

NO BULLYING ALLOWED HERE: ADOPTING A MISUSE DOCTRINE TO DEFEAT TRADEMARK BULLIES

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INTRODUCTION

In order to maintain trademark rights, trademark owners are encouraged to enforce and police their trademarks through civil actions.¹ Enforcing trademark rights is encouraged and incentivized by the Lanham Act² because failure to do so may result in harsh consequences for trademark owners.³ Some of these consequences include weakening of strength or abandonment of the mark, which may result in loss of trademark rights.⁴ However, large companies go above and beyond to police and protect their trademarks.⁵ At times, this overenforcement is unethical and crosses a fine line between following the law and abusing the law, causing a number of negative consequences for society and competitors.⁶

The United States Patent and Trademark Office (USPTO) defines a trademark bully as “a trademark owner that uses its trademark rights to harass [and] intimidate another business beyond what the law might be

¹ 15 U.S.C. § 1064(5); see also *id.* § 1114. These sections of the Lanham Act justify and encourage enforcement of trademarks by presenting consequences of failure to enforce trademark rights and incentives to enforce trademark rights against infringers.

² Stacey Dogan, *Bullying and Opportunism in Trademark and Right-of-Publicity Law*, 96 B.U. L. REV. 1293, 1294 (2016).

³ See 15 U.S.C. § 1127; J. THOMAS MCCARTHY, TRADEMARKS AND UNFAIR COMPETITION § 17:5, at 596–97 (1973); see also *Wallpaper Mfrs., Ltd. v. Crown Wallcovering Corp.*, 680 F.2d 755, 766 (C.C.P.A. 1982) (stating that when trademark holders fail to sue infringers, they risk losing the significance of their mark).

⁴ *Wallpaper Mfrs.*, 680 F.2d at 766.

⁵ Irina D. Manta, *Bearing Down on Trademark Bullies*, 22 FORDHAM INTELL. PROP. MEDIA & ENT. L.J. 853, 854 (2012).

⁶ *Id.* at 855.

reasonably interpreted to allow.”⁷ Essentially, these trademark bullies will take preventative measures to enforce their trademarks far beyond what is reasonable or necessary and go after vulnerable defendants with trademarks that are not likely to cause consumer confusion in reality.⁸ For example, Apple is known as a trademark bully and has gone after many individuals and small businesses just for attempting to register trademarks for other types of stemmed fruit in many different industries.⁹ One victim of Apple is singer-songwriter Stephanie Carlisi.¹⁰ Carlisi goes by the stage name of Franki Pineapple.¹¹ Apple targeted Carlisi for her trademark in 2020, even though it was obvious that there was not an actual likelihood of consumer confusion between Carlisi’s pineapple mark and Apple’s well-known apple mark for its products and services.¹²

Trademark bullies use threatening tactics such as sending cease-and-desist letters and filing lawsuits against many defendants, even when the likelihood of success is low.¹³ Many of these small businesses and individuals do not have the time, money, or resources to enter into litigation with large companies like Apple, often resulting in default judgments against the defendants for ignoring the lawsuits.¹⁴ Consequently, small businesses and individuals are often intimidated and are likely to alter their marks to appease the larger companies’ demands and avoid legal battles, even when the likelihood of a successful infringement claim is minuscule.¹⁵ This ends up limiting small businesses and individuals in terms of creating and using their trademarks and ultimately enabling unfair business tactics, thereby reducing fair competition.¹⁶ Another negative consequence of trademark bullying is higher prices and less choices in the marketplace (as a result of monopolies and unfair competition), which also weakens consumers’

⁷ U.S. PAT. & TRADEMARK OFF., REPORT TO CONGRESS ON TRADEMARK LITIGATION TACTICS AND FEDERAL GOVERNMENT SERVICES TO PROTECT TRADEMARKS AND PREVENT COUNTERFEITING 15 n.51 (2011), <https://www.uspto.gov/sites/default/files/trademarks/notices/TrademarkLitigationStudy.pdf> [<https://perma.cc/DZM5-HKL8>].

⁸ See generally Dogan, *supra* note 2.

⁹ Ryan Mac & Kellen Browning, *Apps and Oranges: Behind Apple’s ‘Bullying’ on Trademarks*, N.Y. TIMES (Mar. 11, 2022), <https://www.nytimes.com/2022/03/11/technology/apple-trademarks.html> [<https://web.archive.org/web/20230628211044/https://www.nytimes.com/2022/03/11/technology/apple-trademarks.html>].

¹⁰ *Id.*

¹¹ *Id.*

¹² See *id.*

¹³ Travis Jacobs, *The Trademark Bully*, JACOBS L. LLC (July 3, 2020), <https://thejacobsllc.com/trademark-bully-and-overuse-of-cess-and-desist-demands> [<https://perma.cc/K7TG-WR68>].

¹⁴ Mac & Browning, *supra* note 9.

¹⁵ See *id.*

¹⁶ Leah Chan Grinvald, *Shaming Trademark Bullies*, 2011 WIS. L. REV. 625, 650 (2011) (stating that trademark bullying leads to a decrease in legitimate competition).

ability to identify the sources of goods and make informed purchasing decisions.¹⁷ Even if victims of trademark bullying do not exit the market entirely, trademark abuse may lead to increased costs for creating new trademarks or force victims to use less desirable marks.¹⁸ Further, trademark bullying can inhibit both commercial and noncommercial speech.¹⁹ Consequently, it is important to put a limit on how far trademark bullies can go to police their marks.²⁰ As the law currently stands, trademark bullies have unlimited incentives to overly police their marks and no incentive to limit this overenforcement because doing so would serve them no benefit.²¹

Many solutions have been proposed to address trademark bullying, including introducing new legislation,²² imposing judicial sanctions,²³ adjusting the power and responsibilities of the USPTO,²⁴ fee shifting,²⁵ and publicly shaming trademark bullies.²⁶ However, these solutions are neither comprehensive nor effective enough to curb the issue in the real world.²⁷

This Note proposes adopting a modified version of the misuse doctrine used in patent and copyright law to serve as a defense to trademark abuse and to disincentivize companies from engaging in trademark bullying, while also balancing legitimate infringement claims.²⁸ The Note argues that this would be the most comprehensive solution to the issue of trademark bullying because it would serve as a defense to trademark abuse. A misuse doctrine in the context of trademark law would cause companies engaging in abusive tactics to lose

17 Manta, *supra* note 5, at 855; see also RONALD D. MICHMAN, EDWARD M. MAZZE & ALAN J. GRECO, *LIFESTYLE MARKETING: REACHING THE NEW AMERICAN CONSUMER* 66–67 (2003).

18 See MICHMAN, MAZZE & GRECO, *supra* note 17, at 66–67; see *infra* note 129.

19 Parker Higgins, Corynne McSherry & Daniel Nazer, *Who Has Your Back? Protecting Your Speech from Copyright and Trademark Bullies*, ELEC. FRONTIER FOUND. (Oct. 27, 2014), <https://www.eff.org/pages/who-has-your-back-copyright-trademark-2014> [<https://perma.cc/4VRM-DTYK>]; see also Manta, *supra* note 5, at 855.

20 See Manta, *supra* note 5, at 855.

21 See *infra* Section I.A.

22 See generally Anthony James Dispoto, Comment, *Protecting Small Businesses Against Trademark Bullying: Creating a Federal Law to Remove the Disparity of Leverage Trademark Holders Maintain over Small Businesses*, 16 SAN DIEGO INT'L L.J. 457 (2015).

23 See Manta, *supra* note 5 at 858–65.

24 *Id.* at 866–71.

25 B. Austin Gaddis, Paul Garboczi, Conor Stewartson & Blake E. Reid, *Discouraging Frivolous Claims in Trademark Opposition Proceedings: A Policy Proposal to the United States Patent and Trademark Office* (unpublished manuscript), https://tlpc.colorado.edu/wp-content/uploads/2015/05/TMOppositionReform_WhitePaper3.pdf [<https://perma.cc/FL3X-UA2H>].

26 See Grinvald, *supra* note 16.

27 See discussion *infra* Section II.A.3.

28 See discussion *infra* Part III.

rights or face other consequences if a defendant can show misconduct. Although trademark law is very distinct from copyright and patent law, adopting a modified version of the misuse doctrine would greatly disincentivize large companies from sending cease-and-desist letters or engaging in litigation or other threatening tactics unless doing so is justified by legitimate infringement.²⁹ This Note argues that adopting a misuse defense in trademark law is the most feasible and comprehensive way to tame trademark bullying. This Note begins by providing background and context on trademark bullying in Part I, including how trademark law allows for trademark bullying, what constitutes trademark abuse, examples of trademark bullies, and the effects of trademark bullying.³⁰ Part II discusses existing scholarship and proposed solutions to the issue of trademark bullying and explains why those solutions are inadequate.³¹ Part II then provides context on how the misuse doctrine is used in other areas of intellectual property law and how the doctrine's use in trademark law would differ from its use in other areas of law.³² Finally, Part III proposes adopting a modified misuse doctrine in trademark law and addresses the benefits and drawbacks of this solution.³³

I. BACKGROUND

A. *U.S. Trademark Law and How It Allows for Trademark Abuse and Bullying*

U.S. trademark law is primarily governed by the Lanham Act, a federal statute.³⁴ Although trademark law has origins prior to the Lanham Act, federal statutes enacted before the Lanham Act were largely unsuccessful.³⁵ In 1879, the Supreme Court decided *In Re Trade-Mark Cases*, which held the 1870 Trademark Act unconstitutional.³⁶ Following this decision, Congress began to build federal trademark law as we know

²⁹ See discussion *infra* Section III.C.

