Dividing Trademark Use

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ABSTRACT

The trademark law of the United States places special emphasis on whether and how a trademark is used in commerce. But over the long history of the Lanham Act—including some less-than-careful drafting by Congress and some aggressive acts of interpretation by the federal courts—the concept of "use" has become complicated and in many ways confused. Two recent Supreme Court cases—Jack Daniel's Properties, Inc. v. VIP Products LLC *and* Abitron Austria GmbH v. Hetronic International, Inc.—*reflect and in some ways exacerbate that confusion. But the opinions in these cases also expose an interesting property of "use" in trademark law that has not been deeply examined in the caselaw or the academic literature. That property is that the use of a trademark can be divided among multiple agents with respect to a single product or service. The potential for divided use raises issues of secondary responsibility that trademark law has never comprehensively addressed. This Article catalogues the various notions of "use" in trademark law, shows how* Jack Daniel's *and* Abitron *destabilize these notions, and applies principles of secondary responsibility to attempt to reconcile those cases with other contentious areas of trademark doctrine under the framework of divided use.*

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INTRODUCTION

The trademark law of the United States places special emphasis on the *use* of trademarks in affording those marks legal protection and determining the scope of that protection. But "use" means many different things and plays many different roles in United States trademark law. The *mere fact* of a plaintiff's use is a criterion for establishing trademark rights;[1] the *mere fact* of a defendant's use is an element of a claim of infringement.[2] The *manner* of a plaintiff's use can be a barrier to the registration or protection of a trademark;[3] the *manner* of a defendant's use can be a defense to liability.[4] The *location* of both parties' use can affect the scope and priority of their rights; the *location* of both parties' uses may also affect whether either of them can obtain any relief in American courts against the other.[5]

The complexity and ambiguity of "use" in trademark law have long been a bugbear of the scholarly literature. But recently the Supreme Court decided two cases that complicate the concept even further. In one case, *Jack Daniel's Properties, Inc. v. VIP Products LLC*, the Court gave new life to the concept of "trademark use" in cases where a defendant's use of a trademark implicates freedom of expression.[6] "When a mark is used *as a mark*," the Court opined, "the likelihood-of-confusion inquiry does enough

1. *See* Lanham Act § 45, codified as amended at 15 U.S.C. § 1127 (defining "trademark" as a symbol "used by a person . . . to identify and distinguish his or her goods" and defining "use in commerce" as "the bona fide use of a mark in the ordinary course of trade, and not made merely to reserve a right in a mark.").

2. *See* Lanham Act § 32(1), 15 U.S.C. § 1114(1) ("Any person who shall, without the consent of the registrant . . . use in commerce 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 . . . shall be liable in a civil action by the registrant for the remedies hereinafter provided."); Lanham Act § 43(a)(1), 15 U.S.C. § 1125(a)(1) ("Any person who . . . uses in commerce any word, term, name, symbol, or device, or any combination thereof . . . 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 . . . 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."); Lanham Act § 43(c)(1), 15 U.S.C. § 1125(c)(1) ("[T]he owner of a famous mark that is distinctive . . . shall be entitled to an injunction against another person who, at any time after the owner's mark has become famous, commences use of a mark or trade name in commerce that is likely to cause dilution by blurring or dilution by tarnishment of the famous mark.").

3. *See* U.S. PATENT & TRADEMARK OFF., TRADEMARK MANUAL OF EXAMINING PROCEDURE ("TMEP") § 1202 (2023) ("In an application under § 1 of the Trademark Act, the examining attorney must determine whether the subject matter for which registration is sought is used *as a trademark* . . . Not everything that a party adopts and uses with the intent that it *function as a trademark* necessarily achieves this goal or is legally capable of doing so . . . .") (emphasis added).

4. *See, e.g.*, Lanham Act § 33(b)(4), 15 U.S.C. § 1115(b)(4) (providing a defense against trademark infringement liability where the defendant has used the plaintiff's mark "otherwise than as a mark, . . . fairly and in good faith only to describe the goods or services of" the defendant).

5. *See, e.g.*, Dawn Donut Co. v. Hart's Food Stores, Inc., 267 F.2d 358 (2d Cir. 1959).

6. Jack Daniel's Props. v. VIP Prods., 599 U.S. 140 (2023).

work to account for the interest in free expression," making more defendant-friendly doctrinal screens (such as the two-part test formulated by the Second Circuit in *Rogers v. Grimaldi*[7]) unwarranted.[8] In the other case, *Abitron Austria GmbH v. Hetronic International, Inc.*, the Court held that the Lanham Act's jurisdictional "use in commerce" requirement does not extend liability to foreign conduct with *effects* on commerce in the United States, but rather limits liability to a defendant's *conduct within* the United States.[9] In doing so, the *Abitron* majority—seemingly without realizing it—awakened long-festering concerns over whether the Lanham Act's statutory definition of "use in commerce" is relevant to all the various forms of "use" that arise in trademark cases (including the "trademark use" that formed the basis of the Court's opinion in *Jack Daniel's*).

The opinion of the Court in *Abitron* drew two substantial concurring opinions. One, by Justice Sotomayor, disagreed about the majority's application of the Court's extraterritoriality precedents. She would have allowed trademark infringement liability to lie against foreign actors who cause consumer confusion in the United States, on grounds that the relevant "focus" of the Lanham Act, for purposes of the Court's test for extraterritoriality, is the confusion of American consumers, and that imposing liability to redress that harm is a permissible domestic exercise of Congress's powers even where some of the conduct causing that confusion occurs overseas.[10] The other, by Justice Jackson, focused instead on the question of use itself. She hypothesized that if a person sold a product bearing an allegedly infringing mark outside the United States to a buyer who later resold the product inside the United States, the *initial seller* could be considered to have "used" the mark *inside the United States* by virtue of their buyer's subsequent U.S.-based conduct.[11]

At one level, the opinions in *Abitron* reflect sparring by the Justices of the Supreme Court over issues of territorial jurisdiction, choice of law, and comity. But when juxtaposed with the renewed focus in *Jack Daniel's* not only on the *fact* and *location* of parties' use of a trademark, but also the *manner* of that use, they expose an interesting property of use in trademark law that has not been deeply examined in the caselaw or the academic literature. That property—crystallized in Justice Jackson's *Abitron* concurrence—is that use of trademarks can be *divided* with respect to a single product or service. Specifically, one party might perform some aspects of use—use of a mark in commerce subject to the jurisdiction of Congress, for example—but not a different aspect of use—use "as a mark," for example—though a *different* party might perform that missing aspect of use with respect to the same mark on the same good or service. In such cases of divided use, interesting doctrinal questions arise. One question is whether the requirements of use that apply to either the acquisition of trademark rights (on the plaintiff side), or the infringement of such rights (on the defendant's side), have

7. Rogers v. Grimaldi, 875 F.2d 994 (2d Cir. 1989).
8. *Jack Daniel's*, 599 U.S. at 159 (emphasis added).
9. Abitron Austria GmbH v. Hetronic Int'l, 600 U.S. 412 (2023).
10. *Id.* at 432–46 (Sotomayor, J., concurring in judgment).
11. *Id.* at 429–32 (Jackson, J., concurring).

been satisfied. And even if the answer to this question is yes, we face an additional question: *Who* exactly has engaged in the required use? Where use is divided, this second question raises issues of secondary responsibility: When is it appropriate to ascribe the acts or omissions of one person to another person? And which types of acts or omissions are susceptible to such secondary responsibility?

These questions are most clearly presented in cases such as *Abitron* (and particularly in the hypothetical scenario of Justice Jackson's concurrence), where use is divided across national boundaries. But that is not the only way use may be divided in trademark cases. Sometimes one party in this country will use a trademark "in commerce," but not "as a trademark," while another party in this country will use the same trademark on the same goods or services "as a trademark," but not use it "in commerce." Unlike patent law, which has statutory provisions and mature decisional law that specifically address analogous scenarios of divided use,[12] trademark law has developed judge-made doctrines to deal with these types of scenarios on an *ad hoc* basis without recognizing the structural connection between them—indeed, without treating them as implicating the requirement of "use" at all. This Article will explore and organize such doctrines as various iterations of the overarching problem of *divided use*. Divided use implicitly involves secondary responsibility, but trademark law (unlike patent law) has not historically considered the problem in this context outside of the doctrine of contributory infringement liability.[13] This Article thus makes two novel contributions. First, it shows how various apparently unconnected doctrines can be understood as instantiations of the problem of divided use. And second, it integrates these various instantiations of divided use with principles of secondary responsibility. That juxtaposition reveals a deep theoretical question underlying the various problems of divided use involving the role of consumers in trademark law: Are consumer beliefs merely evidence of the nature or effects of parties' behavior, or are consumer behaviors attributable to the parties as a matter of legal responsibility?

This Article proceeds as follows. Part I catalogs the various types of "use" of a trademark that are relevant to determining the rights and liabilities of parties with interests in the trademark system. Part II demonstrates how some of these forms of use have traditionally been subject to secondary responsibility: One party could claim the benefit, or be subjected to the burden, of another party's use of a trademark. Part III then describes patterns of divided use in order to determine whether, in such scenarios, the rules of secondary liability reviewed in Part II could be used to establish the requisite forms of use identified in Part I.

12. 35 U.S.C. § 271(f); Akamai Techs., Inc. v. Limelight Networks, Inc., 797 F.3d 1020, 1022 (Fed. Cir. 2015) ("Where more than one actor is involved in practicing the steps [of a patented method], a court must determine whether the acts of one are attributable to the other such that a single entity is responsible for the infringement. We will hold an entity responsible for others' performance of method steps in two sets of circumstances: (1) where that entity directs or controls others' performance, and (2) where the actors form a joint enterprise."); *see generally* Mark A. Lemley, David O'Brien, Ryan M. Kent, Ashok Ramani, & Robert Van Nest, *Divided Infringement Claims*, 33 AIPLA Q.J. 255 (2005).

13. *See* Inwood Labs., Inc. v. Ives Labs., Inc., 456 U.S. 844, 853–54 (1982) (explaining the standard for contributory infringement liability in trademark law).

Part III considers the possibility that a party may engage in one type of "use" relevant to a trademark dispute but not another. For example, if the "use" required to show either the establishment of trademark rights by a plaintiff or the infringement of those rights by a defendant requires *both* "use in commerce" *and* "use as a trademark," the possibility arises that a party could have engaged in one form of "use" but not the other. We might then look about to see whether any *other* party's use could be attributed to that party and thereby fill the gap. This becomes important in at least three types of "divided use" scenarios, each of which has its own doctrinal architecture that has been developed in apparent disregard for the structural similarities among them. The first involves cross-border uses of the type involved in *Abitron*: where a party uses a mark as a trademark but not in commerce (at least not in commerce subject to the regulation of Congress). The second involves the post-sale confusion theory of liability most commonly invoked with respect to admitted knock-offs of luxury goods; in such cases a defendant uses a mark in commerce, and at least arguably uses it as a trademark, but such use does not cause any actionable confusion until some *other* use of the marked good is made by someone *other than* the defendant. The third involves expressive uses: where a party uses a mark in commerce but not (or not solely) as a trademark. In such contexts, again, a party uses the mark in commerce, but whether they also use it as a mark depends on resolving a deep theoretical debate within trademark law about the role of consumers.

The Article concludes by discussing that role and suggests that the framework of divided use helps us distinguish between two different ways of conceptualizing it. In the first—what I will call the "evidentiary view"—consumers are less *agents* than *evidence*: Their beliefs are the mere effects of the behaviors of the parties to trademark disputes, and evidence of those beliefs determines whether the parties' behaviors give rise to legal rights or obligations. In the second—what I will call the "secondary responsibility view"—consumers are agents in their own right, and their behaviors are imputed to the parties to trademark disputes, who vicariously seek to vindicate both their own interests and the interests of aligned consumers. This Article does not seek to defend one of these views of the consumer in trademark law over the other, but rather points out that the latter view requires trademark law to take substantive positions on what uses of trademarks it will tolerate, without reference to the likelihood-of-confusion standard that has been the mainstay of the field for decades.

I. USE IN TRADEMARK LAW

We may begin examining the concept of "use" in trademark law through the lenses of two separate doctrinal questions: (1) When does the presence or absence of "use" matter to any legal issue in a trademark dispute; and (2) What constitutes the "use" whose presence or absence matters in this way? We can begin to answer the first question by distinguishing between what I will call "plaintiff-side" use and "defendant-side" use.

A. PLAINTIFF-SIDE AND DEFENDANT-SIDE USE

Use matters in two primary contexts in trademark law. First, on the side of the trademark plaintiff (or more broadly the claimant of intellectual property rights in a trademark), use of the mark by the plaintiff in connection with their goods or services is a prerequisite to obtaining trademark rights: It is an element of the mark's *validity*. Without using a mark, a plaintiff can claim no rights in it. Second, on the side of the trademark defendant, use of a trademark by the defendant is an element of any claim against that defendant under federal trademark law: It is an element of the cause of action for trademark *infringement*. (Relatedly, certain forms of use by a defendant may be insulated from liability; they may bear on the availability of certain *defenses*.)

1. Plaintiff-Side Use: Use and Validity

Use of a trademark is a prerequisite to acquiring proprietary rights in that trademark. The trademark system of the United States, in contrast to those of most other nations, is a "use-based" system. In most other countries, trademark rights are initially acquired through *registration*: filing an application with the administrative agency that oversees intellectual property rights under the law of the jurisdiction.[14] This has never been true in the United States. Indeed, the first federal trademark statute was invalidated by the Supreme Court in the *Trade-Mark Cases*,[15] on grounds that Congress lacked the authority it had asserted to allocate trademark rights according to priority of registration. Congress had claimed such authority under the Progress Clause: the provision of the federal Constitution establishing Congress's power to grant patents and copyrights.[16] But as the Court explained, trademarks are not the types of "writings and discoveries" contemplated by the Progress Clause; in the Anglo-American tradition they were, historically at least, common-law rights appurtenant to the goodwill of an ongoing business:

> The trade-mark may be, and generally is, the adoption of something already in existence as the distinctive symbol of the party using it. At common law the exclusive right to it

14. Agreement on Trade-Related Aspects of Intellectual Property Rights ("TRIPS Agreement"), art. 15, ¶ 3, Apr. 15, 1994, 1869 U.N.T.S. 299 ("Members may make registrability depend on use. However, actual use of a trademark shall not be a condition for filing an application for registration. An application shall not be refused solely on the ground that intended use has not taken place before the expiry of a period of three years from the date of application."); Regulation (EU) 2017/1001, art. 6, 2017 OJ (L 154) 8 ("An EU trade mark shall be obtained by registration."). Until recently, Canada also required use as a prerequisite to registration; it eliminated that requirement in 2019. An Act To Implement Certain Provisions of the Budget Tabled in Parliament on February 11, 2014 and Other Measures (Economic Action Plan 2014 Act, No. 1), S.C. 2014, c. 20, s. 345 (Can.); Order Fixing June 17 and 18, 2019 as the Days on Which Certain Provisions of the Three Acts Come Into Force, SI/2018-100 (Can.).

