applied a similar analysis when the Altira Group sued Philip Morris to prevent it from changing its name to the similarly spelled Altria Group.\textsuperscript{129} Recall that cigarette maker Philip Morris decided to adopt the Altria name in order to shift attention from Marlboros to Oreo.\textsuperscript{130} Like the court in \textit{SagePoint}, the \textit{Altira} court found that Philip Morris acted in good faith when it unbranded to escape negative consumer opinion. Although it was aware of Altira, Philip Morris was advised by counsel that its proposed name would not cause confusion with the Altira mark. The court therefore perceived “no indication of... culpable conduct” in the decision to replace the Philip Morris brand.\textsuperscript{131} The intention of consumer misdirection again went unnoticed. Likewise, Altira argued that its name would be “forever associated with the strong negative taint of tobacco and cigarettes” if Philip Morris were allowed to take the Altria name.\textsuperscript{132} Although the court was “sympathetic” to Altira’s concern for its repu-

\textsuperscript{128} Id. at *40. One early court recognized the implications for the public interest when firms use their own marks to mislead consumers about the source and characteristics of their products. See Am. Safety Razor Corp. v. Int’l Safety Razor Corp., 26 F.2d 108, 114 (D.N.J. 1928) (refusing to enforce rights of a trademark holder that marketed identical razor blades under a variety of marks at varying prices). In that case, the court concluded that “if the public knew the truth, it would buy that blade of complainant which is sold at the smallest price, and that its ignorance is costing it money without warrant every time it buys a blade at any figure beyond the minimum.” Id. Because “the public’s rights seem[ed] to be largely involved and much more liable to injury through the complainant’s practices than through those of the defendants,” relief was unavailable. Id. The district court, however, was reversed by the Third Circuit. Am. Safety Razor Corp. v. Int’l Safety Razor Corp., 34 F.2d 445 (3d Cir. 1929).


\textsuperscript{130} See supra notes 57–58 and accompanying text.

\textsuperscript{131} Altira, 207 F. Supp. 2d at 1201. Overall, the likelihood of confusion factors favored Philip Morris, largely because of significant differences in the goods and services offered and the high degree of sophistication and care that characterized plaintiff’s customers. Id. at 1204.

\textsuperscript{132} Id. These claims were likely overstated. Few, if any, consumers are likely to associate Altira with cigarettes, let alone Altria.
Unbranding, Confusion, and Deception

No. 1

According to the court, there was simply no way that the name change could be considered "anything other than lawful." Again, the degree to which the Altria name might mislead consumers about the source of Altria’s own products did not enter into the equation.

These criticisms are not intended to suggest that the Altira and SagePoint courts intentionally turned a blind eye to the risks of unbranding in order to vindicate the interests of AIG and Philip Morris. Rather, these examples are meant to illustrate the practical difficulties courts face when they are asked to treat unbranding scenarios as run-of-the-mill trademark disputes. As discussed below, the power of trademark doctrine to fully address unbranding is limited by deep structural constraints.

C. The Structural Limitations of Trademark Law

Despite the common interests at stake, trademark law is poorly positioned to serve as an effective restraint on unbranding. This failure is the result of a number of structural features of trademark law. Most fundamentally, trademark law is primarily concerned with potentially confusing uses of a mark by a firm other than the trademark owner. Confusing uses of a firm’s own marks are largely unregulated by trademark doctrine. To the extent trademark law does address a firm’s confusing use of its own mark, its traditional mechanisms of abandonment and refusal to register are of limited value in the unbranding context.

The classic template for trademark infringement involves a junior user of a mark passing its goods off as those of the senior user. Consumers are confused because they expect goods bearing the mark to come from the senior user, not the junior user. Passing off describes a relationship between three parties — the owner of the mark, the party making unauthorized use of that mark, and the confused consumer. But in the unbranding context, confusion results from a relationship between just two parties — the owner of the mark and the confused consumer. When consumers purchase unbranded goods or services, they are confused because they assume a new brand indicates a new source. The unbranding firm is both the owner of the relevant mark and the source of the consumer’s confusion.

133. Id. at 1205.
134. Id.
135. See 15 U.S.C. § 1052(e)(1) (2006) (providing that deceptive marks cannot be registered); id. § 1127 (providing that abandonment occurs "[w]hen any course of conduct of the owner . . . causes the mark to . . . lose its significance as a mark").
136. See Dastar Corp. v. Twentieth Century Fox Film Corp., 539 U.S. 23, 27 n.1 (2003) (defining passing off as “when a producer misrepresents his own goods or services as someone else’s”).
Cases of reverse passing off present a somewhat closer parallel to unbranding scenarios, but are nonetheless an imperfect analogy. Reverse passing off occurs when a defendant applies its mark to the products of another, often removing or obscuring the mark of the original producer.\(^{137}\) Here, consumers are confused because the mark indicates that the defendant produced the goods, when in fact the plaintiff produced them. As in cases of reverse passing off, unbranding involves the elimination of a mark that functions as a useful indicator of source and the substitution of a mark that misleads consumers. The firm doing the unbranding, however, plays the part of both the producer and the misleader.

At the infringement stage, trademark law does not target all potentially confusing uses of a mark, only confusing uses by someone other than the trademark owner.\(^ {138}\) The consumer- and market-oriented goals of trademark law are entrusted to the trademark holder. Without a trademark holder to assert its rights against a third party user, trademark law has no direct mechanism for addressing unbranding. So if a firm makes confusing use of its own mark, there is no party with standing to sue for trademark infringement.\(^ {139}\)

As one commentator describes it, trademark infringement addresses inter-brand confusion, but largely ignores intra-brand confusion.\(^ {140}\) Confusion caused by third parties is policed, while confusion emanating from the mark itself goes unchecked. This structural limitation of trademark law helps explain the difficulty the SagePoint and Altira courts faced. Because the complaints in those cases were styled as trademark infringement claims, the courts were limited to an examination of inter-brand confusion— that is, whether consumers were likely to confuse SagePoint with Sagemark. Trademark doctrine

\(^{137}\) Id. (stating that reverse passing off occurs when “[t]he producer misrepresents someone else’s goods or services as his own”).

