

ENSURING CONSUMERS “GET WHAT THEY WANT”: THE ROLE OF TRADEMARK LAW

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ABSTRACT. *This Article considers how trademark law should interpret the commitment in legislative history to the 1946 (US) Lanham Act that one of the principal purposes of trademark law is “to protect the public so that it may be confident that, in purchasing a product bearing a particular trademark which it favorably knows, it will get the product which it asks for and which it wants to get”. It looks back to highlight the often under-appreciated role of the consumer protection rationale in recent expansions in trademark protection, and then considers the different ways by which that basic objective might now be pursued by trademark law. It concludes that, without disregarding the core consumer protection purpose of trademark law, we need to start viewing the question of ensuring consumers get what they want both with a broader view of consumer interests and more explicit attention to a wider array of values.*

KEYWORDS: consumers; trade mark; confusion; unfair competition

The title of this article – “ensuring consumers get what they want” – consciously evokes language from the Senate Report that accompanied the enactment in 1946 of the Lanham Act, the modern US trademark statute. That report identified one of the main purposes of US trademark law as being:

to protect the public so that it may be confident that, in purchasing a product bearing a particular trade-mark which it favorably knows, *it will get the product which it asks for and wants to get.*¹

Similar consumer protection sentiments underlie, at least in part, the grant of trademark protection in most, if not all, countries.²

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¹ S. Rep. No. 1333, 79th Cong., 2d Sess. (1946), 3, emphasis added.

² In a European context, see e.g. Case C-517/99, *Merz & Krell GmbH & Co.* [2001] E.C.R. I-6959 (pointing out that “the essential function” of trademarks is to guarantee the origin of goods or services to consumers so as to enable them to be distinguished without a risk of confusion); Joined Cases C-427/93, C-429/93 and

This article considers how courts and legislatures should interpret this commitment today – how should trademark law ensure that consumers “get what they want”? To explore that question, Part I of this article reflects upon the role of the consumer protection rationale in recent expansions of trademark rights. Part II then considers several ways in which the basic objective of validating consumer expectations might now be pursued by trademark law. The article suggests in Part III that, without disregarding the core consumer protection purpose of trademark law, courts should consider the ultimate objective of ensuring that consumers “get what they want” more broadly. Essential to this inquiry is a richer view of consumer interests and more explicit attention to a wider array of values implicated by trademark protection.³ Part IV concludes by noting the different challenges presented by the institutional context in which trademark law is developed in the UK and the US.

I. THE EXPANSION OF TRADEMARK RIGHTS

In 1946, there was a rather defined sense of what trademark law had to do to make good on its commitment to protect the consumer. That certainty arose in part because there was a much more defined sense of what trademarks did, both for producers and for consumers. Their original function, and perhaps at one time, their only function, was to identify the manufacturer of goods. The word “UTOPIA” stamped on bed sheets made by a particular producer told the consumer who made the sheets. This was how traders used marks and it was how consumers understood them – as indications of the “source” or “origin” of goods.

As a result, a consumer later seeing bed sheets marked with the UTOPIA mark would expect that the goods in question came from the first producer, from whom the consumer had previously purchased UTOPIA bed sheets. To protect that consumer expectation, trademark law prevented rival traders from making and selling different bed sheets marked with the UTOPIA mark. This narrow cause of action was sufficient to provide assurance that consumers would get what they wanted.

The scope of this assurance has expanded in many ways since 1946.⁴ The type of uses against which relief can be secured now

C-436/93, *Bristol-Myers Squibb and Others v Paranova A/S* [1996] E.C.R. I-3457 (noting that a trademark “protects the interests of consumers by acting as a guarantee that all goods bearing the mark are of the same commercial origin”, which is “the essential function of the trade mark”); Case C-10/89, *S.A. CNL-Sucal N.V. v Hag G.F. A.G.* [1990] E.C.R. I-3711 (describing how trademarks “act as a guarantee, to the consumer, that all goods bearing a particular mark have been produced by, or under the control of, the same manufacturer and are therefore likely to be of similar quality”). In the UK, see e.g. *L’Oréal S.A. v eBay International A.G.* [2009] EWHC 1094, [2009] R.P.C. 21, 645 (Arnold J.); *Scandecor Development AB v Scandecor Marketing AB* [2001] UKHL 21, [2002] F.S.R. 7, 131–32 (Lord Nicholls); *Wagamama Ltd. v City Centre Restaurants Plc* [1995] F.S.R. 713, 729–32 (Ch.) (Laddie J.).
³ Similar shifts are occurring in the field of consumer protection more broadly understood: see L. Herrine, “What Is Consumer Protection For?” (2022) 34 *Loyola Consumer Law Review* 240.

⁴ See M.A. Lemley, “The Modern Lanham Act and the Death of Common Sense” (1999) 108 *Yale L.J.* 1687.

encompasses confusion as to matters other than the source of goods,⁵ to consumers other than purchasers,⁶ at times other than at point of sale,⁷ and new causes of action have been created that provide relief without confusion.⁸ One result of this expansion is that trademark not only protects the maker of UTOPIA sheets against the use of that mark on the bed sheets of a competitor, but also gives protection against use of the UTOPIA mark, or anything confusingly similar to it, on related but non-competing goods.⁹ Thus, trademark law might now prevent a third party from using the mark UTOPIA on kimonos, bed slippers, and possibly also on bedside tables. If the UTOPIA mark was sufficiently well-known to be famous (in US terminology) or have a reputation (in the EU and UK vernacular), dilution protection might even restrain its use on radically different products, such as food mixers.¹⁰

In some countries, trademark infringement can now be made out if a rival online supplier of much cheaper KAZOOM bed linens inserted the mark UTOPIA as part of invisible meta tags in the source code of its website, such that the KAZOOM website would appear high on the list of search results generated by a consumer's query for "UTOPIA".¹¹ (This could be the effect, at least, before most search engines revised their search algorithms to diminish the relevance of meta tags.) Courts in the US have found that an action for infringement might lie even though a visitor to the KAZOOM website would never be under any misapprehension that she was being offered UTOPIA, rather than much cheaper and unaffiliated KAZOOM, bed linens. Such an action would be founded on the so-called "initial interest" of the consumer in the KAZOOM product, which was the product of confusion, even if that confusion were dispelled by the time of sale.¹²

⁵ See Trademark Registration Act, Pub. L. No. 87-772, 76 Stat. 769 (1962) (deleting references to "origin" and "purchasers"); see also 15 U.S.C. § 1125(a) (rendering actionable confusion as to affiliation, endorsement, sponsorship or connection); *A & H Sportswear, Inc. v Victoria's Secret Stores, Inc.*, 237 F.3d 198 (3d Cir. 2000) (reverse confusion).

⁶ See Trademark Registration Act, Pub. L. No. 87-772, 76 Stat. 769 (1962).

⁷ See *Ferrari S.P.A. Esercizio v Roberts*, 944 F.2d 1235 (6th Cir. 1991) (post sale confusion); *Playboy Enterprises, Inc. v Netscape Communications Corp.*, 354 F.3d 1020 (9th Cir. 2004) (initial interest confusion pre-sale).

⁸ See Federal Trademark Dilution Act of 1995, Pub. L. No. 104-98, 109 Stat. 985 (1995); 15 U.S.C. § 1125(c); Anti-Cybersquatting Consumer Protection Act of 1999, Pub. L. No. 106-113, 113 Stat. 1501A-545 (1999); 15 U.S.C. § 1125(d).

⁹ See Trade Marks Act 1994, s. 10(2)(a); in the US, see 15 U.S.C. §§ 1114, 1125(a)(1).

¹⁰ See e.g. Directive (EU) No 2015/2436 (OJ 2015 L 336 p.1), art. 10(2)(c) (hereafter, Recast or 2015 EU Trade Mark Directive). The Recast EU Trade Mark Directive replaced Directive (EU) No 2008/95/EC (OJ 2008 L 299 p.25) (hereafter, 2008 Trade Mark Directive).

¹¹ See e.g. *Reed Executive Plc v Reed Business Information Ltd.* [2004] EWCA Civ 159, [2004] R.P.C. 40, at [147] (Jacob L.J.) (Rix and Auld L.J.J. agreeing); *Brookfield Communications, Inc. v West Coast Entertainment Corp.*, 174 F.3d 1036 (9th Cir. 1999).

¹² See *Brookfield Communications v West Coast Entertainment*, 174 F.3d 1036 (9th Cir. 1999); *Playboy Enterprises v Netscape Communications*, 354 F.3d 1020 (9th Cir. 2004). The doctrine of initial interest confusion has its critics in the US, but it is arguably even less firmly embedded in EU or UK law. See generally I.S. Fhima, "Initial Interest Confusion" (2013) 8 *Journal of Intellectual Property Law and Practice* 311; L. Bently et al., *Intellectual Property Law*, 6th ed. (Oxford 2022), 1058.