15. In re Trade-Mark Cases, 100 U.S. 82 (1879).

16. U.S. CONST. art. I, § 8, cl. 8 (granting Congress the power "[t]o promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries").

> grows out of its use, and not its mere adoption. By the [challenged] act of Congress this exclusive right attaches upon registration. . . . While such legislation may be a judicious aid to the common law on the subject of trade-marks, and may be within the competency of legislatures whose general powers embrace that class of subjects, we are unable to see any such power in the constitutional provision concerning authors and inventors, and their writings and discoveries.[17]

Thus, in the United States, in order for a party to establish rights in a trademark, it must *use* that mark in connection with an ongoing business.[18] The *Trade-Mark Cases* implied that Congress could regulate the use of trademarks in those areas of commerce constitutionally committed to its supervision—i.e., "commerce with foreign nations, or among the several States, or with the Indian tribes"—but held that the statute before it was not limited to those spheres and therefore was not a valid exercise of the Commerce Power.[19] Subsequent federal statutes—including the Lanham Act, which is the current source of federal trademark law—have therefore all included such a limitation on their face.[20] Registration, in this view, confirms pre-existing common-law rights acquired by use and allows them to be extended nationwide on a uniform basis, pursuant to Congress's power to regulate interstate commerce.

Despite this grounding of federal trademark law and the federal registration system in the Commerce Power, the requirement of use as a prerequisite to the acquisition of trademark rights—even registered rights—has persisted. The Lanham Act's current statutory definition of a trademark is "any word, name, symbol, or device, or any combination thereof . . . *used by a person* . . . to identify and distinguish his or her goods . . . from those manufactured or sold by others and to indicate the source of the goods."[21] As the Supreme Court recently explained:

> Registration of a mark is not mandatory. The owner of an unregistered mark may still use it in commerce and enforce it against infringers. But registration gives trademark owners valuable benefits. For example, registration constitutes "prima facie evidence" of the mark's validity. And registration serves as "constructive notice of the registrant's claim of ownership," which forecloses some defenses in infringement actions. Generally, a trademark is eligible for registration, and receipt of such benefits, if it is "used in commerce."[22]

In short, *use* of a trademark is *the* key act required to establish protectable legal rights in that trademark, whether registered or unregistered.[23] For this reason, showing that

17. *Trade-Mark Cases*, 100 U.S. at 94.

18. Lyons v. Am. Coll. of Veterinary Sports Med. & Rehab., 859 F.3d 1023, 1027 (Fed. Cir. 2017) ("It is axiomatic in trademark law that ownership of a mark is predicated on priority of use in commerce.").

19. *Trade-Mark Cases*, 100 U.S. at 96–97.

20. *See, e.g.*, Lanham Act § 45, 15 U.S.C. § 1127 (2023) ("The word 'commerce' means all commerce which may lawfully be regulated by Congress.").

21. Lanham Act § 45, 15 U.S.C. § 1127 (2023) (emphasis added).

22. Iancu v. Brunetti, 139 S. Ct. 2294, 2297–98 (2019) (internal citations omitted).

23. While the filing of an "intent-to-use"-based application to register a trademark can constitute *constructive* use of that mark *if* the application ultimately proceeds to registration, such an application *cannot* proceed to registration until the applicant has *actually used* the mark. *See* Lanham Act §§ 1(b), 1(d), 7(c), 15 U.S.C. §§ 1051(b), 1051(d), 1057(c) (2023). If a mark is unregistered, rights in that mark are limited to the

a party never used a claimed trademark, or has ceased using that trademark, defeats any claim that they own the mark,[24] and a plaintiff who does not own a trademark cannot claim infringement of that mark.[25]

2. Defendant-Side Use: Use and Infringement

Use of a trademark is also an element of any claim of infringement of a right in that trademark. Insofar as the use of a trademark establishes an exclusive intellectual property right in that trademark, the infringement of that right consists in a violation of that exclusivity. That is: Infringement arises where a defendant *uses* another's trademark in commerce without that person's consent,[26] provided all other elements of an infringement claim (particularly that the defendant's use is likely to cause confusion[27]) are present. If an infringement defendant has not *used* the plaintiff's trademark (or at least a mark similar enough to cause confusion), the defendant cannot be held liable.

For some trademarks, however, some types of uses of the mark will give rise to liability, while others will not. A defendant's mere placement of another person's trademark somewhere on a product will not necessarily be enough to establish a "use" of that mark that will subject the defendant to trademark infringement liability. To take a simple example, Apple Inc. will not be able to prevail on a trademark infringement claim against a greengrocer who advertises "apples" for sale, even though "Apple" is a

territorial extent of its actual use. Hanover Star Milling Co. v. Metcalf, 240 U.S. 403, 415–16 (1916); United Drug Co. v. Theodore Rectanus Co., 248 U.S. 90, 97–98, 100–101 (1918).

24. Aycock Eng'g, Inc. v. Airflite, Inc., 560 F.3d 1350, 1357 (Fed. Cir. 2009) ("The registration of a mark that does not meet the use requirement is void ab initio."); Sands, Taylor & Wood Co. v. Quaker Oats Co., 978 F.2d 947, 954–55 (7th Cir. 1992) ("Because trademark rights derive from the use of a mark in commerce and not from mere registration of the mark, the owner of a mark will lose his exclusive rights if he fails actually to use it."). The recently enacted Trademark Modernization Act provides two new administrative procedures for expunging or cancelling marks that were erroneously registered despite failing to meet the use requirement. *See* Lanham Act § 16(a)–(b), 15 U.S.C. § 1066(a)–(b) (2023).

25. 1-800 Contacts, Inc. v. WhenU.Com, Inc., 414 F.3d 400, 406–07 (2d Cir. 2005) ("In order to prevail on a trademark infringement claim for registered trademarks, pursuant to 15 U.S.C. § 1114, or unregistered trademarks, pursuant to 15 U.S.C. § 1125(a)(1), a plaintiff must establish that (1) it has a valid mark that is entitled to protection under the Lanham Act . . . .") (footnotes omitted). Even if a mark is registered, it generally cannot be enforced outside the geographic area of its actual use. Dawn Donut Co. v. Hart's Food Stores, Inc., 267 F.2d 358, 364 (2d Cir. 1959) ("[I]f the use of the marks by the registrant and the unauthorized user are confined to two sufficiently distinct and geographically separate markets, with no likelihood that the registrant will expand his use into defendant's market, so that no public confusion is possible, then the registrant is not entitled to enjoin the junior user's use of the mark.") (footnote omitted).

26. *1-800 Contacts*, 414 F.3d at 406–07 ("In order to prevail on a trademark infringement claim for registered trademarks, pursuant to 15 U.S.C. § 1114, or unregistered trademarks, pursuant to 15 U.S.C. § 1125(a)(1), a plaintiff must establish that . . . (2) the defendant used the mark, (3) in commerce, (4) 'in connection with the sale . . . or advertising of goods or services,' 15 U.S.C. § 1114(1)(a), (5), without the plaintiff's consent.") (footnotes omitted).

27. Lanham Act §§ 32(a), 43(a)(1)(A), 15 U.S.C. §§ 1114(a), 1125(a)(1)(A) (2023); *see also* RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 20 cmt. d (AM. L. INST. 1995) ("The term 'likelihood of confusion' has long been used to describe the standard of liability for trademark infringement in actions at common law and under federal and state trademark and unfair competition statutes.").

valid and enforceable trademark owned by Apple, Inc. and even though the greengrocer has used the trademark in commerce. Nor does this conclusion necessarily depend on the absence of confusion arising from the greengrocer's use of the term: Even if some bemused consumers later showed up at the grocery hoping to buy the latest iPhone, the greengrocer could still continue to advertise "apples" (i.e., the fruit) for sale without fear of liability. After *Jack Daniel's* and *Abitron*, however, the doctrinal path that allows the greengrocer to avoid liability is not necessarily clear. Perhaps a court will find that he has not used the term "Apple" as a trademark, and that this means he has not made the "use in commerce" of a plaintiff's trademark required to give rise to infringement. Perhaps a court will find that he has made the necessary "use in commerce" or "commercial use" but that this use is "otherwise than as a mark," allowing him to claim the statutory descriptive fair use defense.[28] And perhaps the fact that he has used the mark in a non-trademark manner (to identify the nature of his products rather than their source) will be deemed relevant to the selection or application of a doctrinal test for infringement that makes a finding in his favor all but assured.[29] As the rest of this Part explains, there are multiple different aspects of "use," and they each play slightly different roles in establishing trademark validity, infringement, and defenses.

B. ASPECTS OF USE

Some of the most vexing doctrinal issues in trademark law arise around the question of what constitutes "use" of a trademark sufficient to satisfy the requirements for establishing trademark ownership and validity on the plaintiff side, or for the purpose of establishing or avoiding liability for infringement on the defendant side. The most obvious source of guidance on these questions is the statutory definition of "use in commerce" in Section 45 of the Lanham Act.[30] Unfortunately, that definition (like much of the Lanham Act) is a product of multiple rounds of careless drafting and amendment by Congress. Some courts have engaged in heroic interpretation of the statutory definition in order to maintain the coherence of trademark law; other courts have carelessly interpreted the definition in ways that threaten that coherence. Moreover, courts and the United States Patent and Trademark Office ("USPTO") have added additional glosses on the meaning of "use" in order to capture certain policy concerns that arise in trademark law in a process of common-law evolution, without grounding those concerns in the text of the Lanham Act itself. The result is that "use"

28. Lanham Act § 33(b)(4), 15 U.S.C. § 1115(b)(4) (2023) (establishing a defense against infringement for certain uses of a plaintiff's trademark "otherwise than as a mark").

29. Jack Daniel's Props., Inc. v. VIP Prods. LLC, 599 U.S. 140, 155–56 (2023) ("[T]he *Rogers* [*v. Grimaldi*] test has applied only to cases involving 'non-trademark uses'—or otherwise said, cases in which 'the defendant has used the mark' at issue in a 'non-source-identifying way.' The test has not insulated from ordinary trademark scrutiny the use of trademarks as trademarks, 'to identify or brand [a defendant's] goods or services.'") (quoting Stacey L. Dogan & Mark A. Lemley, *Grounding Trademark Law Through Trademark Use*, 92 IOWA L. REV. 1669, 1683–84 (2007)).

30. 15 U.S.C. § 1127 (2023). This section includes the generally applicable definitions for the rest of the Lanham Act, which are stated to apply "unless the contrary is plainly apparent from the context." *Id.*

of a trademark has been decomposed across trademark doctrine into a number of distinct considerations. These include:

- "Use in commerce," which in turn may be decomposed into:
  - "Bona fide use," and
  - "Affixation and entry into commerce";
- "Commercial use";
- "Trademark use"; and
- "Use in commerce subject to the control of Congress."

Some of these considerations are clearly grounded in statutory text; others less clearly so. Some apply similarly to both plaintiff-side and defendant-side use, others apply only to one or the other, and still others apply differently in either context. The result is a tangled rat's nest of doctrinal threads that are easy to confuse or conflate with one another. This Section attempts to tease them apart.

1. "Use" and "Use in Commerce"—The Statutory Framework

Section 45 of the Lanham Act defines the "use in commerce" of a trademark as follows:

> The term "use in commerce" means the bona fide use of a mark in the ordinary course of trade, and not made merely to reserve a right in a mark. For purposes of this Act, a mark shall be deemed to be in use in commerce—
>
> (1) on goods when—
>
> (A) it is placed in any manner on the goods or their containers or the displays associated therewith or on the tags or labels affixed thereto, or if the nature of the goods makes such placement impracticable, then on documents associated with the goods or their sale, and
>
> (B) the goods are sold or transported in commerce, and
>
> (2) on services when it is used or displayed in the sale or advertising of services and the services are rendered in commerce, or the services are rendered in more than one State or in the United States and a foreign country and the person rendering the services is engaged in commerce in connection with the services.[31]

This is the only explicit, generally applicable definition of "use in commerce," and indeed even of "use," in the Lanham Act.[32] It contains two general requirements that

31. Lanham Act § 45, 15 U.S.C. § 1127 (2023).

32. The statutory definition of abandonment has its own definition of use, which reproduces a portion of the statutory definition of use in commerce. See Lanham Act § 45, 15 U.S.C. § 1127 ("A mark shall be deemed to be 'abandoned' if . . . its use has been discontinued with intent not to resume such use. . . . 'Use' of a mark means the bona fide use of such mark made in the ordinary course of trade, and not made merely to reserve a right in a mark.").

will be discussed further below: a "bona fide use" requirement, and an "affixation and entry into commerce" requirement. But a problem immediately arises from an attempt to incorporate these two requirements into appearances of the terms "use" or "use in commerce" elsewhere in the statute.

Such appearances occur in four places of interest to this Article. Two of these appearances are relevant to plaintiff-side use. They are:

- A separate provision of Section 45 of the Lanham Act, which defines a "trademark" in relevant part as "includ[ing] any word, name, symbol, or device, or any combination thereof (1) used by a person, or (2) which a person has a bona fide intention to use in commerce and applies to register . . . to identify and distinguish his or her goods . . . and to indicate the source of the goods . . . ."[33]; and
- Section 1 of the Lanham Act, which provides for federal registration of "a trademark used in commerce."[34]

The other two appearances are relevant to defendant-side use:

- Section 32 of the Lanham Act, which establishes a private right of action for infringement against any person who, without the consent of the owner of a registered trademark, "use[s] in commerce 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";[35] and
- Section 43(a) of the Lanham Act, which similarly establishes a private right of action for infringement of an unregistered trademark by subjecting to liability any person who, "on or in connection with any goods or services, or any container for goods, uses in commerce any word, term, name, symbol, or device, or any combination thereof . . . which . . . is likely to cause 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."[36]

33. 15 U.S.C. § 1127 (2023) (emphasis added).

34. 15 U.S.C. § 1051(a) (2023) ("The owner of a trademark used in commerce may request registration of its trademark on the principal register . . . .") (emphasis added in text). Sections 8 and 9 of the Lanham Act provide that continued use in commerce is a prerequisite for maintenance and renewal of a registration. 15 U.S.C. §§ 1058–1059 (2023).

35. 15 U.S.C. § 1114(1) (2023) ("Any person who shall, without the consent of the registrant . . . use in commerce 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 . . . shall be liable in a civil action by the registrant for the remedies hereinafter provided.") (emphasis added in text).