\(^{138}\) Trademark law prohibits, without the consent of the registrant:

- use in commerce [of] any reproduction, counterfeit, copy, or colorable imitation of a registered mark in connection with the sale, offering for sale, distribution, or advertising of any goods or services on or in connection with which such use is likely to cause confusion, or to cause mistake, or to deceive.


- any word, term, name, symbol, or device, or any combination thereof, or any false designation of origin, false or misleading description of fact, or false or misleading representation of fact, which . . . is likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association of such person with another person, or as to the origin, sponsorship, or approval of his or her goods, services, or commercial activities by another person.

Id. § 1125(a)(1)-(a)(1)(A).

\(^{139}\) Consumers lack standing to bring claims under the Lanham Act. See infra Part IV.A.

provided the court with no clear path for probing the more pressing question of whether consumers were likely to be confused about the relationship between SagePoint and AIG.

Relying on trademark infringement is not a promising strategy for restricting unbranding. But trademark law offers other tools for discouraging uses of marks that pose risks to consumers. One such tool is abandonment. Under some circumstances, actions taken by the owner of the mark can lead to a loss of trademark rights. This stick can be an effective deterrent for trademark holders who use marks in a way that risks consumer confusion.

If a trademark owner, for example, licenses its mark to a third party but fails to exercise quality control over the goods or services bearing the mark, that owner risks a finding of abandonment.141 Similarly, courts have found abandonment when a mark is assigned to a third party without any assurance of continuity in attributes of products distributed under the mark.142 These practices of naked licensing and assignment in gross disrupt consumer expectations of consistent product quality and interfere with the mark’s ability to serve its linguistic and trust functions. Likewise, significant changes to the goods sold under a mark “may so alter the nature of the good will symbolized that use of the mark is tantamount to a fraud on consumers.”143 Under such circumstances courts would be entitled to find abandonment.144

If the public is defrauded by the use of the same old mark on a substantially different product, the public might just as easily be defrauded by the use of a substantially different mark on the same old product. But even if courts were willing to make this short leap, the deterrent effect of abandonment remains uncertain. Trademark law proceeds from the assumption that mark owners would prefer to avoid a finding of abandonment. Typically, this is a safe assumption. But abandonment is part and parcel of the unbranding enterprise. Warning AirTran that its new name could cause abandonment of the ValuJet mark is unlikely to strike fear in the heart of the firm’s board. In many

141. See Exxon Corp. v. Oxxford Clothes, Inc., 109 F.3d 1070, 1075 (5th Cir. 1997) (“A trademark owner’s failure to exercise appropriate control and supervision over its licensees may result in an abandonment of trademark protection for the licensed mark.”). An assignment under such conditions is known as a naked license. Id.
142. For example, the court in Marshak v. Green, 746 F.2d 927 (2d Cir. 1984), held: A sale of a trade name or mark divorced from its goodwill is characterized as an “assignment in gross.” . . . Use of the mark by the assignee in connection with a different goodwill and different product would result in a fraud on the purchasing public who reasonably assume that the mark signifies the same thing, whether used by one person or another.
Id. at 929.
cases, unbranding is itself evidence of an intent not to resume use, an independent basis for abandonment.\footnote{145. 15 U.S.C. § 1127 (2006) ("A mark shall be deemed to be 'abandoned' if . . . its use has been discontinued with intent not to resume such use.").}

However, the threat of abandonment might be a more effective deterrent in cases of selective unbranding. Faced with the proposition of losing its primary trademarks, Starbucks would likely be willing to shutter 15th Avenue Coffee & Tea or sufficiently distinguish the goods and services offered under that moniker. In the end, abandonment offers a partial solution that addresses only the least troubling examples of unbranding.

Bars to registration are another arrow in the quiver of trademark law. Federal trademark registration carries with it several benefits for a trademark holder, including nationwide priority from the date of application;\footnote{146. Id. § 1126(d).} incontestability;\footnote{147. Id. § 1115(b).} prima facie evidence of ownership and validity;\footnote{148. Id. § 1115(a).} and eligibility to recover profits, fees, and treble damages.\footnote{149. 15 U.S.C.A. § 1117(a) (West 2006 & Supp. II 2008).} Denying these benefits to the new marks adopted in an unbranding could dissuade some firms from pursuing unbranding strategies.

The Lanham Act includes several grounds for refusing a registration application.\footnote{150. 15 U.S.C. § 1052 (2006).} Most relevant is the bar to the registration of deceptive marks under § 2(a).\footnote{151. See id. § 1052(a) ("No trademark by which the goods of the applicant may be distinguished from the goods of others shall be refused registration on the principal register on account of its nature unless it . . . [c]onsists of or comprises immoral, deceptive, or scandalous matter . . . .").} Deceptiveness turns on a three-part test.\footnote{152. In re Budge Mfg. Co., 857 F.2d 773, 775 (Fed. Cir. 1988) ("(1) Is the term misdescriptive of the character, quality, function, composition or use of the goods? (2) If so, are prospective purchasers likely to believe that the misdescription actually describes the goods? (3) If so, is the misdescription likely to affect the decision to purchase?"). Other courts only consider the third question. See, e.g., In re House of Windsor, Inc. 221 U.S.P.Q. 53, 56–57 (T.T.A.B. 1983) ("The better approach, we believe, is to determine [only] whether the deception is material to the purchasing decision . . . . If the answer is in the negative, the mark is 'deceptively misdescriptive' [and can be registered on a showing of secondary meaning].") For a discussion of the application of this three-part test to instances of unbranding, see infra note 205.} But again, the deterrent effect of a bar to registration is limited. Although firms would be denied the significant benefits of registration, they would remain free to continue using their new marks despite their deceptive nature.

Ultimately, trademark law is at best a partial solution to the risks posed by unbranding. Infringement liability offers the most powerful remedial tools, but is designed to mediate inter-brand uses of marks, not the structurally dissimilar intra-brand uses that arise in cases of

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unbranding. Abandonment and refusal to register act as disincentives that would likely reduce unbranding at the margins. But in light of the enormously negative brand equity that typically triggers unbranding, those disincentives will have a limited impact. The next Part considers whether other corners of unfair competition law offer more direct means of addressing unbranding.