³⁰ See discussion *infra* Part I.

³¹ See discussion *infra* Part II.

³² See discussion *infra* Sections II.B–II.O.

³³ See discussion *infra* Part III.

³⁴ See generally Ethan Horwitz & Benjamin Levi, *Fifty Years of the Lanham Act: A Retrospective of Section 43(a)*, 7 *FORDHAM INTELL. PROP. MEDIA & ENT. L.J.* 59 (1996).

³⁵ See *id.* at 61.

³⁶ 100 U.S. 82 (1879); Horwitz & Levi, *supra* note 34, at 61. See generally John T. Cross, *The Lingering Legacy of Trade-Mark Cases*, 2008 *MICH. ST. L. REV.* 367 (further discussing *Trade-Mark Cases* and the decision's impact on trademark law).

it today.³⁷ In 1946, Congress passed the Lanham Act to replace prior trademark law.³⁸ The Lanham Act created a system to register trademarks and protect trademark owners from the use of similar marks that may result in consumer confusion.³⁹

Some of the broad goals of trademark law and the Lanham Act include communicating information to consumers,⁴⁰ encouraging investment in product quality,⁴¹ preventing consumer confusion and deception,⁴² and reducing consumer search costs.⁴³ At its core, trademark law is consumer-centric.⁴⁴ It is meant to protect consumers in addition to protecting owners of businesses.⁴⁵ The two main purposes of trademark law are to protect consumers from confusion and deception and to prevent unfair competition.⁴⁶ According to the Supreme Court, trademark law also serves to mitigate consumer search costs and create incentives for trademark owners to produce goods and services of consistent quality, which consumers will in turn associate with their brand and trademarks.⁴⁷ When the Lanham Act was first adopted, it was not meant to protect trademarks as property rights.⁴⁸ Although trademark law is primarily focused on the public interest and consumer perspectives, the interests and goodwill of producers are often aligned with these consumer interests, which has led to the emergence of different

³⁷ Zvi S. Rosen, *Federal Trademark Law: From Its Beginnings*, AM. BAR ASS'N (Mar./Apr. 2019), https://www.americanbar.org/groups/intellectual_property_law/publications/landslide/2018-19/march-april/federal-trademark-law [<https://perma.cc/SF93-2FBY>] (providing an overview of the origins and history of trademark law).

³⁸ Horwitz & Levi, *supra* note 35, at 63; see 15 U.S.C. §§ 1051–1141.

³⁹ *Lanham Act*, LEGAL INFO. INST., https://www.law.cornell.edu/wex/lanham_act [<https://perma.cc/N67N-KGD3>].

⁴⁰ Ralph S. Brown, Jr., *Advertising and the Public Interest: Legal Protection of Trade Symbols*, 57 YALE L.J. 1165, 1167, 1185–87 (1948).

⁴¹ *Id.* at 1178.

⁴² *Id.* at 1185–86.

⁴³ Mark A. Lemley, *The Modern Lanham Act and the Death of Common Sense*, 108 YALE L.J. 1687, 1690 (1999); see also William P. Kratzke, *Normative Economic Analysis of Trademark Law*, 21 MEM. ST. U. L. REV. 199, 215–17 (1991).

⁴⁴ See generally Mark P. McKenna, *A Consumer Decision-Making Theory of Trademark Law*, 98 VA. L. REV. 67 (2012).

⁴⁵ *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 767–68 (1992).

⁴⁶ *Id.*

⁴⁷ *Qualitex Co. v. Jacobson Prods. Co.*, 514 U.S. 159, 163–64 (1995). For an example of a lower court being guided by this purpose, see *Union National Bank of Texas v. Union National Bank of Texas*, 909 F.2d 839, 844 (5th Cir. 1990), which mentions that a goal of trademark law is to reduce consumer costs and deter free riders.

⁴⁸ See Lemley, *supra* note 43, at 1687–88.

theories of trademark law.⁴⁹ The Supreme Court has also emphasized in many cases that trademark law should not be used to further anticompetitive efforts.⁵⁰ Trademark law should not serve to prevent new competitors from entering and competing in the marketplace.⁵¹

Trademark law encourages trademark owners to actively police and enforce their trademarks.⁵² Courts place the burden on trademark owners to police their marks in order to retain their rights.⁵³ As the Fifth Circuit set forth in *Amstar Corp. v. Domino's Pizza, Inc.*,⁵⁴ upon federally registering a trademark, trademark owners have an affirmative duty to protect and defend their trademarks by opposing and suing individuals and companies with marks similar to their federally registered marks.⁵⁵

There are incentives built into the law to encourage trademark owners to police their marks.⁵⁶ For example, the Federal Trademark Dilution Act creates a cause of action for owners of famous trademarks to prevent others from using similar marks to avoid dilution of the protected marks.⁵⁷ Under the Lanham Act, dilution by blurring occurs when the distinctiveness of a famous mark is weakened by another mark because consumers associate the two marks.⁵⁸ One explanation of why the Dilution Act encourages enforcement is because of the factors used to evaluate blurring.⁵⁹ Under the third blurring factor, courts look at “[t]he extent to which the owner of the famous mark is engaging in substantially exclusive use of the mark.”⁶⁰ Because evaluating “substantially exclusive use” requires looking at the amount and extent of third-party use of a

⁴⁹ See *Levi Strauss & Co. v. Genesco, Inc.*, 742 F.2d 1401, 1403 (Fed. Cir. 1984) (“Like all good laws, those relating to trademarks are primarily focused on the public interest. The law looks to the pocketbook interests of trademark owners, rather than to a government agency, as the genesis of enforcement efforts, and to the common interest of the trademark owner and the public in the prevention of purchaser confusion.”); see also Glynn S. Lunney, Jr., *Trademarks and the Internet: The United States’ Experience*, 97 TRADEMARK REP. 931, 932 (2007) (discussing how injunctions to prevent classic source confusion align with the interests of consumers and producers).

⁵⁰ See *Two Pesos, Inc.*, 505 U.S. at 767–68; see also *Wal-Mart Stores, Inc. v. Samara Bros., Inc.*, 529 U.S. 205, 213–14 (2000).

⁵¹ See *Wal-Mart Stores, Inc.*, 529 U.S. at 213.

⁵² See *Dogan*, *supra* note 2, at 1294.

⁵³ *Id.*

⁵⁴ 615 F.2d 252 (5th Cir. 1980).

⁵⁵ *Id.* at 265; Gaddis, Garboczi, Stewartson & Reid, *supra* note 25, at 5–6.

⁵⁶ See *infra* note 57.

⁵⁷ Federal Trademark Dilution Act of 1995, Pub. L. No. 104-98, 109 Stat. 985 (1996) (codified as amended at 15 U.S.C. § 1125(c)); see also Michael S. Mireles, Jr., *Towards Recognizing and Reconciling the Multiplicity of Values and Interests in Trademark Law*, 44 IND. L. REV. 427, 433 (2011) (discussing incentives to enforce trademark rights).

⁵⁸ 15 U.S.C. § 1125(c)(2)(B).

⁵⁹ See *id.*

⁶⁰ *Id.* § 1125(c)(2)(B)(iii).

mark,⁶¹ it logically follows that trademark owners are incentivized to police their marks to maintain exclusive use over their marks and maintain the ability to raise dilution claims.⁶²

In terms of a likelihood of confusion claim, third-party usage is a relevant factor that can lead to a loss of strength of a mark, and potentially cause a trademark owner to lose on an infringement claim.⁶³ In the 1961 case *Polaroid Corp. v. Polarad Electronics Corp.*, the Second Circuit adopted a set of eight factors known as the *Polaroid* factors to evaluate a likelihood of confusion claim.⁶⁴ The factors are: (1) the strength of the plaintiff's mark; (2) the degree of similarity between the marks; (3) the proximity of the products or services; (4) the likelihood that the plaintiff will bridge the gap; (5) evidence of actual confusion; (6) the defendant's good faith in adopting the mark; (7) the quality of the defendant's product or service; and (8) the sophistication of the buyers.⁶⁵

Under the first factor, third-party usage is an argument for loss of strength.⁶⁶ In general, the more a trademark points to a single source, the more likelihood of confusion there is.⁶⁷ The more distinctiveness, the more the mark tends to indicate one company, and the more the mark indicates one company, the more confusing it would be if another company used the mark.⁶⁸ Third-party usage undermines the perception that the mark only points to one company or source.⁶⁹ This lessens the strength of the owner's trademark and makes confusion less likely (if the goods and services are the same or similar).⁷⁰ Because this analysis is a

⁶¹ *Coach Servs., Inc. v. Triumph Learning LLC*, 668 F.3d 1356, 1380–81 (Fed. Cir. 2012). In this case, the Federal Circuit remanded a dilution-by-blurring claim because the Trademark Trial and Appeals Board (TTAB) “fail[ed] to consider all pre-decision third-party use of the term ‘coach’ for educational materials.” *Id.* at 1380. The court stated that this was an error because it prevented the TTAB from evaluating “the extent to which those titles might cut against a claim of ‘substantially exclusive use’” with regard to the third blurring factor. *Id.*

⁶² Unlike likelihood of confusion claims, dilution claims do not require the third party's goods or services to be similar or related to the trademark owner's goods or services—even unrelated goods and services will suffice for a dilution claim. Trademark owners are incentivized to maintain exclusive use of their marks and police third-party usage because they would lose their ability to enforce or assert dilution against third parties with different goods or services if they failed to maintain exclusive use.