Why has this ongoing expansion of trademark rights happened, and to what extent is it connected to the goal of ensuring that “consumers get what they want”? Several reasons for the expansion have been proffered by courts and scholars. One group of scholars has argued that the expansion in trademark rights that has occurred in recent decades can be attributed to a reconceptualisation (and, critics would assert, misconceptualisation) of trademarks as property.¹³ The label of property flows, it is claimed, from regarding trademarks as valuable in their own right. As courts and scholars searched for the source of that value, so the argument goes, they were blinded into offering something approaching full dominion over the mark to the producer, whose investment in the mark has created the underlying asset.

However, this contention, which Professor Glynn Lunney described as courts and legislatures succumbing to “property mania”,¹⁴ pins too much on the label of “property”. Many property rights are far from absolute and instead subject to limitations which protect public interests. Moreover, as work by scholars on both sides of the Atlantic has shown,¹⁵ trademark infringement in the nineteenth century was a relatively narrow claim – notwithstanding courts’ invocation of the language of property. There is, therefore, no inevitable link between the language of property and the scope of trademark rights.

If there is any *rhetorical* tool that is more often used to support expansive forms of trademark rights, it is the protection of producer investment against unfair appropriation of investment – to prevent “reaping where you have not sown”.¹⁶ The Senate Report with which this article began explicitly recognised such a rationale for trademark protection, identifying that a second purpose of trademark law is to ensure that “where the owner of a trade-mark has spent energy, time and money in presenting to the public the product, *he is protected in his investment from its appropriation by pirates and cheats.*”¹⁷

This colourful rhetoric has clearly had bite in decided cases. For example, in the *Boston Hockey* case,¹⁸ which was one of the first appellate US cases to endorse a trademark owner’s control over merchandising of the mark itself,

¹³ See G.S. Lunney, Jr., “Trademark Monopolies” (1999) 48 *Emory Law Journal* 367, 371 (describing a property-based view of trademark law); Lemley, “Modern Lanham Act” (observing a trend towards “propertyising” intellectual property).

¹⁴ Lunney, “Trademark Monopolies”, 372.

¹⁵ See M.P. McKenna, “The Normative Foundations of Trademark Law” (2007) 82 *Notre Dame Law Review* 1839; L. Bently, “The Making of Modern Trade Mark Law: The Construction of the Legal Concept of Trade Mark (1860–1880)” in L. Bently, J. Davis and J.C. Ginsburg (eds.), *Trade Marks and Brands: An Interdisciplinary Critique* (Cambridge 2008), 3.

¹⁶ For the pre-Lanham Act invocation of this metaphor, see *International News Service v Associated Press*, 248 U.S. 215, 239 (1918) (describing the defendant’s conduct as “endeavoring to reap where it had not sown”); cf. Case C-487/07, *L’Oréal S.A. v Bellure N.V.* [2009] E.C.R. I-5185, at [49] (same language tied to unfair advantage claim under EU law).

¹⁷ S. Rep. No. 1333, 79th Cong., 2d Sess. (1946), 3, emphasis added.

¹⁸ *Boston Professional Hockey Association, Inc. v Dallas Cap & Emblem Mfg., Inc.*, 510 F.2d 1004 (5th Cir. 1975).

the court mentioned three features of the dispute that persuaded it to “slightly tilt the trademark laws from the purpose of protecting the public to the protection of the business interests of plaintiffs”. These included the fact that that “the major commercial value of the [sports team’s] emblems is derived from the efforts of [the] plaintiffs”.¹⁹ Arresting attempts to free-ride on those efforts remains a strong instinct of courts, even absent a cause of action expressly aimed at such conduct.²⁰

II. THE EXPANSIONIST ROLE OF CONSUMER EXPECTATIONS

So, what does this account of why there has been an expansion in trademark rights have to do with ensuring that consumers “get what they want”? It might appear that validating consumer expectations has played little role in fashioning the expanded trademark rights we now have. Indeed, many critics of strong protection would claim that it is the departure from the consumer protection model that lies at the root of these developments.²¹ In fact, the protection of consumer expectations has been an important device for both creating, and perhaps more importantly, legitimating and consolidating expansions in trademark rights. Allowing the manufacturer of UTOPIA bed sheets to stop the use of its mark on a much broader scope of products, such as kimonos, bedside tables and food mixers, and allowing the manufacturer of UTOPIA bed sheets to stop the use of its mark by KAZOOM in its meta tags, is a result also now justified by the goal of ensuring that consumers get what they want.

This result has been enabled by three basic, related, methodological choices that trademark law has made in its efforts to ensure that consumers get what they want. These features are most obvious in US trademark law, but one can see them – sometimes in varying degrees of strength – in other systems, including within the UK and the EU. The first methodological choice made by courts has been to give precedence to evolving social and commercial understandings and uses of marks. Second, courts have viewed core trademark questions, such as likely consumer confusion, as essentially descriptive tasks involving nothing more than an empirical inquiry.²² Third,

¹⁹ *Ibid.*, at 1011. In the EU, these considerations arguably are reflected in the broader (and more easily available) dilution action, although the CJEU has held that the investment function is also protected by the double identity cause of action. See *L’Oréal v Bellure* [2009] E.C.R. I-5185, at [58].

²⁰ See M. Grynberg, “Trademark Free Riders” (2024) 39 *Berkeley Technology Law Journal* (forthcoming). In the UK and the EU, the dilution claim explicitly encompasses free riding claims within the “unfair advantage” variant of the dilution cause of action: see 2015 Directive, art. 10(2)(c). In contrast, the 2006 reform of US dilution law exhaustively defined the dilution claim as covering only “blurring” and “tarnishment”: see 15 U.S.C. § 1125(c)(1).

²¹ See e.g. *Ferrari S.P.A. Esercizio*, 944 F.2d 1235 (6th Cir. 1991) (Kennedy J., dissenting) (post sale confusion); see also *Moseley v V Secret Catalogue, Inc.*, 537 U.S. 418, 429 (2003) (“Unlike traditional infringement law, the prohibitions against trademark dilution are ... not motivated by an interest in protecting consumers”).

²² In registration-based systems, such as the UK or EU, the endeavour is inevitably more normative because lack of use may preclude a descriptive analysis.

the reformulation of the consumer protection rationale in the language of law and economics, more particularly in terms of reducing consumer search costs, has helped lessen the level of interference with a brand signal that is necessary to make out trademark infringement.²³ The following sections discuss these three features in greater detail.

A. Social Development of Trademarks

Tying trademark law to social understandings of trademarks has not always fuelled expansion of trademark rights. In the nineteenth century, legal rules reflected the commercial function of marks and were tied to consumer understandings of those marks. Marks functioned to identify origin. Trademark law protected that origin function, but it did so by conferring a narrow right.²⁴ Trademark law today nominally remains primarily concerned with the source or origin function of marks,²⁵ but the scope of protection now offered by the law under the guise of protecting the “origin” function is much broader than in 1946. In large part this is because of changes in the structure of our economy and changes in how marks are understood by consumers. At least three such changes can be identified.

1. Licensing of marks

The person who sells goods or services today under a particular mark is often not their manufacturer, but someone in one of several possible commercial relationships with the manufacturer – the most common being franchisor–franchisee, licensor–licensee and foreign manufacturer–local distributor. As these commercial relationships increasingly determine the consumer experience, the trademark has evolved from a term designating the manufacturer as such, into the commercial actor who “stands behind” or “vouches for” the goods in question. Consumers now understand that the mark owner does not necessarily *make* all the goods or services for which it vouches. Trademarks have become more generally a guarantor of the consistent quality of goods.

Adapting to this change requires no radical shift in trademark law. After all, consistent quality of goods was one of the expectations protected by trademarks as source-identifiers in the narrow sense. A consumer who

²³ The language of law and economics has not been deployed as frequently in UK or EU judicial decisions in trademark law (or law generally), though it is discussed (with less centrality than in the US) in the scholarly literature. See e.g. A. Griffiths, “A Law-and-Economics Perspective on Trade Marks” in Bently, Davis and Ginsburg (eds.), *Trademarks and Brands*, 241.

²⁴ McKenna, “Normative Foundations”, 1848.

²⁵ In the UK and EU, a trademark claim can seek to protect a far broader range of functions. See *L’Oréal v Bellure* [2009] E.C.R. I-5185, at [58] (“These functions include not only the essential function of the trade mark, which is to guarantee to consumers the origin of the goods or services, but also its other functions, in particular that of guaranteeing the quality of the goods or services in question and those of communication, investment or advertising”). But the source or origin function is the primary or essential function of the mark.

purchased UTOPIA bed sheets had some confidence that the next set of UTOPIA bed sheets would be of a quality that is consistent quality with the previous ones, even if that assurance once stemmed from the fact that the same manufacturer made the sheets in question rather than that they “stood behind” the sheets.