IV. DECEPTION

Federal unfair competition law provides two distinct avenues for restraining deceptive descriptions of goods and services in the context of unbranding. First, section 43(a) of the Lanham Act creates a private right of action for false advertising. Second, section 5 of the Federal Trade Commission Act (“FTCA”) empowers the FTC to prevent unfair or deceptive practices in commerce. Because both of these provisions directly address intra-brand deception, they avoid the fundamental limitation of trademark doctrine. Nonetheless, the rubrics of false advertising and deceptive practices face their own hurdles, most notably their failure to provide consumers a direct mechanism for challenging unbranding.


154. 15 U.S.C. § 1125(a)(1)(B) establishes liability for the use in commerce of: any word, term, name, symbol, or device, or any combination thereof, or any false designation of origin, false or misleading description of fact, or false or misleading representation of fact, which . . . in commercial advertising or promotion, misrepresents the nature, characteristics, qualities, or geographic origin of his or her or another person’s goods, services, or commercial activities.

155. Id. § 45(a) (deeming unlawful “[u]nfair methods of competition in or affecting commerce, and unfair or deceptive acts or practices in or affecting commerce”).
A. False Advertising Under the Lanham Act

Since it was enacted in 1946, section 43(a) of the Lanham Act has evolved from an obscure and rarely invoked provision to a versatile and powerful tool against unfair marketplace practices.156 This evolution was largely a product of judicial interpretation, but Congress embraced the broadened scope of section 43(a) when it revised the statute in 1988.157

Section 43(a)’s prohibitions against false designations or misleading representations of origin were originally thought to apply only to claims of geographic origin.158 However, courts interpreting the term “origin” expanded its definition to include origin of manufacture—that is, source. As a result, they transformed section 43(a) into a federal vehicle for actions alleging infringement of unregistered marks.159 In parallel, courts interpreted section 43(a) as creating a sui generis tort of false advertising.160 Although not all courts were quick to reach that conclusion, they eventually reached something approaching consensus.161

With the Trademark Law Revision Act of 1988, Congress codified the prevailing judicial reading, dividing section 43(a) into two subsections.162 The first establishes liability for the infringement of unregistered marks and trade dress.163 The second creates claims for false advertising and product disparagement.164

156. Section 43(a) was not intended and has not been interpreted to provide a federal statutory analog for the entirety of unfair competition law. See Jean Wegman Burns, Confused Jurisprudence: False Advertising Under the Lanham Act, 79 B.U. L. REV. 807 (1999); J. Thomas McCarthy, Lanham Act § 43(a): The Sleeping Giant Is Now Wide Awake, 59 L. & CONTEMP. PROBS., Spring 1996, at 45.
158. See Two Pesos, Inc. v. Taco Cabana, Inc., 505 U.S. 763, 777–78 (1992) (noting that “the phrase ‘false designation of origin’ was understood to be limited to false advertising of geographic origin”) (Stevens, J., concurring).
159. McCarthy, supra note 156 at 47–48.
164. Id. § 1125(a)(1)(B). Congress expanded section 43(a) by establishing liability not only for false or misleading statements about one’s own offerings, but for false or misleading statements about the goods or services of another as well. See McCarthy, supra note 156, at 53–54. Earlier cases limited the pre-revision version of section 43(a) to statements made about the defendant’s products. See, e.g., U.S. Healthcare, Inc. v. Blue Cross, 898 F.2d 914, 921 (3d Cir. 1990).
To state a claim for false advertising under the second prong of section 43(a), a plaintiff must establish the following: (1) defendant’s use in interstate commerce; (2) in connection with goods or services; (3) of a false or misleading description or representation of fact; (4) that misrepresents the nature, qualities, or origin of defendant’s goods or services or those of another; and (5) that is likely to damage the plaintiff. In addition, most courts require that the description or representation satisfy a materiality requirement.

1. Consumer Standing and Vicarious Avengers

There are two primary hurdles to challenging unbranding under section 43(a). The first is standing. On its face, the text of section 43(a) permits claims to be brought “by any person who believes that he or she is or is likely to be damaged by such act.” Despite this seemingly broad language, courts have generally limited standing to those who compete with the alleged false advertisers. Non-competitors, including consumers, lack standing to challenge false or misleading advertisements.

Competitor standing under section 43(a) is considerably more lenient than the pre-Lanham Act common law single source rule. Before section 43(a), courts were reluctant to grant competitors standing absent clear proof of harm from the alleged false advertising. Typically, this harm came in the form of diverted sales. But in a market characterized by several competing providers of goods, the harm inflicted by a false advertiser who, for example, falsely claims that his bottled water imbues its drinkers with resistance to the common cold, cannot be traced to any particular competitor. As a result, courts concluded that unless the plaintiff was the single source in the market for the product advertised by the defendant, standing was lacking.

The prevailing interpretation is that the Lanham Act does away with the single source rule for false advertising claims. Standing under section 43(a) simply requires a showing that the plaintiff competitor is likely to be damaged.

166. Id.
168. McCARTHY, supra note 153, § 27-39. But see Camel Hair & Cashmere Inst. of Am., Inc. v. Associated Dry Goods Corp., 799 F.2d 6, 11–12 (1st Cir. 1986) (holding that trade association had standing despite absence of competitive interest); Thorn v. Reliance Van Co., 736 F.2d 929, 930 (3d Cir. 1984) (holding that a shareholder had standing to bring a claim under section 43(a)).
170. See, e.g., Black Hills Jewelry Mfg. Co. v. Gold Rush, Inc., 633 F.2d 746, 750 (8th Cir. 1980) (noting that “[t]he ‘single source’ rule has been held to be inapplicable to suits under section 43(a) [of the Lanham Act]”).
Despite the liberalization of competitor standing, courts have resisted efforts by deceived consumers to bring section 43(a) claims for false advertising by consistently denying them standing. In one recent case, the Fourth Circuit affirmed the district court’s dismissal of a section 43(a) false advertising claim brought on behalf of consumers, who alleged that they purchased crab cakes labeled as “Made in the USA” that were actually manufactured with non-domestic crab meat.172 The court relied on section 45 of the Lanham Act for the proposition that “the intent of [the Act] is . . . to protect persons engaged in . . . commerce against unfair competition.”173 According to the court, since the Lanham Act is intended solely to protect the interests of commercial competitors, consumer standing is inappropriate.174 This conclusion is in keeping with the decisions of several other circuits.175