36. Lanham Act § 43(a)(1), 15 U.S.C. § 1125(a)(1) (2023) ("Any person who . . . uses in commerce any word, term, name, symbol, or device, or any combination thereof . . . which . . . is likely to cause confusion,

There are several problems that arise when trying to apply the statutory definition of "use in commerce" to these four statutory provisions. First, the "bona fide use of a mark in the ordinary course of trade" element of the statutory definition in Section 45 was added to the statute to address concerns about plaintiff-side use arising from a change to the registration system in 1988, making its application to defendant-side use unclear and perhaps even absurd. And second, the definition fails to capture other aspects of use that courts and the USPTO have engrafted onto trademark law.

a. Bona Fide Use

The first sentence of the Lanham Act's current statutory definition of "use in commerce," which requires "bona fide use of a mark in the ordinary course of trade, and not made merely to reserve a right in a mark," was added to the statute in 1988, before which time the definition consisted of the language *following* this sentence only. This addition was part of an overhaul of federal registration that created the "intent-to-use" application system.[37] This system allows applicants for registration to *apply* for a trademark registration *before* actually using their mark, with the understanding that the registration cannot *issue* until *after* use of the mark has been made.[38] This change to the registration system helped to avoid situations where two or more parties would, unbeknownst to one another, simultaneously undertake costly preparations to launch a new brand, only to find that only one of them would be able to protect that brand as a trademark, causing the other companies' investments to go to waste.[39] Prior to 1988, the risk of such undeserved forfeiture had led the USPTO to accept so-called "token uses" as a sufficient basis to apply for a registration. Such uses—typically involving a pretextual shipment of prototype goods with a mock-up label across state lines to a party colluding in the pretext—allowed an application to be filed that could give the applicant some comfort that their more substantial subsequent investments in preparing to market goods under the mark would not be wasted.[40] That is, they were uses designed primarily, if perhaps not "merely," to "reserve a right in a mark."

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or to cause mistake, or to deceive as to the affiliation, connection, or association of such person with another person, or as to the origin, sponsorship, or approval of his or her goods, services, or commercial activities by another person . . . shall be liable in a civil action by any person who believes that he or she is or is likely to be damaged by such act.") (emphasis added in text). Use in commerce is also invoked in the statutory definition of dilution, but antidilution rights are not of interest to the project of this Article. *See* Lanham Act § 43(c)(1), 15 U.S.C. § 1125(c)(1) (2023) ("[T]he owner of a famous mark that is distinctive . . . shall be entitled to an injunction against another person who, at any time after the owner's mark has become famous, commences use of a mark or trade name in commerce that is likely to cause dilution by blurring or dilution by tarnishment of the famous mark.")

37. Trademark Law Revision Act of 1988 Pub. L. No. 100–667, 102 Stat. 3935.

38. *See* Lanham Act § 1, 15 U.S.C. § 1051 (2023).

39. *See, e.g.*, Blue Bell, Inc. v. Farah Mfg. Co., Inc., 508 F.2d 1260, 1262 (5th Cir. 1975) (resolving a priority dispute between "two prominent manufacturers of men's clothing [who] created identical trademarks for goods substantially identical in appearance . . . [with] no indication of bad faith in the design and adoption of the labels").

40. Standard Pressed Steel Co. v. Midwest Chrome Process Co., 183 U.S.P.Q. 758, 764 (T.T.A.B. 1974) ("[I]n view of the expenditures involved in introducing a new product on the market generally and the

The intent-to-use system established in the 1988 amendments to the Lanham Act abolished this practice and the legal fiction that rested upon it. In one sense the new system goes even further than the USPTO had done, allowing businesses to apply to register a trademark before making even a "token use" of it, merely by swearing that they have a bona fide intent to use the mark in commerce. The filing of such an intent-to-use application constitutes "constructive use" of the trademark, conferring nationwide priority as of the application's filing date, *provided that* the application ultimately proceeds to registration.[41] More importantly, it puts the rest of the world on notice of the applicant's claim to the mark via the public record at the USPTO, and thus (hopefully) avoids wasteful duplication of investment in the mark by others. Such a filing does not, however, allow a registration to issue until a "bona fide use" of the mark has been made.[42] The intent and the effect of the 1988 amendments was thus to make *plaintiff-side* trademark use—the use needed to establish a right to registration—procedurally easier to establish and more transparent, but substantively more demanding.[43]

The bona fide use requirement makes good sense in the context of plaintiff-side use under an intent-to-use system. Requiring bona fide use prior to enforcing a trademark or issuing a registration serves as an important guard against wasteful rent-seeking or trademark hoarding, by refusing to allocate trademark rights to parties that do not

attendant risk involved therein prior to the screening process involved in resorting to the federal registration system and in the absence of the existence of an 'intent to use' statute, a token sale or a single shipment in commerce may be sufficient to support an application to register a trademark in the Patent Office notwithstanding that the evidence may not show what disposition was made of the product so shipped. That is, the fact that a sale or a shipment of goods bearing a trademark was designed primarily to lay a foundation for the filing of an application for registration does not, per se, invalidate any such application or a registration subsequently issued thereon.").

41. Lanham Act § 7(c), 15 U.S.C. § 1057(c) (2023).

42. *See* Lanham Act §§ 1, 13(b), 15 U.S.C. §§ 1051, 1063(b) (2023).

43. As the Senate sponsor of the amendments explained:

> American companies can expend months or years and hundreds of thousands of dollars in developing a new product only to discover that another company has already used the same trademark. Even more disturbing is the fact that foreign companies applying to register trademarks in the United States are not subject to these same use requirements that apply to U.S. applicants [under international treaties to which the United States is signatory]. This discriminating aspect of the Lanham Act has resulted in the commercially transparent practice of "token use," in which the first sale is generally of a less than commercial quantity of the product, often one-case shipment or even as little as a single unit.
>
> The proposed legislation provides for a dual system of filing, whereby the applicant for trademark registration can file in one of two ways, either by using the Lanham Act's existing use provision or by using the new "intent-to-use" provision. Applicants will also be subject to a more stringent definition of use in commerce, which will help to eliminate the practice of "token use." At the same time, applicants will receive the benefit of "constructive use" establishing nationwide priority from the date of filing. . . . By allowing applicants to file based on an intent to use the mark in commerce, the new legislation will save time, money and effort manufacturers must expend to market a new product. It will also eliminate the inefficient practice of "token use" which has created legal uncertainty.

133 CONG. REC. 32812–13 (Nov. 19, 1987) (statement of Sen. DeConcini). *See also United States Trademark Association Trademark Review Commission Report and Recommendations to USTA President and Board of Directors*, 77 TRADEMARK REP. 375, 393 (1987) (explaining the advantages of an intent-to-use system over token use).

themselves use the mark productively as a symbol of the goodwill an ongoing business. It allocates priority of rights in trademarks based on the public fact of filing rather than on the private fact of token use. And it thereby protects good-faith investments in preparations to launch a new brand against unwitting forfeiture.

The problem is that these changes to the statutory definition of "use in commerce," necessary to the tightened standards of plaintiff-side use under the new intent-to-use registration system, are not explicitly limited to the plaintiff-side "use in commerce" required to support registration. Section 45 of the Lanham Act explicitly states that its definitions apply throughout the Lanham Act "unless the contrary is plainly apparent from the context."[44] And as noted above, the term "use in commerce" also appears as an element of the cause of action for trademark infringement, whether registered or unregistered.[45]

In this defendant-side context, the statute's "bona fide use" requirement makes far less sense. As the Second Circuit observed in *Rescuecom Corp. v. Google, Inc.*,[46] attempting to impose a general bona fide use requirement on the use of another's mark that subjects a defendant to infringement liability would be perverse, because it "would mean that an accused infringer would *escape* liability, notwithstanding deliberate deception, precisely because he acted *in bad faith.* A bad faith infringer would not have made a use in commerce [under Section 45's statutory definition], and therefore a necessary element of liability would be lacking. Liability would fall only on those defendants who acted *in good faith.*"[47]

Even if we do not join the Second Circuit in reading the statutory term "bona fide" literally in the broad general sense of "good faith," and treat "[use] merely to reserve a right in a mark" as a particularly disqualifying type of activity not otherwise relevant to determining the boundaries of "use in commerce," typical defendant-side use is still difficult to characterize as "bona fide." The Second Circuit's consideration of the term, for example, became the subject of an extensive and unusual "appendix" to its opinion in *Rescuecom*,[48] which concluded that the statutory definition of "use in commerce" should not, and was not intended to, apply to what this Article has called defendant-side use. The court nevertheless concluded that, because of Congress's carelessness in amending Section 45, the definition *does* apply to defendant-side use—*except for* the bona fide use requirement of the definition's first sentence, which *only* applies to what this Article has called plaintiff-side use.[49] This solution, which was adopted with apparent reluctance in part to avoid overruling the Second Circuit's own prior

44. 15 U.S.C. § 1127 (2023).
45. *See supra* notes 35–36 and accompanying text.
46. 562 F.3d 123 (2d Cir. 2009).
47. *Id.* at 132.
48. *Id.* at 131–41.
49. *Id.* at 139–40.

precedent,[50] was later adopted with greater enthusiasm by the Ninth Circuit.[51] The leading trademark treatise goes even further, opining that the Section 45 definition of "use in commerce" "defines the kinds of 'use' needed to acquire registerable [sic] trademark rights—not to infringe them."[52]

These efforts by courts and commentators to salvage some coherence from the Lanham Act's careless amendment history may have been unwittingly undone by a single sentence in the majority opinion in *Abitron*. In that case, as previously noted, the Supreme Court ruled that uses of a federally registered trademark outside the territorial jurisdiction of the United States is not actionable as infringement. Applying the "focus" prong of its two-prong extraterritoriality test, the majority held that "the *conduct* relevant to any focus [of the Lanham Act] the parties have proffered is *infringing use in commerce, as the Act defines it*."[53] Then—apparently unaware of and uninterested in lower courts' and commentators' labors to make sense of that very definition—the majority continued: "Under the Act, the 'term "use in commerce" means the bona fide use of a mark in the ordinary course of trade,' where the mark serves to 'identify and distinguish [the mark user's] goods . . . and to indicate the source of the goods.'"[54]

Abitron was a case in which the plaintiff and defendants each claimed rights in the same trademark—the plaintiff in the United States, and the defendants in Europe.[55] The case thus presents one of the few trademark infringement scenarios in which the defendant's conduct maps well to the framework of "bona fide use . . . not made merely to reserve a right in a mark" included in Section 45's definition.[56] It is therefore perhaps unsurprising, if still disappointing, that the Justices did not attend to the problems that arise in applying that definition to the far more common situation in which a trademark infringement defendant is accused of *not* making "bona fide use" of the plaintiff's trademark but rather of engaging in spurious and bad-faith use of the mark in an effort to mislead consumers. The leading trademark treatise suggests that this aspect of the *Abitron* majority opinion ought to be disregarded entirely as a careless and obvious mistake;[57] other trademark commentators argue that it overrules *Rescuecom* and requires a radical shift in our thinking about the conduct that constitutes infringement.[58] This Article takes no position on the matter, other than to note that *if*

50. *Id.* at 139–40 & n.12 ("We express no view which of the alternative available solutions would seem preferable if our Circuit had not previously applied the second sentence to sections of the Act defining infringement.").

51. Network Automation, Inc. v. Advanced Sys. Concepts, Inc., 638 F.3d 1137, 1145 (9th Cir. 2011) ("We now agree with the Second Circuit that such use is a 'use in commerce' under the Lanham Act.").

52. 4 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS & UNFAIR COMPETITION § 23:11:50 (5th ed. 2023) [hereinafter, 4 MCCARTHY].

53. Abitron Austria GmbH v. Hetronic Int'l, Inc., 600 U.S. 412, 422 (2023) (emphasis added).

54. *Id.* at 428 (quoting 15 U.S.C. § 1127).

55. *Id.* at 415–16.

56. Lanham Act § 45, 15 U.S.C. § 1127.

57. 4 MCCARTHY, *supra* note 52, at § 29:57 ("When the *Abitron* opinion is read as a whole, it is clear that by this mistake the Court never intended to limit trademark infringement solely to cases where the accused use is a trademark use [as defined in Section 45].").

58. *See* Rebecca Tushnet, *'15th Trademark Scholars' Roundtable: Session 1: Congress and the Courts (Including the Role of the Supreme Court)*, REBECCA TUSHNET'S 43(B)LOG (Feb. 23, 2024),

"bona fide use" of a trademark by the defendant is an element of an infringement claim after *Abitron*, that makes the theoretical questions addressed below—questions about how consumer behavior factors in to the delineation of various types of "use"—all the more important.

b. Affixation and Entry into Commerce

The most straightforward aspects of use in trademark law come from the portions of Section 45's statutory definition of "use in commerce" that do *not* deal with the user's *bona fides*. This language is generally held to create two requirements in order to establish "use in commerce": *First*, that a trademark be *affixed* to goods in some way; and *second*, that those goods be sold or transported in commerce subject to the control of Congress.

As Section 45 of the Lanham Act says explicitly, the first requirement will be satisfied where a mark is placed in any manner "on the goods or their containers or the displays associated therewith or on the tags or labels affixed thereto," or if the nature of the goods makes such placement impracticable, then on "documents associated with the goods or their sale."[59] Likewise for services, which are not susceptible to physical affixation, the requirement can be satisfied if the claimed trademark is "used or displayed in the sale or advertising of [the] services."[60]

In addition to affixing a mark to goods or services, those goods or services must actually enter the stream of commerce in order to satisfy the use in commerce requirement.[61] This does not necessarily require an arms-length sale of goods for a

https://tushnet.blogspot.com/2024/02/15th-trademark-scholars-roundtable.html [https://perma.cc/M53G-A8WU] [https://web.archive.org/web/20241215205502/https://tushnet.blogspot.com/2024/02/15th-trademark-scholars-roundtable.html] ("Rescuecom: is it overruled? . . . I think you could say that when you claim to have a 'mark' subject to 43(a), you use the relevant [statutory] definition, but when you're asserting some other claim under 43(a), you don't have to do so.").

59. Lanham Act § 45, 15 U.S.C. § 1127 (2023). The affixation requirement can be satisfied not only by placing the mark on the goods or their packaging, but also by placing it on, for example, catalogs that provide the information necessary to order the goods, see Lands' End Inc. v. Manbeck, 797 F. Supp. 511 (E.D. Va. 1992), shipping labels for the goods, see In Re Schering-Plough Corp., 211 U.S.P.Q. 69 (T.T.A.B. 1981), websites that display the mark in a way sufficient to associate it with the goods and that provide information necessary for ordering those goods, see In re Sones, 590 F.3d 1282 (Fed. Cir. 2009); In Re Dell Inc., 71 U.S.P.Q.2d 1725 (T.T.A.B. 2004), trade show flyers and displays where the goods are available to order at the trade show itself, see Marketquest Grp., Inc. v. BIC Corp., 316 F. Supp. 3d 1234, 1286 (S.D. Cal. 2018); In Re Ancha Elecs., Inc., 1 U.S.P.Q.2d 1318 (T.T.A.B. 1986); In Re Shipley Co., 230 U.S.P.Q. 691 (T.T.A.B. 1986), and instruction manuals for the goods, see In Re Ultraflight, 221 U.S.P.Q. 903, at *2 (T.T.A.B. Jan. 9, 1984).

60. Lanham Act § 45, 15 U.S.C. § 1127 (2023).

61. *Id.*

valuable consideration—any sufficiently publicly accessible distribution will suffice.[62] Even a single sale can satisfy the requirement.[63]

Like the "bona fide use" requirement, these standards are most clearly applicable to the plaintiff-side "use in commerce" that gives rise to a right to register a trademark under Section 1 of the Lanham Act.[64] Indeed, when the Lanham Act was drafted nearly eighty years ago that was their only apparent relevance.[65] Their import is that mere preparatory activity is insufficient to establish registered trademark rights, and that the trademark registration system will only take notice of activities involving trademarks where members of the public have actually had an opportunity to encounter those marks in a commercial context and thereby associate them with a particular source.