2. Related goods

Protection against use on what came to be known as “related goods”, upon which the mark owner had not yet used the mark, was another major expansion of protection in the second half of the twentieth century. This expansion can again be explained by changes to the structure of business organisation. Specifically, companies began to diversify their product range. As consumers became aware of that practice, they expected that the use of a mark on a related good *did* signal a connection with the first mark owner (perhaps as manufacturer, perhaps as licensee). If that connection was something that consumers valued, so the argument went, trademark law should provide consumers with assurance regarding that connection.

3. Associative meanings

Once it is accepted that a trademark may reflect broader commercial relationships, there is little that can stop the expansion in what trademarks mean. Thus, consumers now understand that a mark may simply reflect the endorsement of the goods by the mark owner, or some affiliation or connection between the two. When David Beckham lends his name to an aftershave, he does not personally concoct the product that bears his name, and is unlikely even to be checking its quality, and so stands behind it only in a very loose sense. But that does not matter to a trademark law resolutely committed to ensuring that consumers “get what they want”. Consumers may be buying the David Beckham aftershave because of the consistent quality of chemicals that they *know* he will insist on being part of any product bearing his name. They may. But they may also – and this is increasingly the case in our brand- and celebrity-obsessed culture – want the product because of its association with all things Beckham. It simply says, to everyone who smells the aroma, “cool, sexy, just like Beckham”. If that is what consumers want, then that, it is said, is what trademark law needs to ensure they get. It needs to protect against uses of the mark that cause confusion about association.

4. The response of trademark law

From these changes, it is apparent that although the basic objective of trademark law has remained quite constant – ensuring consumers get what

they want – the scope of protection offered by that principle has expanded to reflect how trademarks are now understood by consumers.

That evolution in trademark protection reflects, at least in part, an appropriate regard for social reality. It is important, *as an initial matter*, for trademark law to take account of the broader functions being served by trademarks. In order to identify harms for which courts may or may not decide to give redress, they must first have a proper understanding of the real-life effects of trademarks. Put another way, if trademark law seeks to protect consumer expectations, it first needs to know what those expectations are. However, by unquestioningly protecting consumer understandings, trademark law has failed to ask whether protecting some consumer expectations is a good thing. It has assimilated descriptive questions with prescriptive ones.

B. Empirical Inquiries

This failure to recognise the prescriptive dimension to trademark protection is closely related to a second methodological decision that has contributed to the expansion of trademark law. Formally, US infringement law asks whether the defendant’s use would confuse an “appreciable number of ordinarily prudent purchasers”;²⁶ European law constructs a similar, though differently denominated, character, the “average consumer”.²⁷

Courts tend to frame and often view the test of likely confusion as an empirical inquiry about whether consumers would be confused by the defendant’s behaviour.²⁸ This is particularly true in the US, where the existence of survey evidence – though historically, and currently, much less favoured in the UK – is routinely characterised as the best evidence of likely confusion.²⁹ This can lead to absurd results, as in one case where the plaintiffs introduced surveys showing that a certain percentage of consumers in a shopping mall in St. Louis believed that the defendant

²⁶ See *Thompson Medical Co., Inc. v Pfizer Inc.*, 753 F.2d 208, 213 (2d Cir. 1985).

²⁷ Namely, whether the defendant’s use of the mark is likely to confuse “an average consumer who is reasonably well-informed and reasonably observant and circumspect”: Case C-342/97, *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel B.V.* [1999] E.C.R. I-3819; see also Case C-251/95, *Sabel B.V. v Puma A.G.* [1997] E.C.R. I-6191, at [23] (referring to “the average consumer of the type of goods or services in question”); see generally G.B. Dinwoodie and D.S. Gangjee, “The Image of the Consumer in EU Trade Mark Law” in D. Leczykiewicz and S. Weatherill (eds.), *The Images of the Consumer in EU Law: Legislation, Free Movement and Competition Law* (Oxford 2015), 339.

²⁸ Some of the factors that are considered in performing this inquiry do, however, have a normative component. This is neither surprising nor a problem. But courts only rarely present their analysis in such terms. See G.B. Dinwoodie, “Trade Mark Law as a Normative Project” (2023) *Singapore Journal of Legal Studies* 305.

²⁹ See generally B. Beebe, “An Empirical Study of the Multifactor Tests for Trademark Infringement” (2006) 94 *California Law Review* 1581. For a more sceptical approach in the UK and elsewhere, see *Marks & Spencer Plc v Interflora Inc.* [2012] EWCA Civ 1501, [2013] 2 All E.R. 663; *Masterpiece Inc. v Alavida Lifestyles Inc.*, 2011 S.C.C. 27, [2011] 2 S.C.R. 387 (Supreme Court of Canada); *Australian Postal Corporation v Digital Post Australia Pty Ltd.* [2013] FCAFC 153, (2013) 308 A.L.R. 1 (Federal Court of Australia). See generally K. Weatherall, “The Consumer as the Empirical Measure of Trade Mark Law” (2017) 80 *M.L.R.* 57; Dinwoodie and Gangjee, “Image of the Consumer”.

would have needed permission to use the plaintiff's mark for a joke in its parody magazine.³⁰ The court granted an injunction to restrain publication on the basis that an endorsement was somehow suggested between the magazine and the plaintiff. Such a result indicates how courts have become hostage to the conviction that trademark law should protect whatever consumer expectations (surveys suggest) actually exist, regardless of whether we should care about such confusion because those expectations depend in part upon consumers' (mistaken) views of trademark law.³¹

Of course, the notion of an "ordinarily prudent purchaser" or "average consumer" (in UK or EU lingo) is a legal fiction. One might argue that it is a legal fiction designed to help courts get at the reality of the marketplace for consumers and, hence, to ensure consumers "get what they want". This is true to some extent. In reality, individuals react differently to trademarks, so the idea of a homogeneous consumer is inevitably a contrivance. For what purpose the contrivance is applied remains unclear. In some cases, courts seem to be asking whether a consumer in the "middle of the pack" would be confused, while in others they seem to be attempting a calculation of aggregate social welfare, taking into account how most consumers would react. And neither of these conceptualisations appears consistent with decisions that grant injunctions in cases where as few as 15 per cent of consumers were confused,³² while the vast majority of consumers were not.

Judges should not ignore reality or wholly foreswear devices designed to inform them of that reality. Properly constructed surveys may be useful devices by which to immunise courts against biases and preconceptions. Plaintiffs should be compelled to prove a case on something other than mere speculation. However, courts should not, to paraphrase Judge Posner in a trade dress case, "make a fetish of testimony, expert or otherwise".³³ Courts determining whether a defendant's conduct is likely to confuse an appreciable number of ordinarily prudent purchasers are engaged in more than an empirical inquiry. Courts are essentially establishing a level of market regulation designed to further the several purposes of trademark law.

In a patent case, Lord Hoffmann, then on the Court of Appeal, expressed scepticism about over-reliance on the cast of fictional beings that have been developed to explore the boundaries of different legal doctrines.

³⁰ *Anheuser-Busch, Inc. v Balducci Publications*, 28 F.3d 769 (8th Cir. 1994).

³¹ Although the US Supreme Court has not broadly expressed concern over surveys, in two very different cases Justice Sotomayor has recently voiced doubts in terms that sometimes bring the *Anheuser-Busch* case to mind. In a concurring opinion in *United States Patent and Trademark Office v Booking.com B.V.*, 140 S. Ct. 2298, 2309 (2020), she expressed some scepticism about placing undue weight on consumer surveys, noting that she did "not read the Court's opinion to suggest that surveys are the be-all and end-all". Likewise, in *Jack Daniel's Properties, Inc. v VIP Products L.L.C.*, 143 S. Ct. 1578, 1593–94 (2023), Justice Sotomayor noted that "courts should . . . be attentive to ways in which surveys may artificially prompt . . . confusion about the law or fail to sufficiently control for it".

³² See e.g. *National Football League v Governor of the State of Delaware*, 435 F. Supp. 1372, 1381 (D. Del. 1977) (finding confusion where only 19 per cent of surveyed consumers believed in a connection or association with the defendant).

³³ *Libman Co. v Vining Industries, Inc.*, 69 F.3d 1360, 1363 (7th Cir. 1995).

He suggested that the basic doctrinal questions had to be resolved, ultimately, through examination of the facts in line with the “general policy” of the statute at issue.³⁴ In trademark law, the type of conduct permitted or enjoined must take account of whether consumers will be confused, but it must also take account of the broader range of policies implicated by trademark law, most notably the maintenance of a competitive market.