In addition to the focus on commercial interests imputed from section 45, courts offer a number of reasons for their refusal to apply the literal text of section 43(a) to the question of consumer standing. They express fears about opening the floodgates of litigation.176 They point to the absence of any changes to the standing requirement in the 1988 amendments as an indication of congressional acceptance of cases denying consumer standing.177 Finally, courts argue that com-

173. Id. at 279–80 (alteration and first omission in original) (quoting 15 U.S.C. § 1127 (2006)).
174. Id. at 280–81.
175. See Proctor & Gamble Co. v. Amway Corp., 242 F.3d 539, 561 (5th Cir. 2001) (observing that section 45 of the Lanham Act “makes clear that the focus of the statute is on anti-competitive conduct in a commercial context” and limits standing accordingly (quoting Conte Bros. Auto., Inc. v. Quaker State-Slick 50, Inc., 165 F.3d 221, 229 (3d Cir. 1998))); Barrus v. Sylvania, 55 F.3d 468, 470 (9th Cir. 1995); Stanfield v. Osborne Indus., Inc., 52 F.3d 867, 873 (10th Cir. 1995) (concluding that “to have standing for a false advertising claim, the plaintiff must be a competitor of the defendant”); Serbin v. Ziebart Int’l Corp., 11 F.3d 1163, 1179 (3d Cir. 1993) (stating that Congress “did not contemplate that federal courts should entertain claims brought by consumers”); Dovenuelle v. Gildorn Mortg. Midwest Corp., 871 F.2d 697, 700 (7th Cir. 1989); Colligan v. Activities Club of N.Y., Ltd., 442 F.2d 686, 692 (2d Cir. 1971) (“Congress’ purpose in enacting § 43(a) was to create a special and limited unfair competition remedy, virtually without regard for the interests of consumers generally and almost certainly without any consideration of consumer rights of action in particular. The Act’s purpose, as defined in § 45, is exclusively to protect the interests of a purely commercial class against unscrupulous commercial conduct.” (footnote omitted)).
176. See Colligan, 442 F.2d at 693.
177. The House bill originally contained an express recognition of consumer standing under section 43(a). See H.R. REP. NO. 100-1028, pts. I–II, at 1–2 (1988). After that language was eliminated by the conference committee, Rep. Kastenmeier indicated his belief that existing law already provided for consumer standing. 134 CONG. REC. 31,850 (1988) (“While I support the deletion as part of the necessary compromise on this bill, it is unfortunate in the long run. I continue to believe that consumers already have standing to sue under current law, and that the provision that was deleted only clarified that law.”). In light of the state of the law at time, this statement carries little weight. See McCarthy, supra note 153, § 27:39 (characterizing Rep. Kastenmeier’s statement as “an optimistic opinion by a representative whose proposal was defeated”).
petitors are better positioned to vindicate the interests of consumers than consumers themselves. 178 Because competitors have greater resources and suffer greater injury as a result of false advertising, according to these courts, they will be more inclined to vigorously pursue section 43(a) claims.

Despite the uniformity of the courts, critics have questioned the consumer standing rule. 179 They note that the text of section 43(a) would seem to permit, if not demand, a broader reading. 180 The notion that the Lanham Act is concerned only with commercial interests is belied by the recognition of consumer interests that permeates section 43(a). 181

The most vulnerable spot in the argument against consumer standing is the assumption that competitors can be expected to act as vicarious avengers of consumer interests. Just as consumer interests sometimes diverge from those of trademark holders, consumers and competitors may be driven by very different concerns when it comes to false or misleading advertisements. Competitors acting as vicarious avengers have little incentive to challenge false or misleading claims that are pervasive within an industry. For example, if all bottled water makers falsely claim immune-boosting benefits, competitors have no interest in seeing such a practice litigated since it will offer them no competitive advantage.

More benignly, any single competitor may lack the financial incentive to challenge false advertising in a crowded market. 182 The same rationale that sustained the single source rule suggests consumer harm, even if significant, is unlikely to prompt a competitor to sue in a competitive market. Since the percentage of sales attributable to false advertising that will be captured by the plaintiff is uncertain and likely

178. See Coca-Cola Co. v. Procter & Gamble Co., 822 F.2d 28, 31 (6th Cir. 1987) ("[C]ompetitors have the greatest interest in stopping misleading advertising, and . . . section 43(a) allows those parties with the greatest interest in enforcement, and in many situations with the greatest resources to devote to a lawsuit, to enforce the statute vigorously."); Alpo Petfoods, Inc. v. Ralston Purina Co., 720 F. Supp. 194, 212 (D.D.C. 1989), aff’d in part, rev’d in part, 913 F.2d 958 (D.C. Cir. 1990) ("While the Act is not directly available to consumers, it is nevertheless designed to protect consumers, by giving the cause of action to competitors who are prepared to vindicate the injury caused to consumers.").


180. See Burns, supra note 179, at 96; Gallo, supra note 179, at 18–19.

181. See Burns, supra note 179, at 55.

182. Firms often fail to challenge false or misleading claims of competitors through corrective advertising, supporting the idea that firms may also fail to do so through trademark litigation. See Robert Pitofsky, Beyond Nader: Consumer Protection and the Regulation of Advertising, 90 HARV. L. REV. 661, 666 (1977) ("In markets with many sellers, counter-advertising may have no appreciable impact on the counter-advertiser’s share of the market."). Even where the FTC successfully challenged false or misleading claims, competitors failed to engage in counter-advertisement. Id. at 667.
small, even a guarantee of success on the merits would likely be an insufficient incentive for litigation.