But unlike the "bona fide use" requirement, the affixation and entry into commerce requirements are easier to find in most instances of defendant-side use. If a defendant has not displayed an allegedly confusing mark somewhere on or even *near* a good or service that has entered commerce, it is difficult to imagine how a trademark owner would ever have occasion to become aware of it, let alone to claim infringement. That said, the leading trademark treatise again argues that this aspect of the Section 45 definition of "use in commerce," like the "bona fide use" requirement, has no application to the elements of an infringement claim, being a relic of 19th-century technical requirements for trademark validity.[66] In this view, the definition of the "use" that constitutes infringement simply has nothing to do with the definition of the "use" that gives rise to trademark rights.

2. Commercial Use

Instead, some courts—most prominently the Ninth Circuit—have arrived at other sources of related but less specific doctrinal requirements for defendant-side use. In the view of such courts, the key defined term in the sections of the Lanham Act governing infringement is not "use in commerce," but rather simply "commerce," which the Lanham Act defines as "all commerce which may lawfully be regulated by Congress."[67] That defined term simply enforces the requirement of the *Trade-Mark Cases* that

62. *See* Planetary Motion, Inc. v. Techplosion, Inc., 261 F.3d 1188, 1195–97 (11th Cir. 2001) (holding free distribution of software over the internet sufficient to establish use).

63. *See* Lane Cap. Mgmt., Inc. v. Lane Cap. Mgmt., Inc., 15 F. Supp. 2d 389, 397 (S.D.N.Y. 1998) ("The use of a protectable mark need not have gained wide public recognition, for '[a]doption and a single use of the mark may be sufficient to entitle the user to register the mark.'"), *aff'd*, 192 F.3d 337 (2d Cir. 1999).

64. Lanham Act § 1(a)(1), 15 U.S.C. § 1051(a)(1) (2023) ("The owner of a trademark used in commerce may request registration of its trademark . . . .").

65. Rescuecom Corp. v. Google Inc., 562 F.3d 123, 136 (2d Cir. 2009) ("[T]he Lanham Act as passed in 1946, on any reading, did not restrict liability for infringement to those who 'used in commerce,' as defined in § 45's restrictive terms. Such a 'use in commerce' was simply one of several ways to satisfy one of several elements of a cause of action under § 43(a). By contrast, to justify imposition of liability on an infringer, the Act required, as an element of the cause of action, that the infringer cause the [infringing] goods or services to enter into commerce'—a jurisdictional predicate for Congress's power to legislate in this area.").

66. 3 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS & UNFAIR COMPETITION § 23:11:50 (5th ed. 2023).

67. Lanham Act § 45, 15 U.S.C. § 1127 (2023).

Congress's regulation of trademarks be constrained to the scope of its Commerce Power.[68] In this view, it is "erroneous" to treat the statutory definition of "*use in* commerce" as an element of infringement, because in the infringement context "'[u]se in commerce' is simply a jurisdictional predicate to any law passed by Congress under the Commerce Clause."[69] Instead, courts adopting this view define the "use" necessary to give rise to infringement liability by reference to the "in connection with . . . goods or services" language of the statutory provisions defining infringement.[70] Though it is a matter of some dispute whether "commercial use" is in fact an element of a trademark infringement claim, enough cases do seem to impose such a requirement—and distinguish it from the statutory definition of "use in commerce"—to justify treating it as a distinct form of "use."[71]

Sometimes referred to as a "commercial use" requirement, this inquiry could simply have asked questions similar to those raised by the plaintiff-side use-in-commerce inquiry: Has the defendant affixed the challenged trademark to goods or displayed them in the marketing of goods or services? Have those goods or services entered the stream of commerce? And indeed, a few courts outside the Second and Ninth Circuits, not having had as much occasion to adjudicate cases in which the defendant's performance of such acts is open to question, simply apply those tests to the "use" element of an infringement claim.

But perhaps because in the absence of such facts few plaintiffs would even think to assert a trademark infringement claim, defendant-side commercial use tends to be discussed most often in contexts involving defendants' *expressive* uses of trademarks that enter the stream of commerce. In these contexts—typically involving news reporting, commentary, criticism, or parody—the commercial use requirement serves primarily to *exclude* such uses of a trademark from liability, even if they involve affixation of the plaintiff's trademark to the defendant's goods or services that have been sold in commerce (such as books, magazines, recordings, or media and entertainment services), to avoid potential conflicts with First Amendment freedoms of expression.[72]

Because of this typical factual context for the discussion of defendant-side commercial use, it may be tempting to define "commercial use" negatively, as the absence of expressive use. Indeed, "noncommercial use" is explicitly excluded from liability in the federal trademark dilution statute as a self-consciously speech-protective

68. *See supra* notes 19–20 and accompanying text.

69. Bosley Med. Inst., Inc. v. Kremer, 403 F.3d 672, 677 (9th Cir. 2005).

70. *See supra* notes 35–36.

71. *See* Jennifer E Rothman, *Commercial Speech, Commercial Use, and the Intellectual Property Quagmire*, 101 VA. L. REV. 1929, 1939-41 (2015) (collecting cases).

72. Radiance Found., Inc. v. N.A.A.C.P., 786 F.3d 316, 322–27 (4th Cir. 2015) (essay criticizing the NAACP on a pastor's website that solicited donations held not to be a commercial use); Farah v. Esquire Mag., 736 F.3d 528 (2013) (magazine blog post held not to be "commercial speech" and therefore not actionable under the Lanham Act); *Bosley Med. Inst.*, 403 F.3d at 672 (gripe site with plaintiff's trademark in its domain name was not a "commercial use" where the site did not offer competing services but only criticized the trademark owner) .

measure[73] (even though that statute also confusingly seems to treat "noncommercial use" as distinct from "parodying, criticizing or commenting" and from "news reporting and news commentary").[74] But this temptation should be avoided, for at least three reasons.

First, a framing of "commercial use" as the opposite or absence of "expressive use" can be misleading or even internally inconsistent. There are many cases—usually involving the titles of commercially sold entertainment products like sound recordings, books, and films—in which a defendant has affixed a challenged mark to goods that have entered the stream of commerce, but such use of the mark still constitutes a recognizable form of protectable expression.[75]

Second, even outside of the expressive context a simple commercial use requirement can insulate some uses from liability—the most obvious example arises in a line of cases involving vanity telephone numbers that use alphanumeric coding to mimic a well-known trademark. In such cases, defendants were held not to have made a "use" of the mark so long as they did not themselves advertise or promote the vanity trademark number.[76]

Third, treating "commercial use" as the absence of "expressive use" tends to blur the lines between "commercial use" and yet another aspect of "use" in trademark law that has received renewed interest since the Supreme Court's decision in *Jack Daniel's*. This is the distinct concept of "trademark use" or "use as a mark."

3. Trademark Use/Use as a Mark

The most contentious and least doctrinally clear element of use is what is referred to variously as "trademark use" or "use as a mark," which is contrasted with "non-

73. Mattel, Inc. v. MCA Records, Inc., 296 F.3d 894, 905 (9th Cir. 2002) (reciting legislative history that suggests the "noncommercial use" exception to trademark dilution liability was intended by its sponsors to be a protection for noncommercial expression).

74. Lanham Act § 43(c)(3), 15 U.S.C. § 1125(c)(3) (2023). Lee Ann Lockridge argues that the noncommercial use defense serves as a catch-all or backstop defense to prevent application of dilution liability even outside of these more clearly identified categories without having to resort to constitutional analysis. *See generally* Lee Ann W. Lockridge, *When Is a Use in Commerce a Noncommercial Use?*, 37 FLA. ST. U. L. REV. 337 (2010).

75. *Mattel*, 296 F.3d at 894 (holding that the title of the popular Aqua song "Barbie Girl" was a "commercial use" of Mattel's "Barbie" trademark because it used the trademark to sell Aqua's goods, but also a "noncommercial use" under the dilution statute because it constituted protected expression); *Rogers v. Grimaldi*, 875 F.2d 994, 997 (2d Cir. 1989) ("Movies, plays, books, and songs are all indisputably works of artistic expression and deserve protection. Nonetheless, they are also sold in the commercial marketplace like other more utilitarian products, making the danger of consumer deception a legitimate concern that warrants some government regulation."). In this view, expressive use is not analytically related to "commercial use"; it is what I have called in other contexts a "trump card": a legal category that, when satisfied, dictates the result of a legal dispute notwithstanding the simultaneous satisfaction of other legal categories that would otherwise dictate a contrary result. Jeremy N. Sheff, *Legal Sets*, 40 CARDOZO L. REV. 2029, 2083–88 (2019). As we will see below, however, the Supreme Court's opinion in *Jack Daniel's* calls this characterization of expressive use into question.

76. *See, e.g.*, *DaimlerChrysler AG v. Bloom*, 315 F.3d 932 (8th Cir. 2003); *Holiday Inns, Inc. v. 800 Reservation, Inc.*, 86 F.3d 619 (6th Cir. 1996).

trademark use" or "use otherwise than as a mark." Trademark use is present where a party "has used a trademark to designate the source of its own goods—in other words, has used a trademark as a trademark."[77] Although trademark use has been described on both the plaintiff side and the defendant side, it refers to slightly different phenomena in each of the two contexts. Defendant-side trademark use is a concept that underlies the question whether consumers are likely to believe that the defendant's products or services originate with, or are sponsored or approved by, or somehow affiliated with, the trademark owner: It bears on the analysis of likelihood of confusion. Plaintiff-side trademark use asks instead whether consumers are likely to understand the plaintiff's manner of using its claimed trademark as identifying any source of goods or services at all.[78]

a. Defendant-Side Trademark Use

Trademark use is more commonly invoked on the defendant side than on the plaintiff side. It has statutory grounding in certain defenses, particularly the statutory defense of descriptive fair use, which is available to defendants who use a plaintiff's trademark "otherwise than as a mark" in order to describe their own goods (such as in the "Apples" example above).[79] In those contexts, "trademark use" on the defendant side makes such statutory defenses *unavailable.*

Because of its association with such defenses, trademark use is sometimes erroneously conflated with other aspects of use that are elements of an infringement claim under the law of the various Courts of Appeals, such as "use in commerce" or "commercial use."[80] But trademark use is a distinct concept, and this error confuses the presence of an element of an affirmative defense with the absence of an element of a plaintiff's claim—an error that the Supreme Court has warned against in precisely this context.[81] A defendant might use a trademark "otherwise than as a mark" but still "commercially" (or "in commerce"), and it might use a mark at least in part expressively (or "noncommercially") but also as a mark. These two possibilities have been the source of much of the doctrinal development surrounding "trademark use" in the past two decades.

77. Jack Daniel's Props., Inc. v. VIP Prods. LLC, 599 U.S. 140, 145 (2023).

78. Despite these differences, leading trademark law commentator Professor Thomas McCarthy has opined that cases on defendant-side trademark use are relevant to determinations of plaintiff-side trademark use, and vice-versa. *See* 1 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 3:4 (5th ed. 2023) [hereinafter, 1 MCCARTHY].

79. Lanham Act § 33(b)(4), 15 U.S.C. § 1115(b)(4) (2023); *see also* Lanham Act § 43(c)(3)(A), 15 U.S.C. § 1125(c)(3)(A) (2023) (excluding certain uses "other than as a designation of source for the [defendant's] own goods or services" from dilution liability).

80. Indeed, the Second Circuit's own conflation of these issues in *1-800 Contacts, Inc. v. WhenU.Com, Inc.*, 414 F.3d 400 (2d Cir. 2005), was largely responsible for the extensive and unusual statutory interpretation analysis in *Rescuecom Corp. v. Google Inc.*, 562 F.3d 123 (2d Cir. 2009).

81. KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc., 543 U.S. 111, 120 (2004) ("[I]t would make no sense to give the defendant a defense of showing affirmatively that the plaintiff cannot succeed in proving some element [like confusion]; all the defendant needs to do is to leave the factfinder unpersuaded that the plaintiff has carried its own burden on that point.").

The first of these scenarios—use "other than as a mark" that is still "commercial," was the ground for the revived scholarly interest in the concept of "trademark use" nearly two decades ago. Scholarly proposals concerning a separate "trademark use" doctrine were prompted by judicial efforts to figure out how trademark law should apply to the internet, and particularly to the phenomenon of internet keyword advertising. This is the business model in which companies such as Google sell online advertisements whose selection and presentation is triggered by keywords input by internet users in their search queries.[82] Where the keywords sold by an internet advertising platform to an advertiser were trademarks of the advertiser's competitor, that competitor would sometimes bring suit against the advertiser or the platform under the Lanham Act, and the question arose whether either defendant had "used" the mark in a way that could constitute infringement. The courts ultimately rejected the arguments of some scholars that such advertising ought to be shielded from liability on grounds that the sale of a trademark as an advertising keyword, while a "use" of that mark "in commerce," was not a "trademark use" of the type that infringement doctrine ought to address—a use of a trademark as an indicator of the source of the good or service to which it is affixed.[83] Instead, infringement liability in such cases turns not on whether the defendant has used the plaintiff's mark "as a mark," but whether whatever use the defendant has made of the mark in commerce is likely to cause confusion.[84]

The absence of "trademark use" as an element of an infringement claim has substantial implications. It has been argued in the keyword advertising context that where a defendant is using a plaintiff's trademark otherwise than as a trademark,

82. For some key entries in this academic debate, see generally Margreth Barrett, *Internet Trademark Suits and the Demise of Trademark Use*, 39 U.C. DAVIS L. REV. 371 (2006); Mark D. Janis & Graeme B. Dinwoodie, *Confusion Over Use: Contextualism in Trademark Law*, 92 IOWA L. REV. 1597 (2007); Dogan & Lemley, *supra* note 29; Stacey L. Dogan & Mark A. Lemley, *The Trademark Use Requirement in Dilution Cases*, 24 SANTA CLARA COMPUT. & HIGH TECH. L.J. 541 (2008); Mark P. McKenna, *Trademark Use and the Problem of Source*, 2009 U. ILL. L. REV. 773 (2009).

83. *Rescuecom Corp.*, 562 F.3d at 129–30; *Network Automation, Inc. v. Advanced Sys. Concepts, Inc.*, 638 F.3d 1137, 1144–45 (9th Cir. 2011).

84. Indeed, even in the Sixth Circuit, which is the only jurisdiction that treats trademark use as a threshold issue on an infringement claim, the trademark use inquiry is essentially a form of abbreviated likelihood of confusion inquiry. As the Sixth Circuit explained in justifying its rule:

> Applying the eight factors [of the standard likelihood of confusion test] is useful to determine likelihood of confusion in typical cases . . . where there is not any question that the defendant is using the challenged mark to identify its goods. In such a case, it makes sense to consider such things as the similarity of the marks and the relatedness of the goods and services identified by those marks. . . . If defendants are only using IPC"s trademark in a "'non-trademark"' way—that is, in a way that does not identify the source of a product—then trademark infringement and false designation of origin laws do not apply.