As Jacob L.J. said in *L’Oréal S.A. v Bellure N.V.*: “[the public] are not stupid.”³⁵ This is a worthy assumption upon which trademark law should operate, for otherwise we would burden the market with undue regulation. But, at least for some members of the public, it is probably not actually true. Some people are stupid. Despite this, as a prescriptive matter, trademark law should not blithely set the standard of protection accordingly, lest we make the market unworkable.

In the US, decisions on actionable confusion have paid relatively little attention to the fact that these doctrinal assessments are not simply empirical questions, but instead embody fundamental policy decisions. The doctrines through which courts ensure that consumers “get what they want” are, or should be, rough proxies for protecting consumer expectations, informed and tempered by a variety of other normative commitments. By discounting some level of consumer confusion, current trademark law already makes such prescriptive choices in a number of settings, and it would hardly be radical to make them more explicitly and more frequently.³⁶

C. Search Costs

A third contributing factor to the expansion of trademark rights under the guise of consumer protection has been the reformulation of the consumer protection rationale in economic terms. Thus, William M. Landes and Richard A. Posner have explained that “[t]he value of a trademark . . . is the saving in consumers’ search costs made possible by the information that the trademark conveys or embodies about the quality of the firm’s brand”.³⁷

These Chicago School arguments have resonated with many scholars and courts, including the US Supreme Court.³⁸ But rephrasing the consumer protection explanation for trademark law exclusively in terms of search costs has also provided an expansive basis for protection, since it is

³⁴ *Société Technique de Pulverisation Step v Emson Europe Ltd.* [1993] R.P.C. 513, 519 (C.A.) (Hoffmann L.J.) (commenting that s. 32(1)(f) of the Patents Act 1949 (UK) must be construed “in accordance with the general policy of [that Act]”).

³⁵ *L’Oréal S.A. v Bellure N.V.* [2007] EWCA Civ 968, [2008] E.T.M.R. 1, at [63].

³⁶ See notes 70–72 below.

³⁷ W.M. Landes and R.A. Posner, *The Economic Structure of Intellectual Property Law* (Cambridge, MA 2003), 168.

³⁸ See e.g. *Qualitex Co. v Jacobson Products Co.*, 514 U.S. 159, 163–64 (1995) (remarking that trademark law operates to “reduce the customer’s costs of shopping and making purchasing decisions” by providing guarantees about the common origin of similar products).

difficult on that rubric alone to posit any increase in consumer search costs which does *not* justify trademark protection. For example, in the context of initial interest confusion, as seen in the UTOPIA/KAZOOM meta tag hypothetical, the increase in search costs experienced by a consumer who is presented with the KAZOOM website is measured roughly by the click of a mouse to the previous page. Yet, if one is committed to the reduction of search costs, there may be a basis for finding infringement.

Likewise, Posner J. has explained protection against dilution by blurring in terms of the search costs it imposes on the consumer:

Suppose an upscale restaurant calls itself “Tiffany.” . . . [W]hen consumers next see the name “Tiffany” they may think about both the restaurant and the jewelry store Consumers will have to think harder – incur as it were a higher imagination cost – to recognize the name as the name of the store.³⁹

To be fair, a fuller evaluation of search costs as part of a more expansive analysis of competition might still permit trademark doctrine to reach the conclusion that permitting certain third-party uses enhances overall market efficiency.⁴⁰ But the “economic-lite” version of the theory that dominates discussion of trademark law tends to the opposite: making consumers think a bit harder or a bit longer creates trademark problems. The Chicago School is surely right that one of the benefits of trademark protection is that it reduces search costs for consumers. However, the *level* and extent of assurance that courts should, as a prescriptive matter, seek to provide through trademark protection is arguably a question of more than making shoppers think less.

D. Consolidation and Legitimation

This discussion suggests that the protection of consumer expectations has been an important justification for expanding trademark rights. Perhaps more significantly, however, consumer expectations have also played an important role in consolidating and legitimating those expansions.

The role of consumer expectations in consolidating expansions of trademark rights is perhaps best exemplified by the development of merchandising case law. The *Boston Hockey* case, mentioned above, was one of the first appellate decisions to endorse a trademark owner’s

³⁹ *Ty Inc. v Ruth Perryman*, 306 F.3d 509 (7th Cir. 2002) (Posner J.); see also *Tiffany & Co. v Boston Club, Inc.*, 231 F. Supp. 836 (D. Mass. 1964) (finding infringement by restaurant styling itself “Tiffany’s”); R. Tushnet, “Gone in Sixty Milliseconds: Trademark Law and Cognitive Science” (2008) 86 *Texas Law Review* 507 (critiquing cognitive studies on which the argument is to some extent based); G.W. Austin, “Trademarks and the Burdened Imagination” (2004) 69 *Brooklyn Law Review* 827 (critical of approach in general).

⁴⁰ S.L. Dogan and M.A. Lemley, “A Search-Costs Theory of Limiting Doctrines in Trademark Law” in G.B. Dinwoodie and M.D. Janis (eds.), *Trademark Law and Theory: A Handbook of Contemporary Research* (Cheltenham 2008), 65.

control over merchandising. Such control was initially justified in terms of protecting producer investment. However, after *Boston Hockey*, producers and consumers each internalised the implications of the case. The accretion of further case law, and the development of licensing programs, led to consumer understanding that the presence of the mark of a sports team on a product meant that it was official merchandise, which the sport team had endorsed. Merchandising cases *can* now be litigated as confusion cases, without reference to the protection of investment.

The deployment of consumer expectations also has a legitimating effect. The first impulse behind the *Boston Hockey* decision – the protection of producer investment – is a controversial subject in intellectual property. Consider again how the 1946 Senate Report formulated the producer investment rationale for trademark protection in terms of protection from misappropriation from “pirates and cheats”.⁴¹ What supporters of broader rights see as appropriation of investment by “pirates and cheats”, others see as socially beneficial use by the mark owner’s competitors and critics. That phrase – appropriation by “pirates and cheats” – compresses several highly contested value judgments.

In contrast, consumer protection offers a far more seductive rhetoric than protection of producers, both to legislators and perhaps to judges. It does not, on its face, present the kind of controversial value choices embedded in the producer protection justification. Who doesn’t want to protect consumers? This is particularly so if one views, as many courts have, the objective of “ensuring consumers get what they want” as presenting essentially empirical or descriptive challenges. Indeed, the apparent policy neutrality of such a sentiment may explain why courts are attracted to a supposedly empirical approach.

III. A MORE NUANCED ROLE FOR CONSUMER EXPECTATIONS

It may sound as though these evolutions to make trademark law correspond with actual uses and understandings of marks are inevitably bad things. That is not necessarily so. The basic purpose of trademark law – of preventing consumers from being confused – is surely a valuable one. And any legislator or court that intends to protect consumer expectations must first ask what those expectations are. Moreover, there is something immensely valuable in the ability of trademark law to adapt dynamically to changes in social and commercial circumstances without legislative intervention. Business is always faster to act than legislators are to react. In light of this, it might well be suggested that courts should continue to adopt such an approach, even if there are some developments at the margins of trademark law with which one may disagree.

⁴¹ S. Rep. No. 1333, 79th Cong., 2d Sess. (1946), 3.

This Part thus focuses on whether, and in what ways, trademark law should take a different route to ensuring that consumers “get what they want”. First, it considers what might happen if courts continue down the current path and allow trademark law to be guided exclusively by actual social and commercial understandings of what trademarks mean. Second, it examines how the modern functions of trademarks are changing, and why these changes might necessitate a different approach to protection. Third, it analyses several alternative ways in which courts might approach the question of ensuring that consumers “get what they want”. Finally, it resituates the discussion within the broader context of unfair competition law.

A. Deferring to Wants

The history of the merchandising case law might suggest that a consumer-focussed approach would result in expansive forms of trademark protection. The size and power of producer advertising budgets can easily impress understandings on consumers, while small businesses wishing to make unauthorised use of marks are, in particular, likely to be risk-averse and respond submissively to a single mark owner victory.⁴² As a result of these forces, validating public understandings about marks is likely to consolidate a culture of trademark owner control.

However, it is possible that there are contexts where understandings about marks can be reversed, and consumers can be educated that marks indicate genuine competition, and hence lead to the law conferring reduced mark owner exclusivity. One example where this has occurred may be private label practices in many American and European supermarkets, to which consumers have clearly become accustomed.⁴³ Beside every branded product, there is a store brand look-alike, labelled with the house brand. As a result, following evolving social understandings about marks in such settings, courts have constrained the ability of large brand owners to prevent the sale of competing store-branded look-alikes.⁴⁴

The private label phenomenon highlights one important variable which affects how consumers can be conditioned to accept a culture of non-exclusive use of marks. That is, although the merchandising battles pitted

⁴² See J. Gibson, “Risk Aversion and Rights Accretion in Intellectual Property Law” (2007) 116 Yale L.J. 882.