This casts some doubt on the role we can expect section 43(a) to play in regulating unbranding. Assuming that advertising the services of the company formerly known as ValuJet under the AirTran name constitutes a violation of section 43(a), which of the dozens of air carriers should we expect to bear the burden of vindicating the interests of the public? Even limiting the pool of true competitors to other discount air carriers, we are still left with Frontier, JetBlue, Spirit, Southwest, and Virgin America. Each of these potential plaintiffs must estimate not only the volume of sales attributable to AirTran’s false advertising, but also the percentage of those sales the potential plaintiff would secure in competition with other carriers. This equation will often yield an expected return that is insufficient for any one carrier to pull the litigation trigger.

Consumer standing certainly does not guarantee that false advertising cases challenging unbranding will be litigated. Those who unknowingly take financial advice from AIG are more likely than those who accidentally buy their coffee from Starbucks to suffer significant damages. But regardless of the transaction, the interests of any single consumer will often be too small to justify litigation. The class action mechanism, however, could help litigants overcome the diffuse nature of consumer harm from unbranding.

The debate over standing, however, is moot if unbranding is not considered false advertising. That question is considered next.

2. False or Misleading and Arbitrary or Fanciful

The primary substantive hurdle to treating unbranding as a species of false advertising is the question of whether the substitution of a new brand constitutes a false or misleading description or representation of fact.\(^{183}\)

In order to evaluate falsity under section 43(a), courts distinguish between three categories of statements: the unambiguously true, the literally false, and the ambiguous.\(^{184}\) A literal falsehood is apparent on its face and requires no additional proof of falsity. Literally false statements also include those that are untrue by necessary implication. Such claims are recognized by consumers “as readily as if [they] had

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\(^{183}\) As a secondary concern, the plaintiff would need to establish that any such statement was material to consumer purchasing decisions. Materiality is sometimes presumed if the advertiser’s statement is literally false, but is otherwise a question of fact. McCARTHY, supra note 153, § 27:35.

\(^{184}\) See Cottrell, Ltd. v. Biotrol Int’l, Inc., 191 F.3d 1248, 1252 (10th Cir. 1999) (noting that section 43(a) “encompasses more than literal falsehoods” and includes “innuendo, indirect intimations, and ambiguous suggestions” (quoting Am. Home Prods. Corp. v. Johnson & Johnson, 577 F.2d 160, 165 (2d Cir. 1978))).
been explicitly stated.185 Ambiguous statements are not false on their face, but may be proven implicitly false with evidence that the statement conveys a false impression to consumers.186 Such a statement is false if it misleads a “not insubstantial” number of consumers.187 Half-truths or failures to fully disclose information can give rise to implicit falsity.188

Descriptions and representations subject to section 43(a) are not limited to those made in commercial advertising.189 They include statements on product labeling190 and can extend to a producer’s trademark or trade name.191 For example, the Third Circuit held that BreathAsure, Inc., maker of BreathAsure capsules, engaged in false advertising by falsely suggesting its products were effective breath fresheners.192 Not only were BreathAsure’s ads false, but so too were the implications of its trade names and marks.193

With these basic principles in place, we can test unbranding against the requirements of section 43(a). When a firm scuttles its old brand and quietly replaces it with a new one, that new brand could mislead consumers about the source and quality of the firm’s offerings. When consumers see the Starbucks name and logo, they associate that brand with a particular company and a particular set of attributes. In contrast, when consumers first encounter the 15th Avenue Coffee & Tea brand, they will likely have no well established impressions about either the source or the attributes of its coffee products and services.

But one message immediately communicated to many consumers by the 15th Avenue brand is: “We are not Starbucks.” By establishing a unique brand, 15th Avenue Coffee & Tea holds itself out to be materially different from Starbucks, Peet’s, Caribou, and, in some sense, every other coffee shop on the planet. Consumers are not in a position to know precisely what that material difference is at the outset, but

186. See Cottrell, 191 F.3d at 1252 (“To assess the truth or falsity of [ambiguous] statements, ‘the courts favor testing by consumer reaction surveys, but have also found falsity based on their own independent reaction and the reaction of witnesses testifying before the court . . . .’” (quoting CHARLES E. MCKENNEY & GEORGE F. LONG III, FEDERAL UNFAIR COMPETITION: LANHAM ACT § 43(A) § 6.03[2] (11th ed. 1998))).
188. See U-Haul Int’l, Inc. v. Jartran, Inc., 522 F. Supp. 1238, 1247 (D. Ariz. 1981) (“A statement actionable under the Lanham Act may be an affirmatively misleading statement, a partially incorrect statement, or a statement which is untrue as a result of a failure to disclose a material fact.”), aff’d, 681 F.2d 1159 (9th Cir. 1982).
192. Id. at 96.
193. Id. at 97.
many would be surprised to learn that 15th Avenue Coffee & Tea is owned and operated by Starbucks and serves the same coffee available at any Starbucks location. One could argue the impression created by the 15th Avenue brand is literally false by necessary implication. But courts would likely view the claim of unique character as implicit and require proof that consumers would be misled.

Cases of corporate name change, as opposed to selective product unbranding, present a somewhat more difficult analysis. Whereas 15th Avenue coffee is just Starbucks coffee in a literal sense, a corporate name change fundamentally alters the truth-value of the claim communicated by a brand. When the firm formerly known as AIG Financial calls itself SagePoint, that description is, in some sense, literally true. Its articles of incorporation identify the corporate entity as SagePoint, not AIG. Nonetheless, SagePoint’s failure to disclose its prior operations under the AIG name is precisely the sort of half-truth and obfuscation that threatens to mislead consumers. As such, section 43(a) should apply.

No court has analyzed unbranding under the Lanham Act’s false advertising provisions. While the discussion above sketches the basic application of section 43(a) to unbranding, courts and litigants must contend with some additional stumbling blocks in order to effectively restrain misleading unbranding as a form of false advertising.

Although courts have recognized that a mark can serve as a vehicle for false advertisement, they have applied that reasoning only to descriptive marks. A producer, for example, which markets its socks under the descriptive mark PureWool violates section 43(a) if its socks are actually made of a wool and cotton blend. Suppose instead a manufacturer of 100% wool socks chooses the arbitrary mark Westwick. After a decade of producing high quality 100% wool socks, Westwick surreptitiously switches to a 50/50 blend of cotton and wool. In the minds of consumers, Westwick is synonymous with pure wool footwear, and the continued use of the mark strongly implies continuity of materials. If the application of section 43(a) is limited to descriptive marks, however, this sort of false advertising escapes its grasp.