Interactive Prods. Corp. v. a2z Mobile Office Sols., Inc., 326 F.3d 687, 695 (6th Cir. 2003). While "laws do not apply" is a shockingly sweeping statement, the beginning of this quoted passage merely explains that in the absence of trademark use, it may be unnecessary to perform the standard multifactor analysis of likelihood of confusion, because the facts are non-standard and unlikely to be consistent with such a likelihood of confusion. Indeed, the Sixth Circuit might itself be moving toward this understanding of its idiosyncratic doctrine. *See* Sazerac Brands, LLC v. Peristyle, LLC, 892 F.3d 853, 859 (6th Cir. 2018) ("The critics may have a point, but they exaggerate the consequences of our approach.").

confusion is inherently unlikely.[85] If defendant-side "trademark use" has any doctrinal relevance, then, this appears to be where it lies: in informing the analysis of likelihood of confusion. And that understanding of trademark use recently received a substantial endorsement from the Supreme Court's decision in *Jack Daniel's Properties, Inc. v. VIP Products LLC*.[86]

Jack Daniel's involves the latter of the two scenarios described above: expressive uses of a mark "as a trademark." This scenario has been the subject of several cases (including *Jack Daniel's*) involving what Stacey Dogan and Mark Lemley have referred to as "brand parodies": "parodies that serve as brands, logos, or taglines for commercial products."[87] Such defendant-side uses of trademarks generally cannot be insulated from liability by means of the "commercial use" element of an infringement claim, because they are clearly "commercial uses" insofar as they are uses "on or in connection with goods or services." Nor can they take advantage of certain statutory defenses—such as the descriptive fair use defense or the parody defense to dilution[88]—because those statutory defenses explicitly require the excused use to be "otherwise than as a mark"[89] or "other than as a designation of source for the [defendant]'s own goods or services."[90] But because they have an expressive aspect that is noncommercial in nature and that implicates First Amendment protections, such brand parodies seem to call out for different treatment than mine-run infringement cases.

In *Jack Daniel's*, the Court considered what test to use to determine whether a parody dog toy shaped like a bottle of Jack Daniel's whiskey and labeled "Bad Spaniels" constituted an infringement of the Jack Daniel's trademarks. Over the years leading up to the case, lower courts had increasingly analyzed the use of trademarks for the purpose of noncommercial expression (including but not limited to parody) using the two-step test set forth by the Second Circuit in *Rogers v. Grimaldi*.[91] In that case, the Second Circuit held that the Lanham Act:

85. 5 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS & UNFAIR COMPETITION § 25A:8 (5th ed. 2023) ("In the author's view, a computer user who sees a search engine results page and clicks on a non-deceptive advertising link resulting from a trademark keyword purchased by a competitor is not confused as to the source or affiliation of any ultimate purchase that is made from that web site." (footnote omitted); Barrett, *supra* note 82, at 430 ("[I]t is unlikely that a consumer who enters a trademark as a search term will assume that all of the websites listed in the search result page are related to the trademark owner. It is common experience that most of the results of an Internet keyword search are irrelevant."); *cf.* Multi Time Machine, Inc. v. Amazon.com, Inc., 804 F.3d 930, 937 (9th Cir. 2015) (explaining that infringement liability in the keyword advertising context depends on likelihood of confusion).

86. 599 U.S. 140 (2023).

87. Stacey L. Dogan & Mark A. Lemley, *Parody as Brand*, 47 U.C. DAVIS L. REV. 473, 484 (2013).

88. Louis Vuitton Malletier S.A. v. Haute Diggity Dog, LLC, 507 F.3d 252, 261 (4th Cir. 2007) ("The finding of a successful parody only influences the way in which the [likelihood of confusion] factors are applied."); *id.* at 266 ("Although the TDRA does provide that fair use is a complete defense and allows that a parody can be considered fair use, it does not extend the fair use defense to parodies used as a trademark.").

89. Lanham Act § 33(b)(4), 15 U.S.C. § 1115(b)(4) (2023).

90. Lanham Act § 43(c)(3)(A), 15 U.S.C. § 1125(c)(3)(A) (2023).

91. 875 F.2d 994 (2d Cir. 1989).

> should be construed to apply to artistic works only where the public interest in avoiding consumer confusion outweighs the public interest in free expression. In the context of allegedly misleading titles using a celebrity's name, that balance will normally not support application of the Act unless the title has no artistic relevance to the underlying work whatsoever, or, if it has some artistic relevance, unless the title explicitly misleads as to the source or the content of the work.[92]

Over time the *Rogers* test was extended beyond the titles of "artistic works" to their contents,[93] and beyond films to songs, videogames, works of visual art, and even greeting cards.[94] The fact that such uses might involve noncommercial expression protected by the First Amendment and the fact that they might constitute non-trademark uses has often been correlated, but this is not a necessary relation. And in *Jack Daniel's*, the Court held that where the correlation fails—where an expressive use is a *trademark use*—the *Rogers* test should not apply.[95]

Taken together, the keyword advertising cases and the *Jack Daniel's* case suggest that trademark use plays a limited role in defendant-side use. Rather than being an element of an infringement claim, its main function is as the antithesis of the "use otherwise than as a mark" that is an element of certain statutory affirmative defenses. Beyond that, at least outside of the Sixth Circuit,[96] trademark use is not an element of any claim or defense.[97] Rather, it informs the application of the test for likelihood of confusion. A non-trademark use, particularly in a context involving protected expression, may not be subject to the standard multi-factor balancing test for likelihood of confusion, while a trademark use, under *Jack Daniel's*, will be.

b. Plaintiff-Side Trademark Use

Plaintiff-side trademark use is on less obvious statutory footing, but it plays a more substantial role in the analysis of trademark rights and liabilities than it does on the defendant side. Commentators identify the plaintiff-side trademark use requirement

92. *Id.* at 999.

93. Louis Vuitton Malletier S.A. v. Warner Bros. Ent. Inc., 868 F. Supp. 2d 172 (S.D.N.Y. 2012).

94. Mattel, Inc. v. MCA Records, Inc., 296 F.3d 894 (9th Cir. 2002) (extending *Rogers* test to songs); E.S.S. Ent. 2000, Inc. v. Rock Star Videos, Inc., 547 F.3d 1095 (9th Cir. 2008) (extending *Rogers* test to videogames); Univ. of Alab. Bd. of Trs. v. New Life Art, Inc., 683 F.3d 1266 (11th Cir. 2012) (extending *Rogers* test to works of visual art); Gordon v. Drape Creative, Inc., 909 F.3d 257 (9th Cir. 2018) (extending *Rogers* test to greeting cards).

95. Jack Daniel's Props., Inc. v. VIP Prods. LLC, 599 U.S. 140, 159 (2023) (holding that for trademark uses, "the First Amendment does not demand a threshold inquiry like the *Rogers* test. When a mark is used as a mark (except, potentially, in rare situations), the likelihood-of-confusion inquiry does enough work to account for the interest in free expression.").

96. *See supra* note 84.

97. It has been argued that the *Abitron* Court's citation of Section 45's definition of "use in commerce" in connection with the test for infringement has the effect of importing that definition (including, presumably, both the "trademark use" requirement and the bona fide use requirement) into what this Article calls defendant-side use. But Professor McCarthy makes the cogent point that if this were true, the holding of *Jack Daniel's* that the *Rogers* test is inapplicable to "trademark uses" would make no sense: *Only* trademark uses would be actionable at all, and there would be no reason to distinguish them from non-trademark uses. 4 MCCARTHY, *supra* note 52, at § 29:57.

with the Lanham Act's definition of a trademark as "any word, name, symbol, or device, or any combination thereof . . . *used by a person . . . to identify and distinguish his or her goods.*"[98] In this view, for a trademark to be protectable, it must be used in a certain way: "to identify and distinguish" the claimant's goods or services.[99] Words and symbols used for other purposes or in other ways do not give rise to trademark rights.

The USPTO has enforced this understanding of plaintiff-side trademark use by refusing to register trademarks that, in its view, fail to function as trademarks because they serve other, non-source-identifying functions. The Trademark Manual of Examining Procedure ("TMEP") instructs USPTO examining attorneys that trademark use is a prerequisite for registration, and describes a number of situations in which examining attorneys may be called on to distinguish trademark uses from non-trademark uses.[100] Subject matter that serves purposes *other than* source identification—for example, decorative or ornamental subject matter, mere informational matter, or model number designations[101]—is not registrable because such subject matter is not *used as a trademark*.

The most common situation in which an application is refused registration for failure to function as a trademark is when the applicant seeks to register a slogan or meme as a trademark for apparel or similar merchandise. Such applications are fairly transparent efforts to gain a business advantage by monopolizing popular trends, jokes, or sayings, rather than to identify the source of goods or services. In such cases, the claimed subject matter fails to function as a mark because consumers are unlikely to understand the slogan or meme to be indicating the source of a product, and are instead likely to simply recognize it as a popular phrase.[102] For example, a burst of applications to register "COVID-19" and related phrases for use on apparel and other merchandise was largely disposed of via failure-to-function refusals.[103]

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98. Lanham Act § 45, 15 U.S.C. § 1127 (2023) (emphasis added).

99. 1 MCCARTHY, *supra* note 78, at § 3:1 (citation and footnote omitted); Alexandra J Roberts, *Trademark Failure to Function*, 104 IOWA L. REV. 1977, 1981–82 (2019).

100. *See* TMEP §§ 1202.01–1202.19.

101. TMEP § 1202.03 (decorative or ornamental subject matter); TMEP § 1202.04 (informational matter); TMEP § 1202.16 (model number designations).

102. TMEP §§ 1202.03(f)(i), 1202.04(b) (collecting cases).

103. Irene Calboli, *Trademarks and the COVID-19 Pandemic: An Empirical Analysis of Trademark Applications Including the Terms "COVID," "Coronavirus," "Quarantine," "Social Distancing," "Six Feet Apart," and "Shelter in Place"*, 54 AKRON L. REV. 401, 455–62 (2021). Failure-to-function refusals are also common where an application seeks to register general information about the applicant's goods or services, such as descriptive phrases or general claims of superiority. In re Boston Beer Co., 198 F.3d 1370, 1372–74 (Fed. Cir. 1999) (affirming the refusal to register "THE BEST BEER IN AMERICA" as a trademark for beer on grounds that the phrase was "so highly laudatory and descriptive of the qualities of its product that the slogan does not and could not function as a trademark to distinguish Boston Beer's goods and serve as an indication of origin."); In re TracFone Wireless, Inc., 2019 U.S.P.Q.2d 222983, at *3 (T.T.A.B 2019) (precedential) (affirming the refusal to register "UNLIMITED CARRYOVER" as a trademark for wireless cellular services because it "simply provides information about the services."). For this subset of refusals to register, as Professor Alexandra Roberts has argued, failure-to-function analysis overlaps substantially (but not entirely) with inherent distinctiveness analysis. *See* Roberts, *supra* note 99, at 2024–43; *see also* Lucas Daniel Cuatrecasas, Note, *Failure to Function and Trademark Law's Outermost Bound*, 96 N.Y.U. L. REV. 1312 (2021) (critiquing failure to function doctrine on this ground).

This reasoning is curious, and it bears further comment, as it underlies the central theoretical tension that this Article is working to expose. That is: Failure-to-function doctrine purports to determine how a trademark claimant has *used* a trademark by looking at how that trademark will be *perceived* by consumers. Unless there is always perfect correspondence between the purpose with which an act is undertaken and the effect that act has in the world, this is fallacious reasoning. The general policy of denying exclusive rights to parties who wish to monopolize trends in popular culture may be sound enough, but the means of achieving that end reflects a lack of clarity—even an internal contradiction—regarding the doctrinal implementation of that policy. That implementation assumes a correspondence of understanding between speakers and audience—between trademark applicants and consumers—that is often lacking. I will return to this contradiction in Part III. Before doing so, there is one final aspect of "use" in trademark law that remains to be discussed.

4. Use in Commerce Subject to the Control of Congress; Territoriality

The final aspect of use in trademark law is of constitutional and jurisdictional dimensions. As explained above, the *Trade-Mark Cases* limit federal jurisdiction over trademarks to regulation of trademarks in commerce subject to the control of Congress. And the requirement of use "in commerce," combined with the definition of "commerce" in the Lanham Act that implements this constitutional limitation, means that there will be some uses of trademarks that might otherwise constitute "use in commerce" under the statutory definition in Section 45 that will fail to do so because they fall outside of the sphere of commerce that Congress is empowered to regulate. Since the broad expansion of the Commerce Power in the 20th century, this limitation is not commonly invoked for domestic uses of trademarks, and when invoked is typically found satisfied.[104] But it does from time to time meaningfully affect outcomes in trademark cases in circumstances involving foreign and cross-border activities, such as the activities that were at issue in last term's *Abitron* case. In such cases, the limits of Congress's power to regulate commerce may overlap or interact with general principles of territoriality, international comity, and choice of law. This has led to some asymmetry between the plaintiff-side and defendant-side versions of use in commerce subject to the control of Congress as the Supreme Court's general extraterritoriality jurisprudence has evolved.

On the plaintiff side, federal authorities have been relatively permissive in allowing uses of trademarks outside of the territorial jurisdiction of the United States to give rise to rights enforceable within the United States. Though there are some limits to this permissiveness—prior adoption of a mark overseas will not suffice to displace a mark

104. *See, e.g.*, Patsy's Italian Rest. v. Banas, 658 F.3d 254, 268 (2d Cir. 2011) ("The provision of services to interstate customers is sufficient to show that the services were rendered in commerce.") (citing Larry Harmon Pictures Corp. v. Williams Rest. Corp., 929 F.2d 662, 666 (Fed. Cir. 1991) ("The record here established that the BOZO'S mark has been used in connection with services rendered to customers traveling across state boundaries. It is not required that such services be rendered in more than one state to satisfy the use in commerce requirement.")).

already actively used in the United States by another[105]—foreign uses of a trademark can sometimes give the foreign user a right to prevent registration or use of the mark by others in the United States. For example, the Fourth Circuit has held that a foreign trademark owner's rendering of services under their mark to American citizens abroad constitutes use "in commerce" subject to the jurisdiction of Congress that can give rise to trademark rights in the United States.[106]

Even in the absence of such direct evidence of transactions between foreign sellers and American buyers, domestic rights may arise out of foreign use of a trademark under the "well-known marks doctrine" of international trademark law.[107] This doctrine allows foreign users of a trademark to prevent others from using or registering that trademark in the United States, if their foreign use is sufficiently notorious to persons in the United States as to give rise to a reputation among American consumers. The exact mechanism for the assertion of this right, and the exact criteria for establishing it, vary somewhat from circuit to circuit. But in general, if a mark has a sufficiently measurable reputation among American consumers, even if that reputation depends entirely on use of the mark overseas, that reputation can give rise to a right to prevent others from using the mark in the United States.[108]

On the defendant side, long-settled principles of use in commerce have recently been upended by the Supreme Court's overhaul of its extraterritoriality jurisprudence. For decades, Supreme Court precedent had allowed a defendant's use of a trademark outside the United States to satisfy the "use in commerce" element of an infringement claim if that use had sufficient effects on consumers within the United States—particularly if it were likely to confuse consumers in the United States.[109] In *Abitron Austria GmbH v. Hetronic International, Inc.,* the Supreme Court all but overruled that precedent, holding that use of a mark overseas is not actionable as infringement under the Lanham Act.[110] *Abitron* is not a constitutional opinion. It does not hold that it is beyond Congress's power to impose liability on extraterritorial uses of trademarks; only that the Lanham Act does not purport to exercise such power when construed under a presumption against extraterritoriality. Under such a construction, in the view of the *Abitron* majority, the Lanham Act only applies to domestic conduct relevant to its

105. *See* Person's Co., Ltd. v. Christman, 900 F.2d 1565, 1568–69 (Fed. Cir. 1990).