⁶³ 287 F.2d 492, 495–98 (2d Cir. 1961).

⁶⁴ *Id.* at 495.

⁶⁵ *Id.*

⁶⁶ *See id.*; *see also* *Spireon, Inc. v. Flex Ltd.*, 71 F.4th 1355, 1363 (Fed. Cir. 2023) (holding that the TTAB erred by failing to consider third-party registrations within its analysis of the strength of the trademark at issue).

⁶⁷ *See id.*

⁶⁸ *Id.*

⁶⁹ *Id.*

⁷⁰ *See id.*

factor taken into account by courts when determining if there is a likelihood of confusion between two marks, trademark owners are incentivized to enforce their marks and police third-party usage to avoid having lack of enforcement weigh against them in an infringement suit.⁷¹

There are other consequences if trademark owners fail to enforce their marks.⁷² For example, trademarks may lose their strength.⁷³ The most serious risk of failure to police and enforce a trademark is the weakening of the mark, which can lead to potential loss of distinctiveness or abandonment in extreme cases, resulting in the loss of trademark rights and the ability to enforce against infringers in the future.⁷⁴ If a trademark is deemed abandoned, the result may be a loss of trademark rights moving forward.⁷⁵ Some courts have held that failure to enforce trademarks by prosecuting for infringement can result in abandonment if the loss of strength of the mark is severe enough, which in turn results in a loss of trademark protection and ability to enforce against infringers in the future.⁷⁶ Other courts are less strict and hold that failure to enforce may decrease the strength of a mark, but will not result in complete abandonment.⁷⁷ More commonly, a mark may also lose distinctiveness, or even become generic, if its owner fails to police the mark adequately, which also results in a loss of trademark rights.⁷⁸ For example, in *Bayer Co. v. United Drug Co.*, the Southern District of New York held that the term “Aspirin” for the drug acetylsalicylic acid became generic because aspirin had become the commonly recognized name for the drug.⁷⁹ In other words, the mark became synonymous with the product itself rather than the manufacturer in the eyes of the consuming public, rendering the mark no longer distinctive or protectable.⁸⁰ In this case, Bayer’s failure to use the term in a trademark fashion or adequately police and enforce

⁷¹ *Id.*

⁷² *Id.*

⁷³ *Id.*

⁷⁴ 15 U.S.C. § 1127 (“A mark shall be deemed to be ‘abandoned’ . . . [w]hen any course of conduct of the owner, including acts of omission as well as commission, causes the mark . . . to lose its significance as a mark.”); see also Jeremy N. Sheff, *Fear and Loathing in Trademark Enforcement*, 22 FORDHAM INTELL. PROP. MEDIA & ENT. L.J. 873, 875, 879–80 (2012).

⁷⁵ 15 U.S.C. § 1127; see also Tom Dunlap, *Can I Lose My Trademark Rights if I Don’t Sue Infringers?*, DUNLAP BENNETT & LUDWIG (Feb. 1, 2022), <https://www.dblawyers.com/can-i-lose-my-trademark-rights> [<https://perma.cc/WM2L-FTRX>].

⁷⁶ Dunlap, *supra* note 75.

⁷⁷ *Id.*

⁷⁸ J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 12:1 (5th ed. 2023). For further reading on policing trademarks and genericness, see Jessica E. Lanier, *Effective Policing: Giving Trademark Holders a Pre-Emptive Strike Against “Genericide,”* 20 B.U. J. SCI. & TECH. L. 247 (2014).

⁷⁹ 272 F. 505, 510–11, 514–15 (S.D.N.Y. 1921).

⁸⁰ *Id.*

against others' use of the term resulted in the mark losing its strength as a trademark, and therefore a loss of rights.⁸¹ Cases like *Bayer* indicate that businesses ought to police their marks to avoid the potential to lose rights in their marks.⁸² Failure to enforce can also lead to a loss of available remedies for infringement.⁸³ Courts enforce these consequences differently.⁸⁴

Courts have also held that trademark owners have an affirmative duty to protect their marks.⁸⁵ For example, in *Dawn Donut Co. v. Hart's Food Stores, Inc.*, the Second Circuit held that reasonable enforcement is necessary to protect a trademark, and lack of enforcement can lead to abandonment or genericness.⁸⁶ In *Wisconsin Cheese Group, Inc. v. V & V Supremo Foods, Inc.*, the Western District of Wisconsin held that trademark owners cannot be willfully ignorant of potentially infringing marks and must take affirmative steps to prevent infringement, otherwise they may lose rights in the trademark.⁸⁷ Further, the USPTO website discusses this duty by stating that people and businesses are responsible for enforcing their own marks because the USPTO does not police the use of marks.⁸⁸

It is generally recommended that trademark owners diligently enforce their trademarks.⁸⁹ Companies are encouraged to engage in proactive monitoring of their marks for infringement.⁹⁰ If any potential infringement is found, trademark owners are encouraged to take measures to obtain injunctive relief, collect monetary damages, or settle.⁹¹ Because this can be costly, many large companies with the resources to do so will send cease-and-desist letters instead.⁹² Although many

⁸¹ *Id.*

⁸² *Id.*

⁸³ McCarthy, *supra* note 78.

⁸⁴ *Id.*

⁸⁵ See *infra* notes 86–86.

⁸⁶ 267 F.2d 358, 367–68 (2d Cir. 1959).

⁸⁷ 537 F. Supp. 2d 994, 1001 (W.D. Wis. 2008).

⁸⁸ *Trademark Process*, USPTO (Mar. 24, 2023, 10:36 AM), <https://www.uspto.gov/trademarks/basics/trademark-process#step5> [<https://perma.cc/N2NZ-TTHY>] (“You are responsible for enforcing your rights if you receive a registration, because the USPTO does not ‘police’ the use of marks. While the USPTO attempts to ensure that no other party receives a federal registration for an identical or similar mark for or as applied to related goods/services, the owner of a registration is responsible for bringing any legal action to stop a party from using an infringing mark.”).

⁸⁹ Oliver Herzfeld, *Failure to Enforce Trademarks: If You Snooze, Do You Lose?*, FORBES (Feb. 28, 2013, 11:45 AM), <https://www.forbes.com/sites/oliverherzfeld/2013/02/28/failure-to-enforce-trademarks-if-you-snooze-do-you-lose/?sh=358dd6336c22> [<https://perma.cc/7V4F-6X5B>].

⁹⁰ *Id.*

⁹¹ *Id.*

⁹² Manta, *supra* note 5, at 854.

consequences of failure to enforce are built into trademark law, there is no part of the law that prevents overenforcement.⁹³

In addition to legal incentives to enforce, trademark owners also have significant business incentives to police their marks.⁹⁴ Trademarks can have very high monetary value.⁹⁵ According to valuation experts at Forbes, as of 2011, the mark “Google” was valued at \$44.3 billion and the mark “Microsoft” was valued at \$42.8 billion, and as of 2017, the value of the mark “Apple” was \$170 billion.⁹⁶ Because trademarks are a valuable form of intellectual property to businesses, trademark owners have strong business incentives to enforce their marks.⁹⁷ Trademarks are also valuable to companies’ branding and marketing, since trademarks are a designation of source.⁹⁸ When trademarks are distinct indicators of a single source, brands can successfully market their goods and services through association with their trademarks.⁹⁹ This allows businesses to use well-known trademarks to attract consumers and increase interest for their goods or services.¹⁰⁰ It is important for businesses to enforce and protect their trademarks to preserve their monetary value and their value as a branding and marketing tool.¹⁰¹

B. *What Constitutes Trademark Abuse and How Companies Are Labeled as Trademark Bullies*

A trademark bully can be defined as “a large company that seeks to put an end to behavior by individuals and small businesses that it perceives as a danger to its own intellectual property even though its legal

⁹³ See Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C., *A Primer on Policing Your Trademark*, 3 NAT'L L. REV. 102 (Apr. 12, 2013), <https://www.natlawreview.com/article/primer-policing-your-trademark> [<https://perma.cc/NSM4-8P3T>].

⁹⁴ See James B. Astrachan, *Unlawful Use in Commerce and the Affirmative Defense to Infringement: When Trademark Rights Are Not What They Appear to Be*, 69 SYRACUSE L. REV. 263, 266–68 (2019) (discussing the “enormous” value of trademarks).

⁹⁵ *Id.* at 266.

⁹⁶ Sean Stonefield, *The 10 Most Valuable Trademarks*, FORBES (June 15, 2011, 11:22 AM), <https://www.forbes.com/sites/seanstonefield/2011/06/15/the-10-most-valuable-trademarks/?sh=4838921436b8> [<https://perma.cc/K5ET-GRX4>]; Kurt Badenhausen, *Apple Heads the World's Most Valuable Brands of 2017 at \$170 Billion*, FORBES (May 23, 2017, 9:53 AM), <https://www.forbes.com/sites/kurtbadenhausen/2017/05/23/apple-heads-the-worlds-most-valuable-brands-of-2017-at-170-billion/?sh=13cff06e384b> [<https://perma.cc/FQR4-BCZD>].