⁴³ Of course, courts could also reverse themselves and re-examine the normative basis of the line of case law. But that is rare. For a recent effort, see *Pennsylvania State University v Vintage Brand, L.L.C.*, 614 F. Supp. 3d 101, 114 (M.D. Pa. 2022) (“The modern collegiate trademark- and licensing-regime has grown into a multi-billion-dollar industry. But that a house is large is of little matter if it’s been built on sand”).

⁴⁴ See *Conopco, Inc. v May Department Stores Co.*, 46 F.3d 1556 (Fed. Cir. 1994). In the UK and the EU, causes of action grounded in unfair advantage have arguably afforded brands greater control: see *L’Oréal v Bellure* [2009] E.C.R. I-5185, at [49]; cf. Intellectual Property Office, *The Impact of Lookalikes: Similar Packaging and Fast-Moving Consumer Goods* (Newport 2013).

large institutions against smaller and less well-resourced defendants, the private label litigations are far more evenly balanced. To be sure, large brand owners are still involved. But the defendants in these cases are often equally well-resourced, large supermarket chains which have the money and ubiquity necessary to develop house marks strong enough to dispel confusion. And perhaps even more importantly, such well-heeled companies are able to absorb occasional litigation losses and resist threats of extended litigation by succumbing to a licence.

It is unclear whether this pattern exists pervasively outside the private label context. If it does, one might become less worried about the inevitability of a one-way ratchet in expanding protection as a result of deference to social practices and consumer understandings. At least in the online environment, some of the most controversial recent trademark battles have involved claims asserted against intermediaries rather than other producers.⁴⁵ Those companies (such as Google or eBay) had both the resources and the inclination to resist the threat of litigation. They made the calculation that there were long-term gains from incurring short-term litigation costs and risks.

This climate is to some extent also informed by the increasing involvement, at least in the US, of pro bono organisations committed to representation of clients pushing countervailing interests that resist producer exclusivity.⁴⁶ To similar effect, resistance by individuals, usually taking the form of civilly disobedient behaviour toward marks, is growing, mirroring some of the dynamics seen recently in certain copyright markets.⁴⁷ Professor Ed Lee has usefully described this behaviour as “warming”,⁴⁸ which might thaw some of the “chill” induced by the threat of litigation by large right holders. However, despite these data points, there remains something disheartening about turning over the demarcation of legal rights to the persuasive effects of big-budget litigation by (self-interested) large commercial actors, buttressed by well-intentioned legal activists and others willing to risk liability for points of principle.

B. Changed Importance

Of course, expanded rights are not inherently undesirable if they are serving the basic consumer protection purpose of trademark law. Much of today’s

⁴⁵ See e.g. Case C-324/09, *L’Oréal S.A. v eBay International A.G.* [2011] E.C.R. I-6011 (action against online marketplace operator alleging secondary infringement by permitting sale of counterfeit products by third parties); Joined Cases C-236/08 to C-238/08, *Google France S.A.R.L. v Louis Vuitton Malletier S.A.* [2010] E.C.R. I-2417 (finding search engine not liable for sale of keyword advertising containing registered trademarks).

⁴⁶ See e.g. Electronic Frontier Foundation, available at <http://www.eff.org/> (last accessed 1 May 2023); Lumen Database, available at <http://chillingeffects.org/> (last accessed 9 December 2023).

⁴⁷ See N. Vigdor, “Company Will Offer Refunds to Buyers of ‘Satan Shoes’ to Settle Lawsuit by Nike”, *New York Times*, available at <https://www.nytimes.com/2021/04/08/style/satan-shoe-settlement-nike.html> (last accessed 9 December 2023).

⁴⁸ E. Lee, “Warming Up to User-Generated Content” (2008) *University of Illinois Law Review* 1459, 1463–64.

trademark law scholarship assumes that expanded rights are necessarily a bad thing, and that constraints on the scope of rights must be good. But consumer protection is still a worthy goal, and brand owners are investing substantially in the marketplace. Brands are, indeed, it seems, far more socially important than they were 100 years ago. If that is the case, should we not be more solicitous of their protection?

This part suggests that it is precisely because trademarks have become so important, and serve such valuable roles, that courts should resist a reflexive expansionist treatment of trademark rights. Ensuring that consumers get what they want may require an approach which recognises that marks can have value when used not just by producers, but also by consumers, competitors and the public generally.

1. Control over the product market

Trademark law increasingly plays an important role in determining what goods are available, and on what terms, rather than simply specifying the names that are applied to those goods. Trademarks have become assets in themselves, capable of positive economic exploitation rather than mere tools to protect the legitimate market of other tangible goods. As such, their treatment becomes more integral to the industrial policy of a nation.

To some extent, this argument simply restates the competition law critiques levelled at trademark protection throughout the twentieth century.⁴⁹ However, this article does not advance the strong form of the argument that trademarks are anti-competitive. Instead, it makes the smaller claim that their increased capacity to serve significant industrial and economic policy objectives – both useful and harmful – requires that courts subject them to more rigorous scrutiny than blithely deferring to actual consumer understanding.

Three examples serve to illustrate how the economic importance of trademarks has grown. First, when I bought a Manchester United scarf to keep me warm, or because I liked the red colour, Manchester United's control of the various Manchester United marks that might adorn the scarf gave them little control of the scarf market, or even the red scarf market. But when I (and the rest of the marketplace) buy that scarf instead *for the mark* that adorns the scarf, then the market power that the producer has is potentially far more harmful to competition. Trademark law already contains doctrines that reflect concern where trademark rights, instead of encouraging product differentiation within a market, actually give a single producer exclusive control over that market.

⁴⁹ See e.g. F.I. Schechter, "The Rational Basis of Trademark Protection" (1927) 40 Harv. L. Rev. 813; L.D. Taggart, "Trade-Marks: Monopoly or Competition?" (1945) 43 Michigan Law Review 659; B. Diggins, "Trade-Marks and Restraints of Trade" (1944) 32 Georgetown Law Journal 113; Lunney, "Trademark Monopolies".

That might reasonably explain our reluctance to protect generic terms and it also informs the functionality doctrine that limits the protection of product design marks.⁵⁰ This is not a new argument, of course, and it is not an argument for repealing all merchandising rights. However, in an era of brand obsession, the competitive argument becomes far more compelling and more weighty.

Second, Chris Anderson, former editor-in-chief of *Wired Magazine* and author of the influential book *The Long Tail*, has written of the growth for some time of the “free economy”, dominated by pricing models where goods are dispensed for free and companies will make profits on ancillary or related goods or services.⁵¹ This is not an entirely new business model: it fairly describes some of the early strategies of the Gillette company. Trademark law clearly affected the capacity of rivals who wished to develop complementary or interoperable products, such as, for example, razors that are “compatible” with the Gillette razor handle, and to advertise that compatibility. But Anderson suggested as far back as 2008 that this may become a dominant business model in our new economy.⁵² Whether or not Anderson has been proven correct, it is clear that such a model has become far more prevalent in recent years. The extent to which trademark law treats complementary goods as dissimilar in conducting analysis of likely confusion, or affirmatively allows use of the mark by a rival to indicate compatibility, will influence how much of the profit-generating market is allocated to the exclusive control of the mark owner.⁵³ Again, this is not a new concern, just one the importance of which is heightened by changes in the economy.

Third, to return to my earlier hypothetical, if one searches for the term “UTOPIA” on the Google search engine, one will likely be presented with search results that show not only a link to the UTOPIA bed sheets site, but a link to a store where UTOPIA bed sheets are sold, a discount shop where KAZOOM bed sheets are sold cut-rate, and possibly – if KAZOOM had made the right keyword purchases – a link to the KAZOOM web site. If one really wanted UTOPIA and only UTOPIA bed sheets, this is unwanted clutter. If one searched for UTOPIA because one was looking for bed sheets generally – and surveys suggest some ambiguity about how consumers use marks in constructing search queries⁵⁴ – one would have gotten precisely what one wanted. It is at least arguable that economic efficiency is served by derogating from exclusive use of the UTOPIA mark. That is, trademarks have become so meaningful to

⁵⁰ See *Whirlpool Corp. v Kenwood Ltd.* [2009] EWCA Civ 753, [2010] E.T.M.R. 7 (describing the policy underlying this proscription as being to prevent manufacturers from monopolising a market by claiming protection for shapes that are essential to their products’ nature or operation).