Such a limitation would be a serious hindrance in the unbranding context. Many of the names adopted by unbranders — SagePoint, Altria, Xe — are suggestive, arbitrary, or fanciful. Even those that are arguably descriptive, like AirTran, are not misleading as a result of the description conveyed by the mark on its face. They are misleading

194. If taken to its logical extreme, this argument would suggest limiting each producer of goods or services to a single mark. Although I do not make such an argument here, others have. See David W. Barnes, One Trademark Per Source (Working Paper Series, 2009), available at http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1395014.
195. Dillbary, supra note 140, at 359.
because they implicitly distance the firm from its former identity. To the extent section 43(a) hinges on a mark that misrepresents the product on its face, it is of limited use in preventing deception caused by unbranding.

Section 43(a) does not demand a restriction of false advertising claims to descriptive marks. Section 43(a) provides in relevant part:

Any person who, on or in connection with any goods or services, or any container for goods, uses in commerce any word, term, name, symbol, or device, or any combination thereof, or any false designation of origin, false or misleading description of fact, or false or misleading representation of fact, which . . .

(B) in commercial advertising or promotion, misrepresents the nature, characteristics, qualities, or geographic origin of his or her or another person’s goods, services, or commercial activities,

shall be liable in a civil action by any person who believes that he or she is or is likely to be damaged by such act.

The text of the Lanham Act’s false advertising provision applies to any mark. Nonetheless, some commentators have suggested that this expansive phrasing of section 1125(a) applies only to claims of infringement of unregistered marks under section 43(a)(1)(A). Despite the plain meaning of the text, they maintain that claims under the false advertising prong of section 43(a) are limited to “false or misleading description of fact, or false or misleading representation of fact.”

But even accepting this reading of the statute, the question remains

196. Id. at 361.
198. Id. § 1127 (defining a “trademark” to include “any word, name, symbol, or device, or any combination thereof”).
199. Section 43(a) provides that:

Any person who, on or in connection with any goods or services . . . uses in commerce . . . any false or misleading description of fact, or false or misleading representation of fact, which — in commercial advertising or promotion, misrepresents the nature, characteristics, qualities, or geographic origin of his or her . . . goods, services, or commercial activities . . . shall be liable in a civil action by any person who believes that he or she is or is likely to be damaged by such act.

1A LOUIS ALTMAN & MALLA POLLACK, CALLMANN ON UNFAIR COMPETITION, TRADEMARKS AND MONOPOLIES § 5:5 (4th ed. 2009); see also McCarthy, supra note 153, § 27:13 at 26–27 (listing elements of a claim for false advertising under section 43(a)).
whether a non-descriptive mark can constitute a false or misleading statement of fact.

The central case that supports limiting false advertising claims to descriptive marks is *Alfred Dunhill Ltd. v. Interstate Cigar Co.* 200 There, the Second Circuit rejected a section 43(a) false advertising claim brought by tobacco maker Dunhill. After a shipment of its tobacco was damaged by water during transport, Dunhill turned the damaged products over to its insurer for a salvage sale. Once Interstate purchased the tobacco, Dunhill insisted Interstate label it as water-damaged. Interstate refused, and Dunhill brought suit under section 43(a).

The Second Circuit rejected the false advertising claim, chiefly on the grounds that Interstate, by refusing to take the affirmative step of relabeling Dunhill’s product, did not “affix, apply, or annex” a false description as required by the pre-revision text of the Lanham Act. 201 The court was also persuaded that relief was inappropriate because Dunhill could have easily conditioned the sale of its product on a promise to label them as water-damaged. 202

Commentators read *Dunhill* to stand for the proposition that a false advertising claim under the Lanham Act cannot reach non-descriptive marks. 203 But the Second Circuit’s holding was based on very different grounds. To the extent *Dunhill* implies that inherently distinctive marks are beyond the reach of Lanham Act false advertising claims, those suggestions are dicta.

Moreover, strong policy considerations support accepting the acquired descriptive meaning of suggestive, arbitrary, and fanciful marks for the purposes of false advertising. Trademark law deems marks abandoned when the products sold under them are materially altered. The threat of abandonment discourages merchants from taking advantage of the consumer expectations they created. 204 Likewise, false advertising law should recognize that even arbitrary and fanciful marks convey discrete factual claims about a product to consumers. 205

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200. 499 F.2d 232 (2d Cir. 1974).
201. Id. at 235 (quoting § 1125(a)).
202. Id. at 238.
203. See e.g., Dillibary, supra note 140, at 357, 359.
204. Trademark fair use cases also recognize that an inherently distinctive mark can sometimes serve a descriptive function. See, e.g., Car-Freshner Corp. v. S.C. Johnson & Son, Inc., 70 F.3d 267, 269 (2d Cir. 1995).
205. There is reason to suspect that the question of deception would play out differently in the registration context. Recall that if a (1) mark is misdescriptive of a product, (2) that misdescription is likely to be believed, and (3) it is material to consumer purchasing decisions, registration will be barred. In many instances, suggestive, arbitrary, and fanciful marks will be incapable of being misdescriptive at the time of registration because they have not yet acquired a descriptive meaning. While immediately recognizable as marks, at the registration stage they lack the ability to trigger associations with specific product attributes in the minds of consumers. When such associations do exist, however, it would appear
If those claims are false or misleading because of the producer’s own actions, false advertising liability is appropriate.

Another potential stumbling block is that the false advertising prong of section 43(a), unlike the infringement prong, does not directly address false or misleading statements of source. Instead, it applies to misrepresentations concerning “the nature, characteristics, qualities, or geographic origin” of “goods, services, or commercial activities.” As a general rule, this division of labor makes sense. Most of the time, confusion as to source arises in the inter-brand context. When a firm misrepresents the source of its goods, it does so in a way that causes confusion between its products and those of a competitor. Because the infringement prong is capable of addressing any false inter-brand statement about source, Congress likely saw no need to include misrepresentation as to source among those covered by false advertising.