⁹⁷ Astrachan, *supra* note 94, at 266–67.

⁹⁸ *Id.* at 267.

⁹⁹ *Id.*

¹⁰⁰ *Id.*

¹⁰¹ *Id.*

claims against these other parties are spurious or non-existent.”¹⁰² In a USPTO report to Congress, the USPTO stated that “[a] trademark owner must walk a fine line between being too zealous in enforcing its rights and not being zealous enough. . . . Mark owners may, however, sometimes be too zealous and end up overreaching.”¹⁰³ Trademark bullies often use cease-and-desist letters demanding others to stop using certain trademarks.¹⁰⁴ Trademark bullies use cease-and-desist letters as scare tactics to threaten small businesses and individuals with legal action or sanctions if the demands are not met.¹⁰⁵ The cease-and-desist letters often make vague and baseless claims with little to no explanation to pressure the recipients into complying and acting quickly.¹⁰⁶ Other tactics employed by trademark bullies include initiating trademark opposition proceedings and trademark cancellation proceedings against vulnerable defendants.¹⁰⁷ Although trademark law requires enforcement, there is a gray area between simply doing what the law requires and what constitutes trademark abuse.¹⁰⁸

Trademark bullying is ultimately a result of the imbalance between all of the incentives to enforce trademarks and the lack of caps or limitations on enforcement.¹⁰⁹ There are many reasons and incentives for trademark owners to enforce their marks and litigate against infringement, while there are no viable disincentives, consequences, or maximums that serve to limit this enforcement effectively, which results in the emergence of trademark bullies.¹¹⁰ Because courts view vigorous enforcement as evidence of a strong trademark, thus warranting greater protection, companies are incentivized to diligently enforce their marks.¹¹¹ The repeat trademark bullies often end up being large, dominating companies because they have the funding and resources to send out cease-and-desist letters and initiate litigation, and there is nothing to stop them from overenforcement.¹¹² They have everything to

¹⁰² Manta, *supra* note 5, at 854.

¹⁰³ U.S. PAT. & TRADEMARK OFF., *supra* note 7, at 13–14.

¹⁰⁴ *Id.* at 9–10.

¹⁰⁵ *See id.* at 18.

¹⁰⁶ Grinvald, *supra* note 16, at 628–29; *see also* Manta, *supra* note 5, at 854.

¹⁰⁷ *See generally* Francis J. Duffin & Bryan S. Watson, *Best Practices in Protecting and Enforcing Trademarks, Copyrights, and Other Intellectual Property Rights*, 28 FRANCHISE L.J. 132, 132–134 (2009) (discussing possible methods of enforcement, all of which are employed by trademark bullies from time to time, even though cease-and-desist letters are the most common method used).

¹⁰⁸ Manta, *supra* note 5.

¹⁰⁹ Quynh La, Comment, *Bully No More: Why Trademark Owners Engage in Trademark Overreach and How to Prevent It*, 96 WASH. L. REV. 667, 668, 683, 689 (2021).

¹¹⁰ *Id.* at 668.

¹¹¹ *Id.*

¹¹² Gaddis, Garboczi, Stewartson & Reid, *supra* note 25, at 5–6.

gain and nothing to lose from engaging in these practices.¹¹³ Because there is a fine line between effectively enforcing a mark and overenforcement, it is difficult to pinpoint when a problem arises;¹¹⁴ however, scholars today generally recognize that there is a need to address trademark bullying.¹¹⁵

C. Examples of Trademark Bullying

Large companies engaging in overenforcement of their trademarks become known as trademark bullies.¹¹⁶ Trademark owners cross the line from simply following the law to abusing their trademark rights when they send so many cease-and-desist letters that it becomes a pattern.¹¹⁷ The label of a trademark bully develops over time and people come to know who the bullies are through social media, scholarship, and news articles.¹¹⁸

Some companies that are known as frequent trademark bullies are Apple and Louis Vuitton.¹¹⁹ Over the past few years, Apple has gone after a multitude of individuals, small businesses, and companies for applying for or using trademarks with the word “apple” or logos including stemmed fruits.¹²⁰ Whereas Microsoft, Amazon, Facebook, and Google collectively filed around 136 trademark oppositions from 2019 to 2021, Apple alone filed 215 oppositions during that time period.¹²¹ Apple has targeted businesses and individuals whose industries have nothing to do with technology and whose trademarks are objectively not similar enough to Apple’s name or logo to create confusion.¹²² Some of the types of businesses Apple has battled with include food blogs, school districts,

¹¹³ *Id.*

¹¹⁴ See Roxana Sullivan & Luke Curran, *Trademark Bullying: Defending Your Brand or Vexatious Business Tactics?*, IPWATCHDOG (July 16, 2015, 10:30 AM), <https://www.ipwatchdog.com/2015/07/16/trademark-bullying-defending-your-brand-or-vexatious-business-tactics/id=59155> [<https://perma.cc/MM2X-PSXD>].

¹¹⁵ See, e.g., La, *supra* note 109.

¹¹⁶ *Id.*

¹¹⁷ Cease-and-desist letters are very common as a policing tactic. They are relatively cheap and easy for companies with a wide range of monetary and legal resources to send out. Lanier, *supra* note 78, at 262; Manta, *supra* note 5, at 870.

¹¹⁸ See La, *supra* note 109.

¹¹⁹ See generally Mac & Browning, *supra* note 9; Konstantin Gluvacevic, *Trademark Troll? Louis Vuitton and the Relentless Quest for Brand Protection*, 3 U. CENT. FLA. DEP’T LEGAL STUD. L.J. 41 (2020); James Boyle & Jennifer Jenkins, *Mark of the Devil: The University as Brand Bully*, 31 FORDHAM INTELL. PROP. MEDIA & ENT. L.J. 391 (2020).

¹²⁰ Mac & Browning, *supra* note 9.

¹²¹ *Id.*

¹²² *Id.*

and meal planning apps.¹²³ Because of Apple's large size and impact combined with the lack of resources of those targeted, a majority of the entities targeted by Apple have either withdrawn their trademark applications or have not replied, resulting in default judgments in favor of Apple.¹²⁴

D. *The Effects of Trademark Bullies on Small Businesses, Individuals, and the General Public*

There is a strong need to address the issue of trademark bullying due to all of the negative consequences of allowing the abuse of trademark rights to continue.¹²⁵ Trademark bullying has a broader impact that extends beyond just the direct victims.¹²⁶ Trademark bullying has consequences affecting the economy, businesses, consumers, and society in general.¹²⁷ First, trademark bullying promotes unfair competition, which is contradictory to trademark law's goal of promoting fair competition.¹²⁸ Unfair competition affects the general consuming public and other businesses and competitors in the marketplace.¹²⁹ Trademark bullying and unfair competition negatively impact the general consuming public because they facilitate large companies gaining monopolies in their

¹²³ *Id.*

¹²⁴ *Id.*

¹²⁵ Jessica M. Kiser, *To Bully or Not to Bully: Understanding the Role of Uncertainty in Trademark Enforcement Decisions*, 37 COLUM. J.L. & ARTS 211, 219–21 (2014).

¹²⁶ See *id.* at 221–23; see also Manta, *supra* note 5, at 855.

¹²⁷ Kiser, *supra* note 125, at 219–24; Manta, *supra* note 5, at 855.

¹²⁸ See CLIFFORD ENNICO, ADVISING EBUSINESSES § 2:49 (2023).

¹²⁹ Manta, *supra* note 5, at 855; Grinvald, *supra* note 16, at 650. See generally Barton Beebe & Jeanne C. Fromer, *Are We Running Out of Trademarks? An Empirical Study of Trademark Depletion and Congestion*, 141 HARV. L. REV. 945 (2018). Professors Beebe and Fromer present evidence that the supply of trademarks is competitive and exhaustible. This relates to the issue of trademark bullying because even if overenforcement is not anticompetitive in the sense that it drives small businesses and individuals out of the market for goods and services completely, overenforcement is anticompetitive in the sense that it increases the costs of starting a business. Because the world is running out of usable trademarks, if many businesses continue to engage in trademark abuse, new businesses eventually will be unable to enter the market because they will be unable to come up with new trademarks. There is a market for trademarks and there are some trademarks that are objectively better than others. If existing companies control every trademark that makes for a good trademark, those companies will have an upper hand in terms of having better trademarks. This is unfair. If other businesses are forced into using marks consisting of a random series of letters or made-up words, those businesses are prevented from marketing themselves in the same way as the trademark bullies. These businesses will be unable to use marks to sell themselves and therefore face an unfair disadvantage in the market. To go a step further, this also affects consumers because consumers are (subconsciously or not) drawn to better trademarks. Even more apparent is the fact that if businesses are prevented from entering the market, consumers will be impacted by fewer choices in the market.

respective industries, therefore making goods and services more expensive and preventing consumers from making informed purchasing decisions due to lack of choice.¹³⁰

Trademark bullying also limits creativity in the marketplace and can arguably inhibit free speech.¹³¹ This, in turn, prevents small businesses from being able to get started and compete in the marketplace.¹³² The result of this is that small businesses and individuals are scared off and change their marks to abide by the larger companies' demands and avoid litigation and further legal battles, even when there is no actual case of trademark infringement.¹³³ This ends up limiting the creativity of small businesses and individuals and enabling unfair competition.¹³⁴ Further, trademark bullying can inhibit both commercial and noncommercial speech.¹³⁵ Trademark bullies often get in the way of fair use through cease-and-desist letters, which amount to intimidation and censorship of speech.¹³⁶ Because the impact of the growing issue of trademark bullying extends far beyond just the direct victims, there is a strong need to curb the issue to prevent even more drastic consequences.