⁵¹ See C. Anderson, *The Long Tail: Why the Future of Business Is Selling Less of More* (New York 2006).

⁵² *Ibid.*, at 36–38, 223; see also C. Anderson, *Free: The Future of a Radical Price* (New York 2009).

⁵³ See e.g. Case C-228/03, *Gillette Co. v LA-Laboratories Ltd. Oy* [2005] E.C.R. I-2337.

⁵⁴ See E. Goldman, “Deregulating Relevancy in Internet Trademark Law” (2005) 54 *Emory Law Journal* 507.

consumers that they have acquired important informational functions for third parties in the economy. As such, assessing the economic effect of arrogating control to a single producer becomes more complex.

2. *Speech concerns*

The importance of brands has not only heightened the need to reconsider the scope of rights for reasons of competition. In our brand-conscious environment, trademarks have become extremely effective tools of communication. They compress huge amounts of information into extremely short amounts of time and space. This makes trademarks very valuable as tools of expression and communication.

For example, 35 years ago, a group of gay and lesbian sporting enthusiasts wished to start a regular sports event to dispel the myth that gay, lesbian and bisexual communities did not include many who possessed sporting prowess. They proposed to call this event the “GAY OLYMPICS”. Ultimately, the US Supreme Court upheld the right of the US Olympic Committee to stop that use,⁵⁵ but the alternatives clearly did not communicate the political message nearly as efficiently. As Judge Alex Kozinski explained in his dissent from denial of rehearing en banc at the Ninth Circuit, “The Best and Most Accomplished Amateur Gay Athletes Competition” just does not quite make the same point.⁵⁶ Again, this is not a new concern: the *Gay Olympics* case was 35 years ago. However, in an environment where brands have become increasingly valuable signals for social values about which we wish to communicate, these become more weighty concerns.

It should perhaps thus be no surprise that the US Supreme Court has recently re-entered the fray on this point. But more telling about the role of brands in our contemporary society is that, in two recent cases, the court held that constitutional free-speech principles mandated the *grant* of trademark registrations to applicants who wished to use the marks politically, whether in order to reclaim offensive terms for minority communities or to use vulgar language expressively.⁵⁷ A third challenge of this nature is pending in *Vidal v Elster*, where the Court is considering a challenge to denial of registration of TRUMP TOO SMALL for T-shirts by a person not named Trump under a provision that prohibits registration of a mark that “[c]onsists of or comprises a name, portrait, or signature identifying a particular living individual except by his written consent”.⁵⁸

⁵⁵ *San Francisco Arts & Athletics, Inc. v United States Olympic Committee*, 483 U.S. 522, 537–40 (1987) (dissenting from denial of rehearing en banc).

⁵⁶ *International Olympic Committee v San Francisco Arts & Athletics, Inc.*, 789 F.2d 1319, 1321 (9th Cir. 1986).

⁵⁷ *Matal v Tam*, 137 S. Ct. 1744 (2017); *Iancu v Brunetti*, 139 S. Ct. 2294 (2019).

⁵⁸ *In re Elster*, 26 F.4th 1328 (Fed. Cir. 2022), petition for *certiorari* granted *sub nom. Vidal v Elster*, 2023 WL 3800017 (U.S. 5 June 2023).

The cases decided by the Supreme Court to date have provided no clear answer on the test the Court will apply to First Amendment challenges to trademark laws. But the latest cases presented to the Court highlight the multi-sided nature of the speech inquiry in a brand-suffused marketplace of ideas. Most recently, the Court sidestepped the core First Amendment challenge in *Jack Daniel’s*, when the defendant producer of dog toys that parodied large brands argued that free-speech principles should require the Court to adapt standard infringement analysis and permit the sale of its product.⁵⁹ But it is expected that defendants in dilution claims will challenge the compatibility of such claims with the First Amendment in the near future, requiring the Court to flesh out further how trademark law reconciles consumer protection with the enhanced importance of brands for a wide range of actors seeking to speak in the marketplace.⁶⁰

C. Alternative Approaches

If the increased importance of trademarks both in economic and non-economic terms means that trademark law should not simply defer to any evolution in consumer uses of marks, a new way is needed to approach the question of how to ensure that consumers “get what they want”. This section considers three possibilities:

- (1) first, redefining actionable harm by defining “what consumers want” as a matter of law;
- (2) second, broadening the notion of “what consumers want” to encompass concerns other than those presently considered by courts; and
- (3) third, recognising that “what consumers want” is only part of the broader objectives of trademark law.

1. Redefining the harm

One way to detach trademark law from evolutions in consumer understandings would simply be to ignore what consumers actually want and define, as a matter of policy, which consumer desires should be valued and protected by law as a normative matter. It is not uncommon to exclude whole categories of harm from liability as a matter of law so, it

⁵⁹ *Jack Daniel’s*, 143 S. Ct. 1578, 1590–91 (2023) (Kagan J.) (“when ‘another’s trademark (or a confusingly similar mark) is used without permission’ as a means of ‘source identification’ . . . (except, potentially, in rare situations), the likelihood-of-confusion inquiry does enough work to account for the interest in free expression”).

⁶⁰ See generally R. Tushnet, “The First Amendment Walks into a Bar: Trademark Registration and Free Speech” (2016) 92 *Notre Dame Law Review* 381; L.P. Ramsey, “Free Speech Challenges to Trademark Law After *Matal v. Tam*” (2018) 56 *Houston Law Review* 401.

might be argued, a similar approach could be taken in trademark law.⁶¹

Some scholars have argued for a materiality requirement for trademark infringement claims, which would restrict liability only to confusion that was material to a consumer's purchase decision.⁶² This might, for example, preclude causes of action founded upon initial interest confusion. This could address the problems caused by reformulating the consumer protection rationale in terms of search costs, because having to think harder as a shopper – as Judge Posner might put it – would not necessarily affect the purchase decision. However, the scope of protection would still partially remain hostage to consumer understanding, because a range of extraneous factors might be (or later become) material to modern consumers' purchase decisions.

Another approach is to define the *type* of confusion that is actionable. Some scholars have argued that confusion regarding approval or endorsement should not be actionable,⁶³ as a matter of law, consumers would not want goods because they are endorsed or approved by a particular person. Leaving to one side whether such a reform would be consistent with international instruments,⁶⁴ trademark scholars have advanced few convincing arguments – besides embracing relatively elitist assertions about why one should not purchase goods on the basis of celebrity endorsements – for why the basis for one consumer's purchasing decision should be valued more highly than the basis for another consumer's decision.

2. Looking at benefits

Rather than narrowing the scope of legally relevant consumer concerns, an alternative new approach to ensuring consumers get what they want might involve *broadening* the way that courts examine consumer concerns. Thus, a consumer may want more than certainty about who made a product, who endorses and is profiting from it, and guarantees about its exclusivity.

⁶¹ Cf. *Campbell v Acuff-Rose Music, Inc.*, 510 U.S. 569, 592 (1994) (because “parody may quite legitimately aim at garroting the original, destroying it commercially as well as artistically”, the role of the courts is to distinguish between “[b]iting criticism [that merely] suppresses demand [and] copyright infringement[, which] usurps it” (citations omitted).

⁶² See e.g. M.A. Lemley and M.P. McKenna, “Irrelevant Confusion” (2010) 62 *Stanford Law Review* 413; R. Tushnet, “Running the Gamut from A to B: Federal Trademark and False Advertising Law” (2011) 159 *University of Pennsylvania Law Review* 1305.

⁶³ Lunney, “Trademark Monopolies”, 483; see also S.L. Dogan and M.A. Lemley, “The Merchandising Right: Fragile Theory or *Fait Accompli*?” (2005) 54 *Emory Law Journal* 461.

⁶⁴ Cf. Article 16(1) of the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS), Annex 1C of the Marrakesh Agreement Establishing the World Trade Organization (WTO) (1994) (in force since 2015), which obliges Members to confer, *inter alios*, the right to prevent use of a trademark “where such use would result in a likelihood of confusion”. While Article 17 permits Members to create “limited exceptions” to the rights mentioned in Article 16(1), those exceptions must take account of the trademark owner’s “legitimate interests” and those of third parties.

In addition to those consumer interests, which we might term “assurance interests”, consumers may *want* the products to be available at a competitive price; indeed, absent such competition, some consumers may be unable to purchase the products regardless of how much they want to do so. Consumers may *want* to be able to compare goods so that they can obtain the one that is best for them, a task perhaps aided by the ability of third parties to use a trader’s mark. They may value choice more highly than assurance. They may *want* certainty that the product they buy is compatible or interoperable with another product.

In short, what consumers *want* may involve much more than offering the maximum amount of paternalism. At the very least, that might not be *all* they want. It is unnecessary to jettison the notion that consumers want protection from deception or confusion in order to recognise that what they want may actually be a much more complex inquiry.