106. Int'l Bancorp, LLC v. Societe des Bains de Mer et du Cercle des Estrangers a Monaco, 329 F.3d 359, 364–67 (4th Cir. 2003).

107. TRIPS Agreement, *supra* note 14, art. 16 ¶ 2.

108. ITC Ltd. v. Punchgini, Inc., 518 F.3d 159, 160–61 (2d Cir. 2008); Grupo Gigante SA De CV v. Dallo & Co., Inc., 391 F.3d 1088, 1094–98 (9th Cir. 2004). The Fourth Circuit has gone so far as to hold that use in commerce subject to the control of Congress is not a requirement of a claim for unfair competition under Section 43(a) of the Lanham Act. Belmora LLC v. Bayer Consumer Care AG, 819 F.3d 697, 705–10 (4th Cir. 2016).

109. Steele v. Bulova Watch Co., 344 U.S. 280 (1952) (allowing an injunction against an American citizen who manufactured and sold watches under the BULOVA mark in Mexico, advertised the watches in both Mexico and the United States, and generated confusion among consumers in Texas).

110. Abitron Austria GmbH v. Hetronic Int'l, Inc., 600 U.S. 412, 421–23 (2023).

focus—i.e., only to *domestic* "uses in commerce" that cause confusion in the United States.[111]

The majority's reasoning in *Abitron* drew disagreement from Justice Sotomayor, supported by three other justices. Concurring in the Court's judgment, she argued that the focus of the Lanham Act is on preventing confusion of consumers in the United States, and that the Court's extraterritoriality jurisprudence, properly read, allowed the imposition of liability against foreign conduct that sufficiently implicated that concern.[112] In this disagreement, as in the context of "trademark use," we see the shadow of a deeper theoretical disagreement: not over extraterritoriality, but over the role of consumers in trademark law. The majority's focus on the *actions of the defendant* mirrors the focus in plaintiff-side trademark use doctrine on the *use by the trademark claimant*. It suggests that the key facts to a trademark dispute are to be found in the conduct of one of the parties to that dispute; that the *effects* of that conduct are secondary. Justice Sotomayor's focus on the confusion of domestic consumers suggests a different concern: a concern over the consumer experience. It is possible to dismiss this difference as a difference between, say, textualism and purposivism in statutory interpretation. But it is also possible to see this doctrinal disagreement as a deeper theoretical problem particular to trademark law. It is possible to treat this difference—as I will argue Justice Jackson's concurrence in *Abitron* treats it—as a question of *secondary responsibility*. That is, it is possible to see a focus on consumers not only as a concern over the effects of the parties' conduct, but as an inquiry into the scope of conduct that the parties themselves may be held legally responsible for. To explore that distinction further, it will be necessary to dig a bit deeper into the principles of secondary responsibility in trademark law.

II. SECONDARY RESPONSIBILITY

A. DEFENDANT-SIDE SECONDARY RESPONSIBILITY

Secondary liability has long been a doctrinal vehicle to allow for a finding of trademark infringement against a party who did not themselves use a trademark, by imputing to such party legal responsibility for the use of the trademark by another.[113] Secondary trademark infringement liability, like secondary liability in other areas of intellectual property, follows general principles of tort law. As the Supreme Court explained in *Inwood Laboratories, Inc. v. Ives Laboratories, Inc.*:

> [L]iability for trademark infringement can extend beyond those who actually mislabel goods with the mark of another. Even if a manufacturer does not directly control others in the chain of distribution, it can be held responsible for their infringing activities under

111. *Id.* at 423 ("Because Congress has premised liability on a specific action (a particular sort of use in commerce), that specific action would be the conduct relevant to any focus [of the statute].").

112. *Id.* at 435–44 (Sotomayor, J., concurring in the judgment).

113. *See* Dogan & Lemley, *supra* note 29, at 1679–81 (reviewing the origins of contributory trademark infringement liability).

> certain circumstances. Thus, if a manufacturer or distributor intentionally induces another to infringe a trademark, or if it continues to supply its product to one whom it knows or has reason to know is engaging in trademark infringement, the manufacturer or distributor is contributorially responsible for any harm done as a result of the deceit.[114]

Secondary liability generally depends on holding the defendant responsible for the infringing acts of another.[115] Such secondary responsibility for the acts of another arises most often in trademark law in cases where one party affixes a mark to goods that another party had previously placed in the stream of commerce; in such cases the latter party is held to be contributorially liable for the former party's direct infringement. *Inwood Labs* and the case it principally relied on, *William R. Warner & Co. v. Eli Lilly & Co.*,[116] both involved such a division of the acts constituting infringement between a distributor and a retailer. In both cases the distributor—a competitor of the trademark owner—provided its products to the retailer—a pharmacist—and encouraged the pharmacist to mislabel the products with, or sell the products under, the plaintiff's trademark. While the pharmacists could surely have been held liable for trademark infringement on such facts, the question in both cases was whether the *distributor* could be held liable for its *customers'* infringement, and the answer in both cases was yes. The key factor in both cases was the state of mind of the distributor: their intentional encouragement of, or knowing contribution to, the infringing conduct of their customer. Where such a state of mind is present, the fact that the distributor did not themselves "use" the plaintiff's trademark does not avoid liability: The distributor can be held legally responsible for the "use" of the mark by their customer.

But secondary responsibility need not only be a vehicle for *imposing* liability on the defendant side; it could also be a vehicle for *avoiding* liability. Though it is not commonly understood as a secondary responsibility doctrine, trademark law's first-sale doctrine shares certain structural features with its secondary liability doctrines. The first-sale doctrine provides that once a trademark owner has authorized the sale of an article bearing that trademark, their trademark rights in that particular article are

114. Inwood Labs., Inc. v. Ives Labs., Inc., 456 U.S. 844, 855 (1982). Copyright and patent law have similar doctrines; copyright's being judicially created, and patent law's being statutory. *See* Metro-Goldwyn-Mayer Studios Inc. v. Grokster, Ltd., 545 U.S. 913, 930–36 (2005) (setting forth copyright law's principles of secondary liability); 35 U.S.C. § 271(b)–(c) (2023) (codifying patent law's rules of secondary liability).

115. To be perfectly precise, "vicarious" liability typically involves liability of a principal for the acts of their agent, or more generally the liability of one person for the acts of another that they benefited from and had the right to control, while the liability of a defendant for facilitating a tortious course of conduct completed by a party who is not subject to the defendant's control is more appropriately described as "contributory" liability—though the distinction is not always clear or clearly applied. *Cf.* Perfect 10, Inc. v. Amazon.com, Inc., 508 F.3d 1146, 1175 (9th Cir. 2007) ("Although the lines between direct infringement, contributory infringement, and vicarious liability are not clearly drawn, in general, contributory liability is based on the defendant's failure to stop its own actions which facilitate third-party infringement, while vicarious liability is based on the defendant's failure to cause a third party to stop its directly infringing activities.") (internal quotation marks and citation omitted); Leonard v. Stemtech Int'l Inc., 834 F.3d 376, 388 (3d Cir. 2016) ("To establish vicarious infringement, a plaintiff must prove that the defendant had (1) the right and ability to supervise or control the infringing activity; and (2) a direct financial interest in such activities.").

116. 265 U.S. 526 (1924).

exhausted. This means that the article can in most circumstances be re-sold by its owner without incurring liability for trademark infringement.[117] The doctrine has long been justified by arguments regarding the free alienability of personal property, the common-law's antipathy toward servitudes in chattels, and the freedom to convey accurate information in the marketplace.[118] But it is also possible to understand it formalistically as a case of defendant-side secondary responsibility. Under such an understanding, the trademark owner may be deemed secondarily responsible for the resale of its own goods by the defendant in the secondary market, by virtue of having authorized the sale of the goods to the defendant in the primary market.

The analogy is not exact: A defendant's generalized knowledge that some of its customers *may* commit direct infringement is generally insufficient to support contributory liability against that defendant; more specific knowledge of actual infringing activity—or willful blindness toward such activity—is required.[119] We might therefore expect that first-sale doctrine would only excuse liability where the trademark owner authorized the sale of an article knowing or having reason to know that the *particular purchaser* of that article would eventually resell it. But a difference in the background entitlements of the parties may account for this difference in the degree of knowledge required to assign secondary responsibility between the two cases. Because all property owners have the power to alienate their property, all purchases of branded goods should be understood by the seller to entail the power to resell them, and so all sales of such branded goods might be understood to imply the seller's intention to grant that power to the purchaser. Such an expectation does not apply in the context of contributory infringement, insofar as the background legal framework does *not* entail a right to affix someone else's mark to your products without their consent. So, for example, the wholesaler of a generic drug might not ordinarily expect its retail purchasers to mislabel the drug with a competitor's brand name, but the manufacturer of a new car might ordinarily expect the purchaser of that car to eventually resell it without *removing* the brand name.[120]

This move—which satisfies the traditional knowledge and intent requirements of secondary responsibility doctrines by reference to the intent implied by background legal entitlements and principles rather than by reference to any analysis of the

117. Champion Spark Plug Co. v. Sanders, 331 U.S. 125, 128–29 (1947); Prestonettes, Inc., v. Coty, 264 U.S. 359, 368–69 (1924).

118. *Coty*, 264 U.S. at 368 ("The defendant of course by virtue of its ownership had a right to compound or change what it bought, to divide either the original or the modified product, and to sell it so divided. . . . Then what new rights does the trade-mark confer? It does not confer a right to prohibit the use of the word or words. . . . When the mark is used in a way that does not deceive the public we see no such sanctity in the word as to prevent its being used to tell the truth. It is not taboo."); *see generally* Molly Shaffer Van Houweling, *The New Servitudes*, 96 GEO. L.J. 885 (2008) (charting the free alienability arguments in favor of first-sale doctrines in copyright law and against enforcement of post-sale license restrictions); *Sanders*, 331 U.S. 125 at 128–30.

119. Tiffany (NJ) Inc. v. eBay Inc., 600 F.3d 93, 108–09 (2d Cir. 2010).

120. *Sanders*, 331 U.S. at 129 ("[W]e would not suppose that one could be enjoined from selling a car whose valves had been reground and whose piston rings had been replaced unless he removed the name Ford or Chevrolet.").

subjective state of mind of the affected agent—is admittedly a novel one. It potentially expands the boundaries of secondary responsibility. And it does so in a way that invites accusations of circularity: if we infer constructive knowledge and intent from background legal rules, then secondary responsibility is more a function of those background rules than it is a function of any analysis of an agent's legal or moral responsibility. This is a cogent objection to the move, and offers a plausible basis for rejecting secondary responsibility as a justification for trademark doctrines outside of traditional contributory liability. But as I will argue in the next Part, accepting the move—even if only for the sake of argument—offers some surprising implications regarding various trademark doctrines that have struggled to coherently justify themselves. Before examining those implications, plaintiff-side examples of secondary responsibility in trademark law bear investigating.

B. PLAINTIFF-SIDE SECONDARY RESPONSIBILITY

The foregoing examples of secondary responsibility involve what this Article has referred to as defendant-side use. But they suggest an intriguing question: Might there be such a thing as secondary responsibility for another's use on the *plaintiff* side? There is one area where the answer to this question is clearly yes: Use *by the public* can be ascribed to trademark claimants, for good or for ill. Specifically, uses of a term (such as a nickname) by members of the consuming public to refer to a trademark owner can afford the trademark owner rights in that term even if the owner themselves has never used it on their goods or services. Conversely, uses of a trademark by members of the consuming public as a generic term can cause the trademark owner to *lose* rights in that trademark. In both instances, we are faced with the same theoretical question that cropped up at various points in the previous Part: Are these doctrines merely relying on consumer *beliefs* as evidence of a party's *conduct*? Or are they rather ascribing legal *responsibility* for consumer *conduct* to the parties themselves?

With respect to the first type of public use, the second view seems more likely. A line of cases holds that use of a nickname or abbreviation by the public alone, without any evidence of use by the trademark owner, can create trademark rights in the nickname.[121] These user-generated trademark rights include "Coke" for Coca-Cola, "AmEx" for American Express, and "Big Blue" for IBM.[122] The Federal Circuit has used the language of secondary responsibility in describing the basis for these trademark rights:

> [E]ven without use directly by the claimant of the rights, the courts and the [Trademark Trials and Appeals] Board generally have recognized that abbreviations and nicknames of trademarks or names used only by the public give rise to protectable rights in the owners

121. For a fuller discussion of this line of cases, see generally Peter M. Brody, *What's In a Nickname — Or, Can Public Use Create Private Rights*, 95 TRADEMARK REP. 1123 (2005).

122. Coca-Cola Co. v. Busch, 44 F. Supp. 405, 410, 52 U.S.P.Q. 377 (D. Pa. 1942); Am. Stock Exchange, Inc. v. Am. Express Co., 207 U.S.P.Q. 356 (T.T.A.B. 1980); Big Blue Prods., Inc. v. Int'l Business Machines Corp., 19 U.S.P.Q.2d 1072 (T.T.A.B. 1991).

> of the trade name or mark which the public modified. Such public use by others inures to the claimant's benefit and, where this occurs, public use can reasonably be deemed use "by" that party in the sense of a use on its behalf.[123]

Thus it seems that plaintiff-side secondary responsibility is possible: Trademark owners can claim the legal benefit of uses of trademarks by the public.

But turnabout is fair play: trademark owners are also *chargeable with* acts by the public that are *against* the trademark owner's interests. This possibility arises most commonly in the context of "genericide": the scenario in which the public comes to use a trademark as the generic name for the category of product made by the trademark owner. Such generic terms, which "refer[], or ha[ve] come to be understood as referring, to the genus of which the particular product is a species," are ineligible for trademark protection as a matter of law.[124] Examples of former trademarks that have become generic include "Aspirin," "Cellophane," and "Murphy Bed."[125] In such cases, the loss of trademark rights is framed as an abandonment, which occurs "[w]hen any course of conduct of the owner, including acts of omission as well as commission, causes the mark to become the generic name for the goods or services on or in connection with which it is used or otherwise to lose its significance as a mark."[126] Here again, we see the question raised as to whether we are to understand consumer beliefs as *evidence* of a party's conduct, or rather whether the party is being held legally *responsible* for the conduct of consumers.