II. ANALYSIS

A. Existing and Proposed Solutions to Trademark Bullying

1. Existing Solutions

Currently, existing and proposed solutions to trademark bullying fall short and are not implemented to fully address the problem.¹³⁷ Defendants may ignore cease-and-desist letters, but then they are risking getting dragged into litigation with more powerful companies or default judgments in favor of the bullies, so this is not a viable solution to the issue.¹³⁸ Existing scholarship sometimes refers to defenses or solutions to

¹³⁰ Manta, *supra* note 5, at 855; see also MICHMAN, MAZZE & GRECO, *supra* note 17, at 66–67.

¹³¹ Kiser, *supra* note 125, at 223–24.

¹³² *Id.* at 220; see also ENNICO, *supra* note 128, § 2:49.

¹³³ See Mac & Browning, *supra* note 9.

¹³⁴ Grinvald, *supra* note 16, at 650 (stating that trademark bullying leads to a decrease in legitimate competition).

¹³⁵ Manta, *supra* note 5, at 855.

¹³⁶ Deven R. Desai & Sandra L. Rierison, *Confronting the Genericism Conundrum*, 28 CARDOZO L. REV. 1789, 1839–40 (2007).

¹³⁷ See generally Manta, *supra* note 5; La, *supra* note 109.

¹³⁸ See La, *supra* note 109, at 681.

trademark bullying,¹³⁹ but none of these solutions are fully developed or comprehensive enough, and they are rarely used in practice (and even more rarely successful).¹⁴⁰ Nonetheless, some scholars recognize existing solutions such as judicial sanctions, anti-Strategic Lawsuit Against Public Participation (anti-SLAPP) laws, and extralegal measures such as public shaming.¹⁴¹

Judicial sanctions through Rule 11 of the Federal Rules of Civil Procedure,¹⁴² 28 U.S.C. § 1927,¹⁴³ or section 35 of the Lanham Act¹⁴⁴ could offer a solution to curb trademark bullies by punishing excessive enforcement that amounts to harassment.¹⁴⁵ Rule 11 allows district courts to penalize either the client or attorney for making frivolous arguments and filing pleadings with an improper purpose.¹⁴⁶ Under § 1927, attorneys can be sanctioned for acting “unreasonably and vexatiously.”¹⁴⁷ Section 35 of the Lanham Act allows for fee shifting, which can be considered a form of sanction.¹⁴⁸ Although judicial sanctions are not used frequently in the trademark bullying context, sanctions could serve as a disincentive to trademark bullying by putting forward consequences for overenforcement that crosses the line into abuse.¹⁴⁹ Because sanctions could also apply to attorneys, in a perfect world attorneys would also exercise caution before sending cease-and-desist letters for their clients to avoid potential punishment.¹⁵⁰

Although this sounds like a great solution on paper, in practice sanctions have a lot of disadvantages.¹⁵¹ Mainly, because judicial sanctions can only be imposed through litigation, and many instances of trademark bullying do not ever enter into the litigation phase, sanctions are rarely used in practice in this context.¹⁵² Litigation is expensive, and

¹³⁹ See, e.g., Manta, *supra* note 5, at 858–66.

¹⁴⁰ *Id.* There are proposed solutions and “existing” solutions, but none are used in an efficient manner to curb the issue.

¹⁴¹ See, e.g., *id.*

¹⁴² FED R. CIV. P. 11.

¹⁴³ 28 U.S.C. § 1927.

¹⁴⁴ Lanham Act § 35, 15 U.S.C. § 1117; see also Manta *supra* note 5, at 858–59 (“Section 35 of the Lanham Act allows for the awarding of attorneys’ fees to the prevailing party in ‘exceptional cases.’ Courts have traditionally defined these as involving bad-faith conduct or willful infringement.”).

¹⁴⁵ Manta, *supra* note 5, at 858–59.

¹⁴⁶ FED. R. CIV. P. 11(b)–(c).

¹⁴⁷ 28 U.S.C. § 1927.

¹⁴⁸ For a discussion of fee shifting in the trademark abuse context, see *infra* Section II.A.2.

¹⁴⁹ Manta, *supra* note 5, at 858–59.

¹⁵⁰ *Id.* at 859–60.

¹⁵¹ *Id.* at 860.

¹⁵² *Id.*

victims of trademark bullying often lack the money and resources to enter litigation.¹⁵³ This increases the difficulty of obtaining sanctions through the court against a trademark bully.¹⁵⁴ In the cases of trademark bullying that do make it to litigation, sanctions are rarely granted, and when they are granted, the standard for proving bad faith is high and varies across different jurisdictions, making it difficult to prove.¹⁵⁵ Finally, there is a high probability that even if a victim prevails on a motion for sanctions, the party accused of bullying will appeal the decision, making the litigation even more lengthy and expensive for the victim.¹⁵⁶ Overall, the standard for judicial sanctions is unclear, and due to financial disparities, many victims are preempted from attempting to obtain sanctions through the court.¹⁵⁷

Another existing solution is the use of anti-SLAPP laws and regulations.¹⁵⁸ The broad purpose of anti-SLAPP regulations is to protect free speech and the democratic process by dismissing claims that are meritless and constitute harassment.¹⁵⁹ State anti-SLAPP regulations allow defendants who may lack the resources for litigation to go through an expedited litigation process and recover litigation costs from plaintiffs. Additionally, state anti-SLAPP regulations incentivize defendants to participate in litigation rather than simply step back and let the bully win.¹⁶⁰ Because a trademark can be used to exercise free speech and free expression, it is possible for these regulations to apply in the trademark bullying context.¹⁶¹ The main issue with applying anti-SLAPP regulations to trademark law is that these regulations are meant to cover defendants

¹⁵³ *Id.*

¹⁵⁴ *Id.*

¹⁵⁵ *Id.*; see, e.g., *Badger Meter, Inc. v. Grinnell Corp.*, 13 F.3d 1145, 1159–60 (7th Cir. 1994); *Aromatique, Inc. v. Gold Seal, Inc.*, 28 F.3d 863, 875–79 (8th Cir. 1994). These cases are just a few examples of the different standards various courts impose for proving bad faith. These standards range from showing egregious, purposeful wrongdoing to showing the behavior is simply unreasonable, baseless, or pursued in bad faith (with no further definition of bad faith). The varying standards and room for a judge’s discretion make it unclear whether a victim would be able to prevail on a motion for sanctions, and therefore it may not be an option worth pursuing for victims, especially when it is guaranteed that litigation will be a long, costly process.

¹⁵⁶ See *Manta*, *supra* note 5, at 860 (citing *Storey v. Cello Holdings, L.L.C.*, 347 F.3d 370, 387–93 (2d Cir. 2003), as an example of a trademark bully prevailing against sanctions on appeal).

¹⁵⁷ *Id.*

¹⁵⁸ *Id.* at 862.

¹⁵⁹ See *What Is a SLAPP?*, PUB. PARTICIPATION PROJECT, <https://anti-slapp.org/about-slapps> [<https://perma.cc/9FAY-JKHG>]; see also, e.g., *Bosley Med. Inst., Inc. v. Kremer*, 403 F.3d 672, 682 (9th Cir. 2005) (stating that the California legislature has enacted these laws “to promptly expose and dismiss meritless and harassing claims seeking to chill protected expression”).

¹⁶⁰ See *What Is a SLAPP?*, *supra* note 159; *Bosley*, 403 F.3d at 682.

¹⁶¹ *Grinvald*, *supra* note 16, at 660.

engaged in free speech in the context of the First Amendment.¹⁶² Because of this, it would be a stretch to apply anti-SLAPP regulations to trademark bullying because trademark bullying is not necessarily a direct restriction on the freedom of speech and expression protected by the First Amendment.¹⁶³ Another major barrier to adopting this solution is that it primarily exists under state law.¹⁶⁴ Furthermore, most anti-SLAPP motions are denied in practice.¹⁶⁵ The risk of these motions being denied and having to continue with the litigation could be an influential factor dissuading defendants from even attempting to utilize this defense.