Professor Mike Grynberg has argued that trademark litigation should be understood as what he calls “consumer conflict”.⁶⁵ He suggests that trademark disputes are battles between the interests of confused consumers and those of the non-confused (often, a majority) or between different consumer interests (certainty versus choice, for example). Such an understanding, he argues, would minimise the paternalism that might naturally flow from the rhetorical seduction of vindicating the interests of consumers. Grynberg tries to recast several current doctrines in these terms and urges courts to view trademark disputes through the lens of consumer conflict. In specific cases, the notion that courts should act as referees between competing classes of consumers raises various difficulties of application. Further, as observed previously, trademark law has arguably not been helped by delving too deeply or empirically into the reactions of actual consumers. To broaden that empirical inquiry therefore seems unwise. Nevertheless, Grynberg is right to identify this basic assumption: if trademark law is concerned with consumers’ interests, it is somewhat myopic to elevate the assurance interests over all others. However, those interests may be better protected by *legal* doctrines than yet more empirical inquiries.

3. Situating consumer protection rationales within a broader framework

A final alternative approach to “ensuring consumers get what they want” is to reconsider where that objective fits in the larger scheme of trademark and unfair competition law.

As a starting point, this article suggests that courts should think of consumer confusion less empirically and more as a vehicle through which to make informed policy judgments about appropriate levels of

⁶⁵ M. Grynberg, “Trademark Litigation as Consumer Conflict” (2008) 83 *New York University Law Review* 60, 63, 116–17.

market regulation. Mark McKenna has argued that historically, while consumer confusion did involve an empirical inquiry, it was directed more at identifying the evidence which showed harm to the producer, such as lost sales. McKenna suggests that a better balance might be struck by insisting more rigorously on the existence of producer harm.⁶⁶ It is unclear whether limits to the scope of protection are any easier to find by looking at the harms, or lack thereof, suffered by the producer as opposed to those suffered by consumers. After all, producers suffer harms from legitimate competition and legitimate criticism, and the language of harms offers little assistance in drawing the line between “pirates and cheats” on the one hand, and “competitors and critics” on the other. Drawing a principled line is hard.

Accordingly, treating the consumer protection rationale as merely an evidentiary device for ascertaining producer harm seems at first blush unlikely to lead easily to appropriate limits on trademark rights.⁶⁷ A better approach may be to focus on accentuating two existing aspects of trademark law: first, courts deciding trademark cases have historically allowed their decisions to be informed by a range of values other than simply ensuring that consumers get what they want; and, second, trademark law is part of the broader law of unfair competition.

Other values. Courts and legislatures have often articulated (or relied on) values that are relevant to, and that might support limits on, trademark law by setting up a countervailing interest that needs to be balanced against paternalistic forms of consumer protection. Examples include allowing free speech, valuing free competition, facilitating public health concerns, enabling artistic creativity, allowing comparative advertising, offering certainty for innovators, avoiding the chill of abuse of rights in litigation, and respecting commercial ethics. One can find these values, and many more, in trademark history, with varying levels of judicial enthusiasm in different countries at different times.⁶⁸ Often, these values have received

⁶⁶ See McKenna, “Normative Foundations”, 1887–96; M.P. McKenna, “Testing Modern Trademark Law’s Theory of Harm” (2009) 95 Iowa Law Review 63, 75–79.

⁶⁷ Despite the difficulties, the US Supreme Court arguably has opened the door to these types of arguments via decisions reached on questions of standing in non-trademark cases. See Dinwoodie, “Normative Project” (discussing the *Lexmark International, Inc. v Static Control Components, Inc.*, 572 U.S. 118 (2014) and *TransUnion L.L.C. v Ramirez*, 141 S. Ct. 2190 (2021) cases).

⁶⁸ See *ibid.* The range of values that might inform trademark law will inevitably evolve over time. For example, sustainability concerns might counsel in favour of doctrine that more robustly facilitates the capacity of consumers to repair products using spare parts. See A. Kur, “‘As Good as New’ – Sale of Repaired or Refurbished Goods: Commendable Practice or Trade Mark Infringement?” (2021) 70 GRUR International 228. The effect of trademark law on the availability of spare parts from a range of suppliers has thus far been debated largely in terms of competition considerations. But legislative activity in a number of spheres has sought to further sustainability values on their own terms, and these might in time be invoked to support competition-grounded arguments for doctrinal evolution. Cf. A. Tischner and K. Stasiuk, “Spare Parts, Repairs, Trade Marks and Consumer Understanding” (2023) 54 IIC – International Review of Intellectual Property and Competition Law 26, 40–54 (buttressing the normative arguments with an empirical study of consumer understanding regarding spare parts).

explicit doctrinal recognition; sometimes they are implicit or embedded deep in decisions. But as trademark law comes to affect so much of the social and economic fabric of our lives, it becomes ever more important to validate them, perhaps much more explicitly than before.

Importantly, courts have been willing to give effect to such values even though sometimes this might interfere with ensuring that consumers get what they want. For example, American courts implicitly override (some levels of) confusion by confining liability under classic trademark infringement to uses that would confuse an “appreciable number of ordinarily prudent purchasers”. Likewise, under the functionality doctrine, if a mark is functional it will be unprotected by trademark law notwithstanding that it might have meaning for some consumers as a source-identifier. This doctrine, long-accepted in the US as a mechanism to protect competition, is reflected in the EU Trade Mark Directive and the UK Trade Marks Act 1994.⁶⁹ Indeed, in the US, this approach reaches its apotheosis in the context of a product shape covered by an expired patent, where consumers may well have developed source identification because of patent-conferred exclusivity, but for competing policy reasons trademark law allows the shape to be copied.⁷⁰ The US Supreme Court has interpreted the fair use defence to allow a competitor to make a descriptive use of a mark without bearing the burden of showing that the use would not be likely to confuse consumers.⁷¹

The broader law of unfair competition. A second aspect of trademark law of which courts should not lose sight is that trademark law is but one subspecies of the broader body of unfair competition law. By its name, this body of law recognises that uses of trademarks are regulated to ensure an appropriate environment of competition.⁷² In its strong form, one might argue that trademark rights should be subservient to this objective, as Laddie J. observed in *Wagamama Ltd. v City Centre Restaurants Plc.*: “what justifies the monopoly is not the monopoly itself but the extent to which it gives, or is hoped to give, a benefit to commerce which compensates for the temporary restraint on competition. The monopoly is an adjunct to, and is designed to promote, commerce.”⁷³

⁶⁹ 2015 Trade Mark Directive, art. 4(1)(e); Trade Marks Act 1994, s. 3(2).

⁷⁰ *Traffix Devices, Inc. v Marketing Displays, Inc.*, 532 U.S. 23 (2001).

⁷¹ *KP Permanent Make-Up, Inc. v Lasting Impression I, Inc.*, 125 S. Ct. 542, 547–48 (2004).

⁷² See the Opinion of Advocate General Colomer in Case C-206/01, *Arsenal Football Club Plc v Matthew Reed* [2002] E.C.R. I-10273: “the function of a trade mark being to distinguish the goods and services of various undertakings with the purpose of guaranteeing to the user or the consumer the identity of their respective origins . . . is no more than a staging post on the road to the final objective, which is to ensure a system of genuine competition in the internal market.” See also *ibid.*, at footnote 30: “in order to ensure free competition in the market [a trademark] is a right which constitutes an exception to the general rule of competition, by according to its proprietor the right to appropriate exclusively certain signs and indications.”

⁷³ [1995] F.S.R. 713, 729 (Ch.). See also C. Buccafusco, J.S. Masur and M.P. McKenna, “Competition and Congestion in Trademark Law” (2023) 102 *Texas Law Review* (forthcoming) (“Trademark law should be attuned to these competition concerns. Indeed, these are the *principal* concerns to which trademark law should be attuned. Trademark law exists to promote fair competition, which ultimately benefits consumers” (emphasis in original)).