The Lanham Act's above-quoted definition of abandonment, on which genericide doctrine depends, refers to "acts of omission . . . [or] [of] commission, [that] cause[] the mark to become . . . generic." This language, as applied in the genericide context, seems susceptible to two interpretations. In one view—turning on acts of commission—genericide is a result of overzealous and incautious advertising by the trademark owner: "[A] suggestive or fanciful term [may] become generic as a result of a manufacturer's own advertising efforts."[127] In this view, consumer use is merely *evidence* of incautious advertising by the trademark owner, which implicitly must have used the trademark in a generic sense. But another view—one which turns on acts of omission—seems to blame the trademark owner for the fact that consumers believe their former trademark is a generic term, as if the trademark owners had the authority to prevent such uses but failed to exercise that authority. The most common argument in this vein is that adequate policing and enforcement by trademark owners could

123. Nat'l Cable Television Ass'n, Inc. v. Am. Cinema Eds., Inc., 937 F.2d 1572, 1577–78 (Fed. Cir. 1991).

124. Abercrombie & Fitch Co. v. Hunting World, Inc., 537 F.2d 4 (2d Cir. 1976). *See also id.* at 9 ("[N]o matter how much money and effort the user of a generic term has poured into promoting the sale of its merchandise and what success it has achieved in securing public identification, it cannot deprive competing manufacturers of the product of the right to call an article by its name.").

125. Bayer Co. v. United Drug Co., 272 F. 505 (S.D.N.Y. 1921); DuPont Cellophane Co. v. Waxed Prods. Co., 85 F.2d 75 (1936); Murphy Door Bed Co., Inc. v. Interior Sleep Sys., Inc., 874 F.2d 95 (2d Cir. 1989).

126. Lanham Act § 45, 15 U.S.C. § 1127 (2023).

127. *Abercrombie & Fitch*, 537 F.2d at 10.

prevent such generic consumer uses of the mark from being made.[128] But even where such enforcement has been undertaken, a trademark owner may still suffer genericide—a particular danger with unique, market-leading, category-defining products. As the Second Circuit said in holding "Murphy Bed" to be a generic term: "[W]hen, as here, the mark has 'entered the public domain beyond recall,' *policing is of no consequence* to a resolution of whether a mark is generic."[129] Insofar as it is not clear how any enforcement activity—any act at all—by the Murphy Door Bed Company might have compelled the public to refrain from using its trademark as a generic term, genericide doctrine seems once again to suggest that consumer behavior, rather than being *evidence* of some failure on the part of the trademark owner, is instead being attributed to trademark holders as a matter of secondary responsibility, and that this responsibility cannot be effectively disclaimed by the mark owner itself. That is to say: If consumers are using a term in a generic sense, the law will interpret uses of that term by a trademark claimant as subject to the meaning implicit in the public's use: it will treat the trademark claimant as if the public's use of the term is incorporated into the claimant's own use.

These examples of plaintiff-side secondary responsibility may not be precise mirror-images of the examples of defendant-side secondary responsibility reviewed above. In particular, as with first-sale doctrine, they make no reference to the intent and knowledge elements that are central to secondary liability in trademark law. This does not mean that such knowledge and intent are irrelevant to plaintiff-side secondary responsibility; it may just be that in these examples they are uncontroversially present. It is difficult, for example, to imagine that a trademark owner could claim the benefit of public use of a nickname for their brand without being aware of that use or without intending to adopt it for the mark owner's benefit. Similarly, to the extent that genericide depends on the mark owner's secondary responsibility for tolerating or even encouraging members of the public using its mark in a generic sense, the very idea of toleration or encouragement presupposes knowledge of such public use and implies the intent that it continue. So even though these plaintiff-side doctrines do not explicitly incorporate the knowledge and intent aspects of secondary responsibility, they likely do so implicitly.

128. 2 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS & UNFAIR COMPETITION § 12:29 (5th ed. 2023) [hereinafter, 2 MCCARTHY].

129. *Murphy Door Bed Co.*, 874 F.2d at 101 (emphasis added) (quoting King-Seeley Thermos Co. v. Aladdin Indus., Inc., 321 F.2d 577 (2d Cir. 1963) (holding "Thermos" to have become generic)). Professor McCarthy suggests that this language in *Murphy* merely refers to policing efforts made *after* a mark has already become generic. 2 MCCARTHY, *supra* note 128, at § 12:29 & n.9. But the district court opinion in the case suggests that competitors did not use the name "Murphy" on their competing products until shortly before the case arose, and that Murphy took enforcement action against the only competitor who did so. *Murphy Door Bed Co.*, 687 F. Supp. at 761.

C. SECONDARY RESPONSIBILITY AND FLAVORS OF USE

Similarly, the examples reviewed above of secondary responsibility for the use of trademarks by others—on both the plaintiff's and defendant's side—do not explicitly distinguish among the various meanings of "use" catalogued in Section I.B of this Article. But again, this may not mean that such distinctions are irrelevant; it may simply reflect the fact that such distinctions are not generally implicated in the various examples. When a generic drug manufacturer induces a pharmacist to mislabel their drug with a competitor's brand name, there is not much question that the pharmacist's actions constitute a "commercial" use "on or in connection with" that product, and that it has been used in commerce subject to the territorial jurisdiction and constitutional authority of Congress; for good measure we could also point out that the pharmacist has affixed the mark to the product and that this constitutes a "trademark use" intended to (falsely) indicate the source of the product. When a consumer orders a "Coke," there is no question that they are making a "trademark use" of the term to identify the source of a product that they wish to purchase, that they are not doing so "merely to reserve rights in a mark," and that those goods to which the mark is being applied are being sold or offered for sale in commerce subject to the control of Congress. But we could imagine scenarios where one or another of these forms of use were not present in the conduct for which a trademark plaintiff or defendant was being held secondarily responsible. In such circumstances, we might ask whether the plaintiff's or defendant's *direct* conduct might supply those aspects of use absent from the *secondary* conduct being attributed to them as a matter of legal responsibility. As I will argue in the next part, it is possible to understand a number of trademark doctrines as examples of such a combination of primary and secondary responsibility, though they are not explicitly conceived of in this way. These doctrines raise the possibility of a new overarching category of trademark use: *divided use*.

III. DIVIDED USE SCENARIOS

Based on the discussion in Section I.B, we can identify various aspects of "use" that are relevant to determining trademark rights and infringement liability. On the plaintiff side, a plaintiff seeking to establish trademark rights will have to establish: (1) bona fide use; (2) affixation and entry into commerce; (3) trademark use; and (4) use in commerce subject to the control of Congress. On the defendant side, in order to establish liability for trademark infringement, a plaintiff will have to show that the defendant: (1) made a commercial use of the mark; (2) in commerce subject to the jurisdiction of Congress; and (3) within the territorial jurisdiction of the United States, all in a manner that creates a likelihood of confusion. Liability apparently does not require a showing that the defendant engaged in bona fide use or trademark use (unless the majority's reference to "use in commerce" in *Abitron* overruled many years' worth of lower court precedent without saying it was doing so), though a showing of *non*-trademark use may qualify the defendant for a statutory defense to liability, and may

afford the defendant a more permissive standard for likelihood of confusion (as implied by *Jack Daniel's*).

The primary concern of this Part is the possibility that these various aspects of use may be *divided* between primary and secondary actors. In such situations, one party may engage in some aspects of use necessary to a claim, but not others. Rather than defeating the claim, however, this division of the various aspects of use may instead simply require the claimant to identify use by *other* parties—or even by members of the public—that could plausibly be ascribed as a matter of legal responsibility to the party whose use is in some way incomplete. In such scenarios, we might expect courts to allow the claim, substituting secondary responsibility for actual use. Where the secondary use is a use by the public, as we have seen, it can be especially difficult to distinguish between a doctrine that ascribes the public's use to a party as a matter of secondary responsibility, and one that merely treats the public's behavior as *evidence* of that party's own conduct or intentions. This is a serious theoretical challenge to trademark law, particularly if one views the knowledge and intent elements of secondary liability on the defendant side as applicable to secondary responsibility on the plaintiff side. A review of various scenarios that have traditionally *not* been conceived of in terms of divided use can help illustrate the theoretical challenge those scenarios pose. What this review reveals is that a number of trademark doctrines—including some that have been the subject of theoretical criticism—are surprisingly easy to recast in terms of divided use. Whether recasting them in this way rehabilitates them against the criticism they have suffered may in turn depend on whether the secondary actor's knowledge and intent is an element of each doctrine, and what type of showing will be necessary to satisfy that element if indeed it applies. This Section explores these questions through three examples of divided use: cross-border uses (in which one party engages in some aspect of use outside the United States and another engages in some other aspect of use inside the United States, as in Justice Jackson's *Abitron* concurrence); post-sale confusion liability (in which a non-confused purchaser buys a knockoff product and consumes it in the view of a confused audience); and expressive uses (in which a trademark is used in a way that might be intended to express a non-trademark message but might be perceived as a trademark, or vice versa).

A. CROSS-BORDER DIVIDED USE

We can begin with a scenario proposed by Justice Jackson in her *Abitron* concurrence. The scenario is worth quoting at length:

> Imagine that a German company begins making and selling handbags in Germany marked "Coache" (the owner's family name). Next, imagine that American students buy the bags while on spring break overseas, and upon their return home employ those bags to carry personal items. Imagine finally that a representative of Coach (the United States company) sees the students with the bags and persuades Coach to sue the German company for Lanham Act infringement, fearing that the "Coache" mark will cause consumer confusion. Absent additional facts, such a claim seeks an impermissibly extraterritorial application of the Act. The mark affixed to the students' bags is not being "use[d] in commerce"

> domestically as the Act understands that phrase: to serve a source-identifying function "in the ordinary course of trade," § 1127.
>
> Now change the facts in just one respect: The American students tire of the bags six weeks after returning home, and resell them in this country, confusing consumers and damaging Coach's brand. Now, the marked bags are in domestic commerce; the marks that the German company affixed to them overseas continue "to identify and distinguish" the goods from others in the (now domestic) marketplace and to "indicate the source of the goods." Ibid. So the German company continues to "use [the mark] in commerce" within the meaning of the Act, thus triggering potential liability under § 1114(1)(a) and § 1125(a)(1).
>
> In brief, once the marks on its bags are serving their core source-identifying function in commerce in the United States, this German company is doing—domestically—exactly what Congress sought to proscribe. Accordingly, the German company may be subject to liability for this domestic conduct—i.e., it cannot successfully obtain dismissal of the lawsuit on extraterritoriality grounds—even though it never sold the bags in, or directly into, the United States.[130]

Here, Justice Jackson has offered a vision of divided use that leans heavily on secondary responsibility without saying so. In her second hypothetical in particular, the German company has *itself* made a commercial use of the mark, in commerce subject to the *constitutional* jurisdiction of Congress (the foreign company sold its goods to American citizens, and thus in foreign trade subject to Congress's jurisdiction under the Commerce Clause[131]), but did not *itself* use the mark in commerce subject to the direct *territorial* jurisdiction of the United States. Justice Jackson's solution is, apparently, to ascribe the actions of the German company's *customers* to that company. Justice Jackson's finding of territorial jurisdiction requires us to treat the resale of the bags within the *territorial* jurisdiction of the United States by the German company's *American customers* as part of the activity *of the German company itself*. That is, she would hold the company liable *based on the acts of its customers* (though somewhat confusingly describing these as acts of the company itself).

No other member of the Court joined Justice Jackson's opinion in *Abitron*. And without adding facts to her hypothetical, it is not clear that her novel solution to the extraterritoriality puzzle squares with the principles of secondary liability discussed in the previous Part. The hypothetical is silent as to the knowledge and intent element of secondary responsibility. And importantly, it is not necessarily a background right of a purchaser of products lawfully sold *abroad* to import and resell them in the United States. In particular, because trademark and other intellectual property rights are territorial—created by and subject to the law of the territory in which they are

130. Abitron Austria GmbH v. Hetronic Int'l, Inc., 600 U.S. 412, 430–32 (2023) (Jackson, J., concurring).

131. *See* Int'l Bancorp, LLC v. Societe des Bains de Mer et du Cercle des Estrangers a Monaco, 329 F.3d 359, 365–66 (4th Cir. 2003) (holding that rendering services to United States citizens abroad constitutes use in commerce subject to Congress's jurisdiction under the Commerce Clause).

asserted[132]—it is perfectly plausible for one party to own rights to a trademark in one country, and a different party to own rights to the same trademark in another country. Thus, holding the foreign seller secondarily responsible for acts of importation and sale in the U.S. by its customers would seem to require some specific knowledge and intent on the part of the foreign seller. If—but only if—it could be shown that the German company either *induced* its American customers to bring the bags back to the United States for resale, or sold the bags to them *knowing* that this was their intent, then secondary liability would almost certainly apply, provided that the activities of the American purchasers were sufficient to bring the foreign conduct of the German company within the ambit of the statute's "focus" under the Court's evolving extraterritoriality jurisprudence.

This problem is the mirror-image of one that has been previously addressed in patent law. Clever schemes to circumvent direct or secondary infringement liability by dividing activities across borders, combined with a Supreme Court opinion construing the patent infringement statute to exclude foreign activities undertaken in such schemes, led Congress to explicitly codify a form of liability that captures (at least some) cross-border conduct.[133] Trademark law, however, has no such statute. And even if it did, it would almost certainly incorporate the knowledge and intent elements of secondary liability in tort law that Justice Jackson's hypothetical ignores—as the Patent Act's divided infringement statute does.[134] And in the absence of the secondary responsibility on which her hypothetical seemingly depends, Justice Jackson's solution to the problem of divided use seems untenable.

To capture the conduct of the German company in her hypothetical where the company neither knew nor intended that its American customers would resell its goods in the United States, one would instead have to adopt Justice Sotomayor's approach. That is, rather than seeking to hold the German company secondarily responsible for their customer's resale of the company's products in the United States, one would do better to recognize that the German company engaged in use subject to the control of Congress by selling products to *American citizens*, and then simply ask whether that use generated harm in the United States in the form of likelihood of confusion. In this framing of the issue, again, it is not the German company's responsibility for the acts of others that determines their liability, but rather the *effects* of their actions on the beliefs of consumers in the United States. Resale by the company's American customers,

132. Fuji Photo Film Co. v. Shinohara Shoji Kabushiki Kaisha, 754 F.2d 591, 599 (5th Cir. 1985) ("The concept of territoriality is basic to trademark law; trademark rights exist in each country solely according to that country's statutory scheme.") (footnote omitted).

133. Deepsouth Packing Co. v. Laitram Corp., 406 U.S. 518 (1972) (holding that manufacturing and selling the components of a machine subject to a United States patent in the United States and shipping the components abroad for final assembly did not infringe the patent because the patented invention was only "made" and "used" outside the territorial jurisdiction of the United States), *superseded by statute*, Patent Law Amendment Act of 1984, Pub. L. No. 98-622, 98 Stat. 3383 (codified as amended at 35 U.S.C. § 271(f)); *see generally* Lemley et al., *supra* note 12.

134. *See* 35 U.S.C. § 271(f) (requiring either "actively induc[ing]" another's acts of infringement or "knowing that [a] component . . . will be combined outside of the United States in a manner that would infringe" as elements of cross-border divided infringement claims).

in this view, is merely additional *evidence of the harm* caused by the German company's own acts, rather than conduct legally attributable to the company as a matter of secondary responsibility.

In attempting to determine which view of third-party uses we ought to adopt—the evidentiary view or the secondary responsibility view—the example of cross-border divided use thus demonstrates deep disagreement, at least among the members of the Supreme Court. Other examples, however, may be less theoretically ambivalent.