Because legal measures and defenses for victims of trademark bullying are not fully developed or significantly reliable, some scholars have emphasized the use of extralegal measures to curtail trademark bullying, such as public shaming.¹⁶⁶ Shaming is not a new concept and is practiced by individuals and small businesses as a way to punish trademark bullies and deter bullying behavior more generally.¹⁶⁷ With the growth of social media, it is easier for people to chime in and criticize the actions of offenders, with the goal of harming the bully's reputation.¹⁶⁸ Although a brand's reputation and goodwill are important to consumers when making purchasing decisions,¹⁶⁹ the reputational harm caused by public shaming is not guaranteed to impact the bully's sales. Because many trademark bullies are some of the largest and most successful companies, it would take large-scale shaming efforts to significantly deter them from utilizing bullying tactics in the future.¹⁷⁰ Although shaming is frequently used and can be an effective solution when used in conjunction with other tactics, it may not be powerful enough on its own to curb the issue of trademark bullying.¹⁷¹

Finally, defendants may either act preemptively and initiate a lawsuit themselves¹⁷² or ignore cease-and-desist letters altogether, but then they

¹⁶² See *id.*

¹⁶³ See *id.*

¹⁶⁴ See *Anti-SLAPP Legal Guide*, REPS. COMM. FOR FREEDOM OF THE PRESS <https://www.rcfp.org/anti-slapp-legal-guide> [<https://perma.cc/2C3S-RKZE>].

¹⁶⁵ Grinvald, *supra* note 16, at 660; see, e.g., *Mindys Cosmetics, Inc. v. Dakar*, 611 F.3d 590 (9th Cir. 2010); *Bosley*, 403 F.3d 672. These are two examples, among many, in which courts have denied or reversed the granting of anti-SLAPP motions.

¹⁶⁶ Manta, *supra* note 5, at 865–66. See generally Grinvald, *supra* note 16.

¹⁶⁷ Grinvald, *supra* note 16, at 664.

¹⁶⁸ *Id.* at 678–79.

¹⁶⁹ See *id.* at 672–73.

¹⁷⁰ See generally Grinvald, *supra* note 16.

¹⁷¹ *Id.* at 679–83 (discussing the drawbacks of this solution).

¹⁷² See 15 U.S.C. § 1064. Acting preemptively and initiating a lawsuit may not be the best option because, on many occasions, bullies send cease-and-desist letters with no intention of following

risk getting involved in litigation with more powerful companies or a default judgment against them, so these are not viable solutions to the issue.¹⁷³

2. Proposed Solutions

In addition to the underdeveloped existing solutions, scholars have proposed ideas for new solutions.¹⁷⁴ One example of a proposed solution is creating new legislation or amending the Lanham Act.¹⁷⁵ One scholar has proposed adopting a federal statute to create preemptive and punitive measures to discourage trademark abuse and disincentivize trademark bullies from immediately suing.¹⁷⁶ If one party opts in, the proposed statute mandates a pre-filing settlement conference to avoid forcing small businesses and individuals into litigation that they may not be able to afford.¹⁷⁷ Providing an option for mediation so that trademark bullies cannot threaten litigation as easily would ideally reduce and prevent meritless or fraudulent claims from being brought because bullies cannot threaten litigation as a scare tactic.¹⁷⁸ The proposed statute also includes punitive measures for sending cease-and-desist letters that fail to specifically enumerate and describe the details and reasons for sending the letter.¹⁷⁹

Although adopting a statute or modifying the Lanham Act to address trademark bullying sounds ideal, there are quite a few issues with this proposal. First, it would require a lot of time and strong public and governmental support to make these changes, which is not guaranteed.¹⁸⁰ The process of adopting new legislation and amending current legislation is time-consuming, and changes may not be made for years.¹⁸¹ In the past, the USPTO has been hesitant to support new legislation regarding

through with litigation. By initiating a lawsuit, a defendant may be drawing attention to its trademark when the bully initially may have just let the issue go without taking further action.

¹⁷³ *Id.*

¹⁷⁴ See *infra* notes 175–76 and accompanying text.

¹⁷⁵ See *generally* Disputo, *supra* note 22.

¹⁷⁶ See *id.* at 488–93.

¹⁷⁷ *Id.* at 488–89.

¹⁷⁸ *Id.* at 489; see also Jeff Rifleman, *Mandatory Mediation: Implications and Challenges*, MEDIATE.COM (Dec. 19, 2005), <https://mediate.com/mandatory-mediation-implications-and-challenges> [<https://perma.cc/JGW5-J9AT>] (discussing the benefits of alternative dispute resolution and mediation).

¹⁷⁹ See Disputo, *supra* note 22, at 489–90.

¹⁸⁰ See *generally* *Enactment of a Law*, CONGRESS.GOV, <https://www.congress.gov/help/learn-about-the-legislative-process/enactment-of-a-law> (last visited Nov. 3, 2023) (describing the lengthy process of enacting and amending legislation in the Senate and House of Representatives).

¹⁸¹ See *generally id.*

trademark bullying and aggressive litigation tactics,¹⁸² and such legislation would not succeed without the support of the USPTO and related agencies and governing bodies.¹⁸³ Further, although the option of mediation would likely lead to less litigation, mediation still requires resources such as time and money that many small businesses and individuals do not have.¹⁸⁴ If both parties are responsible for discovery during mediation, the trademark bully would still have the advantage of being able to allocate more resources during discovery.¹⁸⁵ This solution does not eliminate the disparity between the two parties by proposing mediation rather than litigation.¹⁸⁶ Finally, because mediation is not binding, it may not be a powerful enough solution to stop trademark bullies from putting forth frivolous or excessive claims.¹⁸⁷

Various theories of fee shifting have also been proposed as a solution to the issue of trademark bullying.¹⁸⁸ For example, in the United Kingdom, attorneys' fees are shifted to the losing party, whereas under the Lanham Act, the possibility of fee shifting to pay attorneys' fees is rare.¹⁸⁹ Under the Lanham Act, reasonable attorneys' fees can be recovered in "exceptional cases."¹⁹⁰ In theory, scholars argue that the possibility of having to pay attorneys' fees would mitigate meritless claims and threats.¹⁹¹ However, the standards used by courts to determine when fee shifting is available are inconsistent and unclear, in addition to being rarely used in practice.¹⁹² Another proposal suggests amending the

¹⁸² See U.S. PAT. & TRADEMARK OFF., *supra* note 7, at 26. Based on a study conducted by the USPTO, this report concluded that the issue of trademark bullying (referred to as "aggressive litigation tactics" in the report) does not warrant new legislation. The report stated, "Ultimately, because trademark enforcement is a private property rights litigation issue, if abusive tactics are a problem, such tactics may best be addressed by the existing safeguards in the litigation system and by private sector outreach, support and education relating to these issues." Because of this hesitancy to adopt new legislation, it is unlikely that any proposed solution requiring new legislation would succeed in practice as an effective method of combating trademark bullying and abuse.

¹⁸³ *See id.*

¹⁸⁴ Dispoto, *supra* note 22, at 491.

¹⁸⁵ *Id.*

¹⁸⁶ *Id.*

¹⁸⁷ *Id.* at 493.

¹⁸⁸ *See id.* at 483; Gaddis, Garboczi, Stewartson & Reid, *supra* note 55, at 4, 11.

¹⁸⁹ See Werner Pfennigstorf, *The European Experience with Attorney Fee Shifting*, 47 LAW & CONTEMP. PROBS. 37, 45-46 (1984); *see also* 15 U.S.C. § 1117(a) (requiring very extreme circumstances for granting attorneys' fees).

¹⁹⁰ 15 U.S.C. § 1117(a).

¹⁹¹ *See, e.g.*, Dispoto, *supra* note 22, at 483.

¹⁹² Under the Lanham Act, attorneys' fees are awarded in "exceptional" cases in which the losing party engaged in bad faith, fraud, malice, or knowing infringement. *Mister Softee of Brooklyn, Inc. v. Boula Vending, Inc.*, 484 F. App'x 623, 624 (2d Cir. 2012); *see also* *Green v. Fornario*, 486 F.3d 100, 103 (3d Cir. 2007); *Nat'l Bus. Forms & Printing, Inc. v. Ford Motor Co.*, 671 F.3d 526, 537 (5th

Lanham Act to enable the Trademark Trial and Appeals Board (TTAB) to require the alleged bully to pay attorneys' fees to the victim if an opposition appeal is found to be either frivolous or meritless.¹⁹³ Allowing for fee shifting in TTAB proceedings would dissuade trademark bullies from filing meritless oppositions because it creates the risk of having to pay attorneys' fees.¹⁹⁴

Although fee shifting in TTAB proceedings and litigation seems like a viable solution to the issue of trademark bullying, it is not enough on its own to solve the problem. Because trademark bullies often have the money and resources to spend, it is not guaranteed that the possibility of having to pay attorneys' fees would be enough to stop them from engaging in abusive tactics.¹⁹⁵ Adopting a form of fee shifting also creates a line drawing problem because it is currently unclear what constitutes a meritless or bad faith claim or opposition.¹⁹⁶ In short, this Note argues that fee shifting is a solution that has potential to work in conjunction with further measures, but it is not enough on its own to constitute a comprehensive solution to trademark bullying.