In *O2 Holdings Ltd. v Hutchison 3G Ltd.*, Jacob L.J. also noted the connection between trademark rights and competition in the context of a dispute about the scope for use of a rival's trademark in comparative advertising. Jacob L.J. identified the underlying policy issue in the following terms: "the question deep down involves a decision based upon the philosophy of how competitive the law allows European industry to be".⁷⁴

Of course, viewing trademark claims *simply* through the lens of competitive effect presents interpretative challenges. Trademark law is part of *unfair* competition law, not simply competition law. "Fairness" is capable of quite varied understanding.⁷⁵ The passage from the Senate Report quoted at the start of this article also spoke about ensuring that, "where the owner of a trademark has spent energy, time, and money in presenting to the public the product, he is protected in his investment from its misappropriation by pirates and cheats".⁷⁶ It requires some degree of methodological myopia to limit the category of such defendants to "those who increase search costs for consumers and thus impede the efficiency of the marketplace", as advocates of law and economics are wont to do. Moreover, the meaning of "unfair competition" has neither been uniform internationally⁷⁷ nor stable domestically.⁷⁸ Within the US, it took only two decades for the US Supreme Court to move from an approach grounded in misappropriation to one focused on misrepresentation.⁷⁹ In reverse, although the UK courts have steadfastly resisted much movement away from a misrepresentation-based law of passing off towards a law of unfair competition focused on misappropriation, the adoption of an unfair advantage claim during the period that the UK was within the EU may have installed something of the sort in UK trademark law.⁸⁰

These challenges are not insurmountable, however. And having regard to the relationship of trademark law and unfair competition should be embraced if it offers new means of mediating the variety of concerns at issue with the modern use of brands. One of the most notable evolutions

⁷⁴ *O2 Holdings Ltd. v Hutchison 3G Ltd.* [2006] EWCA Civ 1656, [2007] R.P.C. 16, 412.

⁷⁵ See *L'Oréal v Bellure* [2007] EWCA Civ 968, at [139] (Jacob L.J.) ("The rejected complaint shows just how anti-competitive a law of unfair competition would or might be. What one man calls 'unfair' another calls 'fair'. The market involves the interests of traders, their competitors and consumers. They all have different perspectives").

⁷⁶ S. Rep. No. 1333, 79th Cong., 2d Sess. (1946), 3.

⁷⁷ See Paris Convention for the Protection of Industrial Property, 5 September 1970, 21 U.S.T. 1583 (1970), Article 10*bis*; see generally C. Wadlow, "The Emergent European Law of Unfair Competition and its Consumer Law Origins" [2012] *Intellectual Property Quarterly* 1.

⁷⁸ See A. Ohly, "Unfair Competition (Basic Principles)" in J. Basedow and others (eds.), *Max Planck Encyclopedia of European Private Law*, vol. 2 (Oxford 2012), 1712.

⁷⁹ Compare *International News Service v Associated Press*, 248 U.S. 215 (1918) with *Kellogg Co. v National Biscuit Co.*, 305 U.S. 111 (1938); see generally G.B. Dinwoodie, "The Story of *Kellogg Co. v. National Biscuit Co.*: Breakfast with Brandeis" in J.C. Ginsburg and R.C. Dreyfuss (eds.), *Intellectual Property Stories* (New York 2005), 220.

⁸⁰ See G.B. Dinwoodie, "Dilution as Unfair Competition: European Echoes" in R.C. Dreyfuss and J.C. Ginsburg (eds.), *Intellectual Property at the Edge: The Contested Contours of IP* (Cambridge 2014), 81.

of the twentieth century was the slow incorporation of unfair competition claims into the body of US trademark law proper. This assimilation of trademark and unfair competition principles is particularly pronounced in the US – in part because of its retention of a use-based system of trademarks – but in many trademark systems a host of claims that might have been pursued under the heading of unfair competition and passing off have now been brought within trademark law.⁸¹ If that is the case, then regard for competition, and some of the lawmaking dynamics that characterised *unfair* competition law, should surely be given even more prominence in the trademark law calculus. This would not only allow dynamic development of the law in accordance with the complexity of the evolving commercial and social landscape, but might alert current courts to the range of policy levers that can be deployed to balance competing values.⁸²

IV. INSTITUTIONAL ISSUES

The recognition of other values at play in trademark law might be thought to create uncertainty and other difficulties in trademark adjudication. To the extent these arguments are addressed to legislatures, this is a smaller problem; legislatures make difficult value judgments all the time. To the extent that courts are asked to start making these judgments, there is a risk that this will overstep their practical competence and legitimacy.

In the US, this is less troubling because of the theory underlying the Lanham Act. Trademarks *exist* as a matter of common law; the Lanham Act is primarily a device by which to facilitate federal registration and enforcement of rights already recognised at common law.⁸³ The Lanham Act was, in essence, a delegating statute.⁸⁴ As Judge Pierre Leval has put it: “The words of the statute simply will not provide the answers and were not intended by the legislature to do so. In passing delegating statutes, legislatures recognize that they function together with courts in a law-making partnership, each having its proper role.”⁸⁵

⁸¹ See e.g. *O2 Holdings v Hutchison 3G* [2006] EWCA Civ 1656, 419–27 (Jacob L.J.) (comparative advertising); cf. *United Biscuits (U.K.) Ltd. v Asda Stores Ltd.* [1997] R.P.C. 513, 531–36 (Ch.) (Robert Walker J.).

⁸² See M.P. McKenna, “Property and Equity in Trademark Law” (2019) 23 *Marquette Intellectual Property Law Review* 117, 123 (“Trademark and unfair competition ... claims were meaningfully different in that unfair competition claimants faced more onerous proof requirements and their remedies were more limited”); cf. J. Drysdale and M. Silverleaf, *Passing Off: Law and Practice* (London 1986) (discussion of passing off remedies).

⁸³ See S. Rep. No. 1333, 79th Cong., 2d Sess. (1946).

⁸⁴ The outbreak of ahistorical textualism on the current US Supreme Court might at some point test the strength of this proposition. See M. Grynberg, “Things Are Worse than We Think: Trademark Defenses in a ‘Formalist’ Age” (2009) 24 *Berkeley Technology Law Journal* 897.

⁸⁵ P.N. Leval, “Trademark: Champion of Free Speech” (2004) 27 *Columbia Journal of Law & the Arts* 187, 198.

Although unfair competition law has largely been assimilated within US trademark law, the assimilation has been less complete in the UK. The evolution of passing off, some of the tenets of which (such as protection of product design or the development of dilution claims) might now have been incorporated into the trademark regime established by implementation of the different EU Trade Mark Directives, has rested much more firmly in the hands of the national judiciary. As Laddie J. said, passing off “is a judge-made law” which “responds to changes in the nature of trade”.⁸⁶ His Honour noted that this is important because “the commercial environment is in a constant state of flux”.⁸⁷

To what extent can it be argued that there is at least a sufficient convergence such that some of the adjudicatory influences might appropriately leak from one to the other? If so, it surely cannot mean that the only adaptations of the law to the commercial environment that can result are those that effect expansions of mark owners’ rights, since the rights of traders include the rights of competitors. Adaptation is not a synonym for aggrandisement.

In his opinion in *Erven Warnink B.V. v J. Townend & Sons (Hull) Ltd.* (No. 1), Lord Diplock noted that:

Where . . . there can be discerned a steady trend in legislation which reflects the view of successive Parliaments as to what the public interest demands in a particular field of law, development of the common law in that part of the same field which has been left to it ought to proceed upon a parallel rather than a diverging course.⁸⁸

This commendable principle of lawmaking efficiency surely applies with equal force to interpreting statutory regimes that transpose directives and rationalise common law rules. As Jacob J. said in *Philips Electronics N.V. v Remington Consumer Products Ltd.*:

We now have a new European law and one cannot get any help from the details of the old law of any particular European country. But it does not follow that the sort of concepts and safeguards provided for in the old laws (or indeed the laws of countries outside the European Union) have no place under the law. On the contrary one is bound to bump up against the same sort of problem under the new law as under other laws. For some matters are basic to any rational law of trade marks.⁸⁹

One possibility is to extrapolate general principles of fair competition from those endorsed in individual legislative instruments, such as specific conditions of the Comparative Advertising Directive.⁹⁰ Could Parliament’s

⁸⁶ *Irvine v Talksport Ltd.* [2002] EWHC 367 (Ch), [2002] 1 W.L.R. 2355, 2360–61 (Laddie J.).

⁸⁷ *Ibid.*, at 2368 (Laddie J.).

⁸⁸ [1979] A.C. 731, 743 (H.L.).

⁸⁹ [1998] E.T.M.R. 124, 140–41 (Ch.).

⁹⁰ Directive 2006/114/EC of The European Parliament and of the Council of 12 December 2006 concerning misleading and comparative advertising (codified version) (OJ 2006 L 376 p.22).

embrace of principles of consumer choice inform a view of what a consumer wants, or could one rely on Parliament’s adoption of laws protecting freedom of expression to inform the scope of trademark rights? It might even be possible for the insistence upon proof of harm found in unfair competition law to inform trademark law.

V. CONCLUSION

To argue for such judicial creativity is certainly harder in the UK than on the other side of the Atlantic. As a result, submissions that might in the US be made to courts might, in the UK, need to be addressed instead to the legislature. However, regardless of the audience, the message should be clear: ensuring consumers get what they want is what trademark law has long been, and should still be, about. But it is not *all* that trademark law is about.