Congress, however, did not anticipate the phenomenon of unbranding. Intra-brand misrepresentations about source are not amenable to infringement analysis because the owner of the mark and the source of confusion are the same entity. Had Congress recognized the risk that a firm’s own misleading statements about the source of its products could harm consumers and competitors, it may have drafted the statute differently. But it did not.

Despite the constraints of the text of the Lanham Act, courts could fairly easily shoehorn concerns about source into the rubric of false advertising. When consumers express concerns about the source of goods or services, they are ultimately expressing concerns about product characteristics or qualities. A consumer might avoid buying Nike shoes because she refuses to wear products produced by child labor, or because she has concerns about their quality. “Nike” is a convenient shorthand for those attributes, but her concerns can be ultimately reduced to concerns about quality and characteristics. If courts are willing to look below the surface of consumer preferences about source, false advertising claims under section 43(a) reach cases of unbranding.

The false advertising provision of the Lanham Act, while admittedly not a perfect fit, offers a reasonably promising approach to the problem of unbranding. In order for it to play this role, however, courts must recognize that even inherently distinctive marks have the capacity to mislead consumers about product attributes and qualities. Ideally, courts would also allow the interests of consumers to be protected by consumers themselves. Competitors have interests that occasionally align with those of consumers, but without consumer

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appropriate to deny registration. For example, if Pfizer attempted to register “Viagra” as a trademark for ibuprofen today, this fanciful mark should be considered misdescriptive.

standing, unbranding is likely to continue to go unchallenged. As the discussion below suggests, in the absence of consumer standing, the government may be a better proxy for the interests of consumers.

B. The FTC’s Deceptive Acts or Practices Power

Section 5 of the FTCA declares unlawful “unfair or deceptive acts or practices in or affecting commerce” and empowers the FTC to prevent their use.207 For an act or practice to be considered deceptive, it must be likely to materially mislead a reasonable consumer to her detriment.208 Express claims, implied claims, and omissions are all capable of deceiving consumers.209

The central question is whether misleading statements, implied claims, or silence are likely to affect consumer behavior in purchasing or otherwise interacting with a product. If so, the communication is deceptive. Materiality can be assumed for express claims, implied claims intended by the seller, or claims relating to the health and safety, central characteristics, purpose, performance, or cost of a product.210 Materiality also establishes that the act or practice was to the consumer’s detriment.211 So long as the consumer would have chosen differently if provided with accurate information, injury exists regardless of demonstrable economic harm.212

The FTC has applied its deceptive practices power in a wide range of factual contexts. Beyond the straightforward cases of false claims in ad copy about a product’s composition, effectiveness, or superiority, the FTC has found that the use of a trade name can deceive the public. A store using the phrase “Army and Navy” in its name, for example, was found to have deceived the public because its goods were not Army or Navy surplus items.213 The FTC has also prevented firms from continuing to apply a mark to a well-known product after the firm significantly alters its ingredients, qualities, or characteristics.214

207. Id. § 45(a). Certain commercial entities subject to more specific industry regulations, including banks, savings and loan institutions, credit unions, common carriers, and air carriers, are exempt under section 5 of the FTCA. Id.
208. See Sw. Sunsites, Inc. v. FTC, 785 F.2d 1431, 1435–36 (9th Cir. 1986).
209. See Donaldson v. Read Magazine, Inc., 333 U.S. 178, 188 (1948) (“Advertisements as a whole may be completely misleading although every sentence separately considered is literally true. This may be because things are omitted that should be said . . . .”).
210. See 5 JAMES B. ASTRACHAN, LAW OF ADVERTISING § 18.01 (2010).
211. See Sw. Sunsites, 785 F.2d at 1436 (“[T]he new standard considers as material only deceptions that are likely to cause injury to a reasonable relying consumer . . . .”).
212. See FTC v. Colgate-Palmolive Co., 380 U.S. 374, 387 (1965) (“[T]he public is entitled to get what it chooses, though the choice may be dictated by caprice or by fashion or perhaps by ignorance.” (quoting FTC v. Algoma Lumber Co., 291 U.S. 67, 78 (1934))).
214. See Royal Baking Powder Co. v. FTC, 281 F. 744, 753 (2d Cir. 1922).
In some cases, the remedy for use of deceptive marks is their elimination. But the FTC has another remedial measure at its disposal: mandated disclosure. Where deception is the result of silence or could be cured by clarifying disclosures, the FTC can demand that a firm tell consumers the truth clearly and conspicuously. This disclosure requirement has been enforced against firms that market substantially different products under the same established mark.

The application of this framework to cases of unbranding is fairly straightforward. If the failure to disclose a new brand’s former life as a brand of ill repute is misleading and material to consumer decision making, nondisclosure is a deceptive practice. So long as the FTC is willing to embrace the notion that arbitrary and fanciful marks convey factual claims about the source, quality, or characteristics of a product, its existing treatment of deceptive practices appears more than capable of targeting unbranding. The primary substantive requirement facing the FTC would be establishing that the failure to disclose the link between a new brand and an old one is material to a reasonable consumer, a determination well within the expertise of the FTC and the courts.

But section 5 of the FTCA has two noteworthy practical limitations. First, it does not provide for a private right of action. Neither consumers nor competitors harmed by false or misleading statements have standing under the FTCA. Instead, enforcement is left entirely to the FTC. Since consumers lack standing under either regime, the choice between the Lanham Act and the FTCA is, in part, a choice between relying on competitors or the FTC to protect the best interests of consumers.

Unlike competitors, whose interests may be less than perfectly aligned with those of consumers, the FTC is charged with defending the public interest. Indeed, a determination that a complaint serves the public interest has been held to be a jurisdictional requirement that the FTC must satisfy. Even though sufficiently motivated competitors may occasionally bring claims under the Lanham Act, given the centrality of the public interest to the FTC’s enforcement authority, it

215. See, e.g., FTC v. Algoma Lumber Co., 291 U.S. 67 (1934) (enjoining use of “California White Pine” name for products made from yellow pine under the FTCA); El Moro Cigar Co. v. FTC, 107 F.2d 429 (4th Cir. 1939) (requiring excision of the term “Havana Counts” from domestic cigars); Masland Duraleather Co. v. FTC, 34 F.2d 733 (3d Cir. 1929) (requiring excision of the term “Duraleather” from products not made of leather).