Another proposed solution is to create a new subdivision of the USPTO consisting of an oversight process to balance trademark owners' duty to police their marks with the issue of overenforcement and abuse.¹⁹⁷ This subdivision of the USPTO would review cease-and-desist letters and

Cir. 2012); *Schwartz v. Rent A Wreck of Am. Inc.*, 468 F. App'x. 238, 254 (4th Cir. 2012); *Cairns v. Franklin Mint Co.*, 292 F.3d 1139, 1156 (9th Cir. 2002). All of these cases utilize slightly different definitions of "exceptional cases." In 2014, this standard evolved when the Supreme Court decided *Octane Fitness, LLC v. ICON Health & Fitness, Inc.*, 572 U.S. 545 (2014), and *Highmark Inc. v. Allcare Health Management System, Inc.*, 572 U.S. 599 (2014). In these cases, the Supreme Court held that "exceptional cases" under the Lanham Act is an "inherently flexible" standard, and an "exceptional case" is a case that stands out from others, and should be determined on a case-by-case basis. Despite this holding, there is still disagreement today among different circuits regarding the appropriate standards for fee shifting under the Lanham Act. For further reading on the development and evolution of fee shifting under the Lanham Act, see Kevin R. Miller & Brian M. Block, *Collecting Attorneys' Fees Under the Lanham Act: The Shifting Definition of an "Exceptional Case,"* 12 SETON HALL CIR. REV. 30 (2015).

¹⁹³ See Gaddis, Garboczi, Stewartson & Reid, *supra* note 25, at 11 ("To complement the Second Look Review, we propose a statutory change that would amend the Lanham Act to allow for the TTAB to impose reasonable adverse attorney fees on an opposer who loses a trademark opposition appeal that is subsequently found to have been frivolous or otherwise meritless by the TTAB. In conjunction with our Second Look Review proposal, allowing the TTAB to adopt fee shifting in a manner similar to that of trademark litigation will increase efficiency in the trademark appellate system and allow for victims of parties attempting to exploit the system to be able to fully defend their rights and pay for legal representation.").

¹⁹⁴ *Id.*

¹⁹⁵ See *id.* at 6.

¹⁹⁶ See *id.* at 11.

¹⁹⁷ Manta, *supra* note 5, at 866–68.

issue decisions regarding the alleged infringement.¹⁹⁸ A shortcoming of this proposal is the extremely high set-up and administrative costs that would be necessary to create and maintain the subdivision.¹⁹⁹ Another issue is enforcement.²⁰⁰ This proposal would not succeed in practice without the support of courts and the USPTO because it would be up to these entities to validate and enforce the decisions of the subdivision.²⁰¹ Because of the high expenses and uncertainty regarding enforcement, this solution needs further development before it could be implemented in practice.²⁰²

3. Shortcomings of Existing and Proposed Solutions

Solutions that require defendants to “fight back” are not realistic.²⁰³ This is because most of these defendants are individuals or very small businesses, and they do not have the time and resources to fight these claims of infringement or registration oppositions.²⁰⁴ Many of these defendants are also intimidated and scared off when they receive a cease-and-desist letter.²⁰⁵ They would rather just comply with the larger companies’ demands than risk entering into litigation or fighting the claims.²⁰⁶ It often makes more sense for them to just modify their trademarks than deal with legal battles with a more powerful company.²⁰⁷

In terms of public shaming on social media, this Note posits that public shaming does not work for companies that already have monopolies.²⁰⁸ For example, even if Apple is criticized on social media

¹⁹⁸ *Id.* at 866.

¹⁹⁹ *Id.* at 869–70.

²⁰⁰ *Id.* at 870.

²⁰¹ *Id.* at 869. For a discussion of other proposed solutions, see Jason Vogel & Jeremy A. Schachter, *How Ethics Rules Can Be Used to Address Trademark Bullying*, 103 TRADEMARK REP. 503 (2013), which proposes a focus on ethical rules and the rules of professional responsibility as a solution to trademark bullying; and Dogan, *supra* note 2, at 1323–24, which proposes three methods of increasing doctrinal clarity.

²⁰² Manta, *supra* note 5, at 869.

²⁰³ See Sara Marie Andrzejewski, “Leave Little Guys Alone!”: *Protecting Small Businesses from Overly Litigious Corporations and Trademark Infringement Suits*, 19 J. INTELL. PROP. L. 117, 135 (2011).

²⁰⁴ *Id.*

²⁰⁵ *Id.* at 134.

²⁰⁶ *Id.* at 134–35.

²⁰⁷ *Id.*

²⁰⁸ Even in “successful” cases of shaming, there is usually a short period of commotion, and then the crisis blows over. Particularly in the public relations context, brands eventually recover. Even if the business loses some consumers, for huge companies, the loss of a handful of consumers does

(and it often is), people will likely still buy iPhones.²⁰⁹ The same goes for Starbucks and other large companies that would likely continue to have loyal consumers despite public criticism.²¹⁰ Even if there are public complaints made about Starbucks, a significant number of people will still inevitably buy coffee from Starbucks because it is convenient.²¹¹

B. *What Is a Misuse Doctrine and How Is It Used in Patent and Copyright Law?*

Copyright and patent law both have misuse doctrines, which serve as affirmative defenses to abuse and can cause a person or business to lose rights if they misuse their copyright or patent protections by engaging in prohibited behavior.²¹² Misuse is an equitable doctrine developed by courts to prevent anticompetitive or problematic behavior by intellectual property owners.²¹³ Prohibited behavior includes overreaching to expand the scope of a patent or copyright in an anticompetitive or abusive manner.²¹⁴ The misuse defense can be used by an alleged infringer if the patent or copyright owner engages in such behavior.²¹⁵ The defendant asserting misuse does not necessarily have to be the victim of the alleged abuse.²¹⁶ The consequence of a successful misuse defense is that the owner

not have a large impact on the business in the grand scheme of operations. Consumers generally continue to purchase goods and services from businesses they were previously loyal to, even after public crises. For an example of this, Lily Tillman, a blogger from Astute, conducted a study after Kendall Jenner's controversial commercial for Pepsi, arguably one of the largest public relations crises in recent years. Tillman reports that although young consumers' consideration of purchasing a Pepsi remains at lower levels than before the commercial aired, "[o]ne year following the controversial release, PepsiCo and Pepsi's brand perception among millennials and younger generations has made an unusual recovery. However, according to YouGov BrandIndex, this recovery came after nine months of the lowest perception levels Pepsi has seen in over eight years." Lily Tillman, *Case Study: Pepsico & Kendall Jenner's Controversial Commercial*, ASTUTE (June 17, 2019), <https://astute.co/pepsi-kendall-jenner-commercial> [<https://perma.cc/G769-ES6J>].

²⁰⁹ See *id.*

²¹⁰ See *id.*

²¹¹ See *id.*

²¹² Jere M. Webb & Lawrence A. Locke, *Intellectual Property Misuse: Developments in the Misuse Doctrine*, 4 HARV. J.L. & TECH. 257 (1991); William E. Ridgway, *Revitalizing the Doctrine of Trademark Misuse*, 21 BERKELEY TECH. L.J. 1547 (2006).

²¹³ Deepa Varadarajan, *The Uses of IP Misuse*, 68 EMORY L.J. 739, 742 (2019).

²¹⁴ *Id.*; see also *Morton Salt Co. v. G. S. Suppiger Co.*, 314 U.S. 488, 494 (1942) (originating and utilizing the patent misuse doctrine to prevent a patentee from overextending a patent to include goods not covered by the original patent). Although this case was partly invalidated, it provides an example of how intellectual property misuse was originally applied by courts.

²¹⁵ See sources cited *supra* note 212.

²¹⁶ See *Lasercomb Am., Inc. v. Reynolds*, 911 F.2d 970 (4th Cir. 1990).

can no longer enforce their patent or copyright until the misuse stops and the effects of the misuse are “dissipated.”²¹⁷

Although patent and copyright misuse have similar origins and basic features, the misuse doctrine has developed differently in patent law and copyright law.²¹⁸ The misuse doctrine originated in patent law with the Supreme Court’s decision in *Motion Picture Patents Co. v. Universal Film Manufacturing*,²¹⁹ and it was later adopted in copyright law by the Fourth Circuit Court of Appeals in *Lasercomb America, Inc. v. Reynolds*.²²⁰ In patent law, one way a defendant can prove misuse is by showing that the patent owner is unlawfully restraining competition and that the action is beyond the scope of the patent grant.²²¹ In other words, patent misuse occurs when the patent owner has “impermissibly broadened the ‘physical or temporal scope’ of the patent grant with anticompetitive effect.”²²² In contrast to modern copyright misuse, modern patent misuse has developed to focus on mainly anticompetitive concerns.²²³ Patent misuse functions closer to antitrust principles rather than intellectual property policy.²²⁴ Because of this narrow focus, patent misuse is rarely used in practice.²²⁵ The extent of the patent misuse defense is generally limited to cases in which patent owners use their market power to engage in “licensing practices with demonstrable anticompetitive effects.”²²⁶ To determine whether a patent misuse defense will succeed, courts engage in a balancing of the positive and negative effects of the anticompetitive behavior.²²⁷

In copyright law, the misuse doctrine prevents copyright owners from using their copyright to control areas outside their limited monopoly.²²⁸ Copyright misuse is considered an equitable defense to

²¹⁷ *Morton Salt*, 314 U.S. at 493.

²¹⁸ Varadarajan, *supra* note 213 at 742–43.

²¹⁹ 243 U.S. 502 (1917).

²²⁰ 911 F.2d 970 (4th Cir. 1990).

²²¹ *Windsurfing Int’l Inc. v. AMF Inc.*, 828 F.2d 755, 1000 (Fed. Cir. 1987); *Princo Corp. v. Int’l Trade Comm’n*, 616 F.3d 1318, 1330 (Fed. Cir. 2010).