B. POST-SALE CONFUSION

Post-sale confusion is a theory of infringement liability primarily applied to knockoff luxury or status goods bearing a well-known trademark or mimicking a well-known trade dress.[135] In post-sale confusion cases, the defendant sells such a knockoff to a knowing, willing, *non-confused* purchaser—a purchaser who understands that the product they are buying is not sourced from or authorized by the owner of the trademark affixed to it. Because likelihood of confusion is an element of infringement, and because knowing purchasers of knockoffs are concededly not confused about what they are buying, some other type or locus of confusion must be identified if the sellers of knockoff goods are to be held liable for infringement. The lower federal courts have identified several candidates, all of them arising from the *non-confused purchaser's* subsequent use of the knockoff product. The purchaser might re-sell the knockoff, passing it off as genuine to a confused secondary purchaser;[136] or they might use the knockoff in view of potential purchasers of the genuine article who might mistake it for a genuine branded product and draw mistaken inferences about the quality of such genuine products;[137] or they might use the knockoff in view of a social audience in a way that leads that audience to afford the purchaser the social status of having purchased the genuine branded product, without regard to any beliefs about the qualities or characteristics of the products themselves.[138] In each of these scenarios, a potential objection to liability arises because, unlike in any other form of trademark infringement liability, the defendant has admittedly not confused *anybody:* their customers know full well what they are getting and are grateful for the opportunity. It is thus difficult to identify a harm caused by the *defendant's own conduct* that trademark law might seek to remedy.

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135. I have previously written about this theory of confusion at some length. *See generally* Jeremy N. Sheff, *Veblen Brands*, 96 MINN. L. REV. 769 (2011); Jeremy N. Sheff, *Misappropriation-Based Trademark Liability in Comparative Perspective*, *in* THE CAMBRIDGE HANDBOOK OF INTERNATIONAL AND COMPARATIVE TRADEMARK LAW 452 (Irene Calboli & Jane C. Ginsburg eds., 2020).

136. I have referred to this scenario as "downstream confusion," and argued that it would be better analyzed under the first-sale doctrine or contributory infringement doctrine. *Veblen Brands*, *supra* note 135, at 785–90.

137. I have referred to this scenario as "bystander confusion." *Id.* at 778–85.

138. I have referred to this scenario as "status confusion." *Id.* at 790–94. I have argued that it is particularly problematic within trademark law's dominant theoretical framework because, "whereas the economic theory of trademarks is directed at the flow of information about products, status confusion doctrine is directed at the flow of information about people." *Id.* at 776.

The divided-use framework, however, offers a potential solution to this theoretical problem. It should be apparent that status confusion scenarios are structurally quite similar to the secondary responsibility scenarios that have been the primary concern of this Article. However, unlike the previously identified examples of secondary responsibility (particularly those involving contributory infringement and secondary-market sales), the two actors in status confusion cases do *not* both engage in all the aspects of use identified in Part I.B of this Article in ways that are likely to cause confusion. The knockoff seller certainly uses the luxury good manufacturer's trademark on or in connection with goods or services, and uses it in commerce subject to the territorial and constitutional jurisdiction of commerce. But that use causes no confusion. The *purchaser* of the knockoff purportedly causes confusion, but it is difficult to conclude they use the mark *in commerce*, as it is questionable (under current Supreme Court Commerce Clause jurisprudence) that merely carrying a handbag or wearing a watch to impress a social audience is enough to bring the consumer under the Commerce Power.[139] Thus, even if we held the knockoff seller secondarily responsible for the acts of their customer, it is not clear that those acts could be characterized as infringing.

If, however, the various aspects of use could be *divided* between the two parties, *and* if the seller could be held secondarily responsible for the acts of its customers, this problem disappears. The likelihood of confusion—absent from the seller's conduct—is supplied by the buyer's conduct for which the seller bears secondary responsibility, while the use in commerce subject to the regulation of Congress—absent from the buyer's conduct—is supplied by the seller's *direct* conduct. Combine the two, and all the required aspects of use are present (assuming, of course, that the particular type of confusion caused by the purchaser is a proper concern of trademark law—which I have elsewhere argued it is not).[140]

One obstacle remains to this merger of primary and secondary responsibility as a means of satisfying the various defendant-side "use" requirements of trademark law in the context of post-sale confusion cases. This is the knowledge and intent element typically required for the assignment of secondary responsibility. As in the context of first-sale doctrine, it is clear that the seller of knockoffs is *generally* aware that their

139. United States v. Morrison, 529 U.S. 598, 613 (2000) ("[O]ur cases have upheld Commerce Clause regulation of intrastate activity only where that activity is economic in nature."); United States v. Lopez, 514 U.S. 549, 567 (1995) ("The possession of a gun in a local school zone is in no sense an economic activity that might, through repetition elsewhere, substantially affect any sort of interstate commerce."). One might make the argument that in the aggregate, widespread consumption of knockoffs would undermine the market for genuine branded luxury goods—indeed this argument is often made by courts in post-sale confusion cases. *See, e.g.*, Hermes Int'l v. Lederer de Paris Fifth Ave., Inc., 219 F.3d 104, 108 (2d Cir. 2000) ("[T]he purchaser of an original is harmed by the widespread existence of knockoffs because the high value of originals, which derives in part from their scarcity, is lessened."). But such aggregate effects of individual non-marketplace behaviors have an uncertain status under contemporary Commerce Clause jurisprudence. Nat'l Fed'n of Indep. Bus. v. Sebelius, 567 U.S. 519, 550 (2012) ("The power to *regulate* commerce presupposes the existence of commercial activity to be regulated."); *but cf.* Wickard v. Filburn, 317 U.S. 111 (1942).

140. *See generally Veblen Brands*, *supra* note 135; *see also* Jeremy N. Sheff, *Marks, Morals, and Markets*, 65 STAN. L. REV. 761, 801–06 (2013).

products may be used by the seller's customers in a way that might cause confusion. But it is likewise clear that *specific* knowledge that any *particular* purchaser will do so would be difficult for a plaintiff to establish. In the context of first-sale doctrine we noted that this apparent deficiency might be remedied by looking to the background entitlements of the party whose acts were to be ascribed to another as a matter of secondary responsibility: if the act was within that actor's background entitlements (as in the case of selling one's personal property), perhaps constructive knowledge and intent that the act be performed could be ascribed to the secondarily responsible party. If instead the act was not within that actor's background entitlements (as in the case of applying someone else's trademarks to the actor's goods without the mark owner's consent), some additional evidence of knowledge and intent might be demanded. In the case of post-sale confusion, if (as we have assumed) carrying a purse or wearing a watch is an activity outside the scope of Congress's commerce power, it seems that it would be within the background entitlement of the knockoff purchaser to do it.[141] This would therefore seem to be a way to satisfy the knowledge and intent requirement for ascribing the purchaser's conduct to the knockoff seller as a matter of secondary responsibility. And understanding the doctrine in this way mitigates some (though admittedly not all) of the theoretical objections to post-sale confusion doctrine.

C. EXPRESSIVE USES

In the previous part, I noted some areas where uses of trademarks by the public seemed to be ascribed to a trademark plaintiff or claimant as a matter of secondary responsibility. This phenomenon suggests that trademarks—and particularly the *meanings* of trademarks—are a common resource that both their owners and others might contribute to, and that all of those contributions are implicated every time the mark is used—*by anyone*. Such an understanding of trademarks is consistent with the arguments of scholars who have critiqued the expansion of trademark infringement liability in ways that might inhibit freedom of expression. As Jessica Litman put it twenty-five years ago:

> [T]rade symbols . . . are also now metaphors with meanings their proprietors would not have chosen. They got that way in spite of any advertising campaigns because the general public invested them with meaning. The value of persuasive trade symbols, in short, results from mutual investment by producers and consumers. . . . The building of a brand that becomes its own product is a collaborative undertaking; the investment of both dollars and imagination flows both ways. There is no particularly good reason to adopt a rule permitting the producers of the brands to arrogate all of that collaboratively created value to themselves. The icons that embody the persuasive force of those brands, I suggest, should properly be viewed as collectively owned.[142]

141. I have elsewhere argued that the First Amendment likely entails a right to engage in such socially expressive consumption. *Veblen Brands*, *supra* note 135, at 815–28.

142. Jessica Litman, *Breakfast with Batman: The Public Interest in the Advertising Age Symposium: Ralph Sharp Brown, Intellectual Property, and the Public Interest*, 108 YALE L.J. 1717, 1734 (1999).

This is a different way of understanding expressive uses than the one we typically see in the caselaw. In cases like *Rogers v. Grimaldi*, courts seem to be concerned with balancing the intellectual property interests of trademark owners on the one hand with the constitutional freedom of expression of speakers on the other—treating the two interests as distinct and opposed to one another.[143] *Jack Daniel's* itself seems to adopt this view.[144] But Professor Litman's view resonates with the analysis of the Ninth Circuit's gloss on *Rogers* in *Mattel, Inc. v. MCA Records, Inc.*:

> Some trademarks enter our public discourse and become an integral part of our vocabulary. How else do you say that something's "the Rolls Royce of its class"? What else is a quick fix, but a Band-Aid? . . . Trademarks often fill in gaps in our vocabulary and add a contemporary flavor to our expressions. Once imbued with such expressive value, the trademark becomes a word in our language and assumes a role outside the bounds of trademark law.[145]

The interaction of public uses of a mark with uses by the mark's owner creates puzzles on both the defendant side and the plaintiff side of the "use" puzzle that this Article has examined. It raises the question whether and when defendant-side uses charged as infringements may claim the benefit of publicly created meanings to avoid liability. And it also raises the plaintiff-side question whether and how public uses of a term as a part of our common cultural vocabulary may affect a trademark claimant's ability to obtain protection for that term (or the scope of that protection). Both these questions compel us to consider whether the secondary responsibility and divided use frameworks developed in this Article can help find or perhaps even justify an answer.

On the plaintiff side, as observed above, the failure-to-function doctrine implicates these frameworks most directly. Sometimes a word or slogan claimed as a trademark is argued not to function as a mark, not necessarily because the claimant is not trying to use the slogan as a trademark, but because it will not be perceived by consumers as a trademark.[146] As I suggested above, we could understand this doctrine in at least two ways. In one understanding, consumer *perceptions* are *evidence* of trademark claimants' *actions*. That understanding—what I have called the evidentiary view—requires some heroic assumptions about the correlation between purposes and effects. If instead we conceive of failure-to-function doctrine as an expression of how trademark law believes a trademark will be *used by consumers*—and attribute *those* uses to the trademark claimant as a matter of secondary responsibility as we do in the context of genericide or the nickname cases—that assumption becomes unnecessary. In its place, we need instead some justification for holding the trademark claimant responsible for the

143. Rogers v. Grimaldi, 875 F.2d 994, 999 (2d Cir. 1989) ("We believe that in general the Act should be construed to apply to artistic works only where the public interest in avoiding consumer confusion outweighs the public interest in free expression.").

144. Jack Daniel's Props., Inc. v. VIP Prods. LLC, 599 U.S. 140, 159 (2023) ("When a mark is used as a mark (except, potentially, in rare situations), the likelihood-of-confusion inquiry does enough work to account for the interest in free expression.").

145. Mattel, Inc. v. MCA Records, Inc., 296 F.3d 894, 900 (9th Cir. 2002).

146. *See supra* Section I.B.3.b.

actions of those consumers—specifically, for consumers' use of the mark "other than as a trademark," defeating the requirement of trademark use on the plaintiff side. And that justification, it seems, requires us to defend some view of how consumers are entitled to use language and symbols, even where someone might claim that language and those symbols as trademarks, and even where some confusion might result.

This brings us back to defendant-side use, and to the place where this Article began: *Jack Daniel's*. The majority opinion in that case tells us that "trademark uses" by a defendant, though perhaps not a required element of an infringement claim, are more likely to cause confusion—and thus more likely to be considered infringing—than non-trademark uses: "confusion [as to source] is most likely to arise when someone uses another's trademark as a trademark—meaning, again, as a source identifier—rather than for some other expressive function."[147] But of course, a defendant might use a plaintiff's trademark "other than as a mark," while still causing confusion. Whole theories of infringement liability—contested theories like initial-interest confusion, affiliation/sponsorship/approval confusion, and merchandising rights—have been built around such uses. One way of conceiving of this result is as a mirror-image of failure-to-function doctrine on the plaintiff side. That is, rather than seeing these attenuated theories of confusion as *evidence*—as the *effect* of trademark defendants' behaviors on consumers—we might take what this Article has called the secondary responsibility view. That is, we might view consumers as *participants* in the construction of trademarks' meaning, see that participation as in itself a form of "use" of the trademark, and ascribe such "uses" to the defendant. This change in conception might not necessarily result in different outcomes under these various theories of liability. But it would require us to develop an account of the ways that consumers are entitled to use and refer to branded goods and services, and to consider whether those uses ought to be insulated from liability even if some confusion results.

IV. CONCLUSION

As I and others have pointed out elsewhere, trademark law in the twentieth century underwent a substantial shift in its conception of the role of consumers. Whereas consumer confusion under earlier caselaw was merely *evidence* of the competitive injury inflicted by a defendant on a plaintiff, the Lanham Act came to treat such consumer confusion as the primary harm trademark law sought to prevent. With the recent focus on use as a key concern of trademark law, and the various ways doctrines developed *after* this historical shift can be conceptualized through the lens of divided use and secondary responsibility, a new possible conception of consumers' role can be perceived. Rather than mere evidence of competitive injury, or even passive victims of tortious conduct, consumers in this view become active participants in the behaviors that trademark law attempts to regulate. Those behaviors are complex and interconnected; they are multidimensional and cumulative. Using legal tools such as secondary responsibility to try to delineate the relationship between consumer

147. *Jack Daniel's*, 599 U.S. at 157.

behaviors and producer behaviors, and tie those relationships to validity and infringement doctrines, creates novel avenues for understanding and perhaps even justifying doctrines that have been subject to substantial criticism under existing theoretical frameworks.

But such a reformulation of our understanding of trademark law also raises new questions. Traditionally, secondary responsibility is grounded in one agent's knowledge of, and intent to assist or bring about, another agent's actions. And where specific knowledge cannot be readily proven, arguments about constructive knowledge—what the secondary actor should have known—might be invoked to fill the gap. As I have shown in this Article, such arguments about constructive knowledge in the trademark system require us to fall back on background principles of law that allocate entitlements to engage in behaviors that are alleged to be within the constructive knowledge of secondary actors. In this sense, the reformulation of use in trademark law as a question of divided and secondary responsibility may solve some doctrinal puzzles, but only if we are prepared to stake out substantive normative positions regarding what uses of trademarks are or are not within the rights of people acting within the trademark system—particularly consumers—independently of the question of consumer confusion. This is not an exercise that twentieth century trademark law was prepared to undertake, as confusion became the single most important issue in the field while also becoming increasingly nebulous and malleable as a concept. But perhaps a renewed focus on formal questions—questions of use—may offer an avenue to more consciously consider how different actors within the trademark system might have interests in the use of trademarks, how those uses might interact, and how we might balance those interests against one another.