217. See, e.g., In re Lee Rubber & Tire Corp., 56 F.T.C. 1026, 1028 (1960) (consent decree prohibiting firm from lowering quality of tires without changing the trade name or providing clear and conspicuous disclosure).


219. FTC v. Raladam Co., 283 U.S. 643, 649 (1931) (stating that “the Commission . . . may not proceed unless it . . . appear [sic] that a proceeding would be to the interest of the public”).
should be expected to serve as a more reliable proxy for consumer interests.

The second relevant limitation of the FTCA is its inability to provide for compensation to injured consumers. Section 5 permits the FTC to seek civil penalties for violations, but makes no provision for monetary awards to consumers.220 These civil penalties, in parallel with injunctive relief, could be effective tools for discouraging unbranding and eliminating or correcting the misimpressions it creates among consumers.221 But they cannot compensate consumers for any financial harm suffered. Of course, awards in suits brought by competitors under the Lanham Act only benefit consumers indirectly, if at all.

Aside from these practical limitations, treating unbranding as an unlawful act remedied by mandated disclosure raises three related policy concerns. First, while mandated disclosure — think “Fly AirTran (formerly ValuJet)” — would reduce the risk of consumer confusion and the economic incentives that motivate unbranding, some will argue that even companies with well-deserved bad reputations should be able to escape their brands in time.

This criticism overlooks the fact that the materiality requirement inherently allows firms to shed their tarnished brands once that change no longer affects consumer decision making. Underlying this objection is a fear that consumers will respond disproportionately by punishing firms for past misdeeds, a worry that depends on a conception of consumer decision making at odds with neoclassical economic theory. Perhaps more importantly, this criticism ignores the proactive steps firms can take to speed the lawful transition to a new brand. Firms can alter negative consumer associations by improving product quality and safety or eliminating immoral or illegal practices. By improving the standing of their current brand, firms reduce the materiality of a future name change. Alternatively, firms could change names immediately as long as consumers have adequate notice. One promising approach is a gradual transition from the old brand to the new one that provides consumers conspicuous notice.222

221. The FTC is also authorized to request the cancellation of registered marks used “so as to misrepresent the source of the goods or services in connection with which the mark is used.” Id. § 1064.
222. For example, when FedEx acquired Kinko’s, it originally renamed Kinko’s locations FedEx Kinko’s. Years later, after establishing a connection between the Kinko’s and FedEx brands, FedEx renamed those locations FedEx Office. See Ernest Beck, FedEx Ditches Kinko’s, BLOOMBERG BUSINESSWEEK (June 9, 2008, 4:06PM), http://www.businessweek.com/innovate/content/jun2008/id2008069_075908.htm; Press Release, FedEx, FedEx Changes Name of FedEx Kinko’s to FedEx Office, Will Record $891 Million Fourth Quarter Charge (June 2, 2008), http://news.van.fedex.com/fedex_office.
Second, restraints on unbranding raise difficult questions about corporate identity. One might argue that if a firm undergoes sufficient transformation, it should be entitled to unbrand regardless of whether or not its name change would materially influence consumer choices. Did BP’s firing of former CEO Tony Hayward alter the firm’s identity in any meaningful sense? What if it had replaced its entire board of directors and executive management team? If personnel changes do remake a company, why should the new firm be saddled with a damaged brand?

This line of reasoning has some intuitive appeal. One would expect changes in personnel to prompt changes in corporate behavior. But on the other hand, a corporation’s identity is distinct from the sum of its constituent parts. Corporations are legal entities unto themselves with rights and obligations that persist regardless of personnel changes. On a practical level, the substitution of one CEO — or safety policy, or deepwater drill — for another offers no guarantee of a better product or more responsible behavior. So to the extent such substitutions are intended to signal a change in corporate direction, they are an imperfect proxy at best. This is not to say that firms should not make personnel or other changes in the face of damaged reputations. But they should do so as part of an effort to regain the trust and support of consumers, not as a pretext to hide under the banner of a new name.

Third, the disclosure remedy raises the specter of information overload. One might worry that a disclosure regime might become increasingly burdensome, eventually proving counterproductive by overwhelming consumers with non-salient information. The trend in recent decades has generally been one of increased disclosure; legal intervention has brought us disclosure of nutritional values of food, octane ratings of fuel, and side effects of over-the-counter drugs. These advances have not brought us to the edge of information overload, and requiring disclosure in the unbranding context is unlikely to push us over that edge. Again, the materiality requirement serves as an important check since the only information firms would be required to provide about their name changes is the information a reasonable consumer would use to inform her choices.

The FTC is best positioned to take effective steps to counteract the confusing and deceptive use of unbranding strategies given the comparative advantages of its remedial options, the relatively comfortable fit of its doctrinal structure, and its duty to protect the interests of consumers. To be sure, not all efforts to unbrand create risks of harm to consumers, but the deceptive practices approach allows the FTC to effectively filter out those cases of unbranding that either do

223. See Pitofsky, supra note 182 at 686.
not misinform consumers or do not materially alter their decision making.

V. CONCLUSION

Unbranding presents concrete risks that are difficult, by definition, for consumers to avoid. Without sacrificing the economic efficiencies trademarks are intended to enable, consumers cannot research the provenance of each mark they encounter in order to ensure it is not linked to an unsavory past. Despite striking at the core concerns of trademark law — search costs, consumer protection, and fair competition — unbranding escapes conventional infringement analysis. False advertising under the Lanham Act offers one path, but one deeply dependent on our faith in the competitors of unbranders to place the concerns of consumers above their own economic self-interest. The better approach is for the FTC to take seriously the risks posed by unbranding. As courts have long realized, “[w]hen an injury is a public one it should be prosecuted as a public wrong.”\textsuperscript{224} Short of creating a private right of action for consumers to collectively challenge unbranding, FTC enforcement offers the most reliable and effective means to prevent deceptive unbranding.