²²² *Windsurfing Int’l, Inc.*, 782 F.2d at 1001 (Fed. Cir. 1986) (citing *Blonder-Tongue Lab’ys, Inc. v. Univ. of Ill. Found.*, 402 U.S. 313 (1971)).

²²³ Varadarajan, *supra* note 213 at 742.

²²⁴ *Id.*

²²⁵ *Id.*

²²⁶ *Id.*

²²⁷ *Id.* at 754.

²²⁸ *Oracle USA, Inc. v. Rimini St., Inc.*, 879 F.3d 948 (9th Cir. 2018) (“The copyright misuse doctrine prevents holders of copyrights ‘from leveraging their limited monopoly to allow them control of areas outside the monopoly.’” (quoting *Apple Inc. v. Psystar Corp.*, 658 F.3d 1150, 1157 (9th Cir. 2011))).

infringement, like patent misuse.²²⁹ Further, if successful, a copyright misuse defense prevents a copyright owner from enforcing a copyright during the period of misuse, but it does not completely revoke the copyright.²³⁰ Unlike patent misuse, copyright misuse has developed to cover a broader range of behavior beyond simply anticompetitive practices, including behavior that threatens free speech and innovation or creativity.²³¹

The misuse doctrine is still developing in copyright law because it has not existed for as long as patent misuse.²³² For example, the Ninth Circuit has yet to decide whether the issue of copyright misuse should be decided by the court or submitted to the jury.²³³ However, the doctrine is currently used in practice and continues to develop.²³⁴ In 1999, the Fifth Circuit affirmed a jury finding that a copyright holder engaged in misuse because a “reasonable juror could conclude . . . that ‘DSC has used its copyrights to indirectly gain [a commercial advantage] over products DSC does not have copyrighted.’”²³⁵ Different circuits still address and approach copyright misuse differently, but nevertheless it is available to alleged infringers as a defense.²³⁶

The overall impact of the misuse doctrine as used in patent and copyright law is to help balance competing rights and interests and

²²⁹ *Vernor v. Autodesk, Inc.*, 621 F.3d 1102, 1115 (9th Cir. 2010).

²³⁰ Steve Vondran, *The Copyright “Misuse” Defense Explained*, VONDRAN LEGAL (Feb. 7, 2015), <https://www.vondranlegal.com/copyright-infringement-defenses-misuse-defined> [<https://perma.cc/5WZ8-HFVB>]; *Prac. Mgmt. Info. Corp. v. Am. Med. Ass’n*, 121 F.3d 516, 520 (9th Cir. 1997).

²³¹ Varadarajan, *supra* note 213, at 743 (“Courts and claimants have invoked copyright misuse not only to address competitive harms, but also copyright owners’ acts that: (i) preemptively restrain fair uses, like socially valuable speech and reverse engineering; (ii) upset the subject matter boundary between patent and copyright by sneaking functional works through the ‘back-door’ of copyright protection; and (iii) overclaim or misrepresent the legitimate scope of copyright, particularly to unsophisticated audiences.”).

²³² *E.g.*, MANUAL OF MODEL CIV. JURY INSTRUCTIONS FOR THE DIST. COURTS OF THE NINTH CIR. § 17.24 (NINTH CIR. JURY INSTRUCTIONS COMM. 2022) (“The contours of this defense are still being defined because courts do not need to address the issue when there is an unsuccessful claim for copyright infringement.”); *see also, e.g.*, *MDY Indus., LLC v. Blizzard Ent., Inc.*, 629 F.3d 928, 941 (9th Cir. 2010); *Vernor*, 621 F.3d at 1115; *Sony Comput. Ent., Inc. v. Connectix Corp.*, 203 F.3d 596, 608 (9th Cir. 2000). In all of these cases, the court declined to address or decide issues regarding copyright misuse because a finding of no infringement precluded this discussion.

²³³ MANUAL OF MODEL CIV. JURY INSTRUCTIONS FOR THE DIST. COURTS OF THE NINTH CIR. § 17.24.

²³⁴ *Id.*

²³⁵ *Alcatel USA, Inc. v. DGI Techs., Inc.*, 166 F.3d 772, 793 (5th Cir. 1999) (quoting district court jury instructions).

²³⁶ *Id.*; *see supra* notes 232–34.

prevent an overextension of rights.²³⁷ While similar to antitrust law in the patent law context, the misuse doctrine is ultimately a doctrine that is distinct from antitrust law.²³⁸ The purpose of the misuse doctrine is to provide an avenue to regulate anticompetitive behavior without requiring a showing of an antitrust violation²³⁹ because actual anticompetitive effect or injury is not a prerequisite to utilizing the misuse defense.²⁴⁰

This Note proposes that it is possible to apply a misuse doctrine to trademark law. However, because the core purpose of trademark law is substantially different from that of copyright and patent law, incorporating a misuse doctrine into trademark law would require modification.²⁴¹

C. *How Trademark Law Differs from Copyright and Patent Law*

Although patents, copyrights, and trademarks are all forms of intellectual property, trademark law differs from patent and copyright law in a few significant ways, primarily because the underlying policy and goals behind trademark law are distinct.²⁴² The purpose of trademark law differs from that of copyright and patent law because trademark law is intended to protect society and consumers in addition to trademark owners, which makes the application of a misuse use doctrine to trademark law different.²⁴³ Trademark law has a central focus on preventing consumer confusion.²⁴⁴ A central system of trademark regulation helps consumers express preferences and make purchasing decisions while reducing consumer search costs, which in turn promotes the production of high quality goods and services.²⁴⁵ In short, trademark law is very consumer-centric, with a strong focus on protecting society and consumers in addition to simply protecting property rights.²⁴⁶ Copyright and patent law are primarily based on ownership of property

²³⁷ See Ilan Charnelle, *The Justification and Scope of the Copyright Misuse Doctrine and Its Independence of the Antitrust Laws*, 9 UCLA ENT. L. REV. 167 (2002); Varadarajan, *supra* note 213; Vondran, *supra* note 230; Aaron Xavier Fellmeth, *Copyright Misuse and the Limits of the Intellectual Property Monopoly*, 6 J. INTEL. PROP. L. 1 (1998).

²³⁸ See Webb & Locke, *supra* note 212, at 262.

²³⁹ *Id.*

²⁴⁰ *Id.*; see also *Morton Salt Co. v. G. S. Suppiger Co.*, 314 U.S. 488, 494 (1942).

²⁴¹ See *infra* Section II.C. See generally Lunney, *supra* note 49, at 932, 937.

²⁴² See Ridgway, *supra* note 212, at 1558.

²⁴³ See Lunney, *supra* note 49, at 932.

²⁴⁴ *Id.*

²⁴⁵ See, e.g., *Park 'N Fly, Inc. v. Dollar Park & Fly, Inc.*, 469 U.S. 189, 197–98 (1985).

²⁴⁶ *Id.* at 198.

and protecting creators' rights in their creations or property, with less of a focus on consumers.²⁴⁷

III. PROPOSAL

This Note argues that trademark law, as it exists currently, works to appease and even encourage trademark abuse and trademark bullying.²⁴⁸ Although trademark law serves different goals and purposes than patent and copyright law, incorporating a misuse doctrine modeled after the misuse defense applied by courts in cases of patent and copyright abuse would disincentivize trademark bullies from abusing their trademark rights and encourage fair competition, which is one of the broad purposes of trademark law.

A. *The Misuse Doctrine Should Be Modified to Apply to Trademark Law*

Because trademark law has a distinct purpose compared to patent and copyright law,²⁴⁹ it follows that the misuse doctrine would have to be adapted to be used in the trademark law context. This Note primarily draws from the misuse doctrine under patent law rather than copyright law because the doctrine in copyright law focuses more on improper purpose,²⁵⁰ whereas the doctrine in patent law focuses more on an overenforcement problem similar to that existing within trademark law.²⁵¹ On the other hand, there are elements of copyright misuse that can be applicable to trademark law, such as the fact that trademark overenforcement also limits innovation and creativity in the trademark context.²⁵² Patent law incorporates misuse to prevent patent owners from

²⁴⁷ See Ridgway, *supra* note 212, at 1558–59.

²⁴⁸ See discussion *supra* Section I.A.

²⁴⁹ See discussion and sources cited *supra* Section II.C.

²⁵⁰ See, e.g., *Lasercomb Am., Inc. v. Reynolds*, 911 F.2d 970 (4th Cir. 1990). In the *Lasercomb* decision, the court decided that Lasercomb misused its copyright by attempting to extend the scope and term of its copyright far beyond what was permitted under copyright law, which would prevent people from developing competing software. *Id.* at 978. Besides attempting to extend the scope and term of the copyright, improper purpose was also identified because Lasercomb's goal in engaging in this misuse was to gain an advantage in the marketplace by preventing competitors from competing. *Id.* at 978–79. The court refused to enforce Lasercomb's copyright against the defendant because of this misuse. *Id.* at 979.

²⁵¹ See generally J. Dianne Brinson, *Patent Misuse: Time for a Change*, 16 RUTGERS COMPUT. & TECH. L.J. 357 (1990) (discussing the history, rationales, and criticisms of the patent misuse doctrine).

²⁵² See discussion *supra* notes 131–36.

extending their patent term or the scope of their patent.²⁵³ In patent law, the misuse doctrine protects against using a patent to cover things that are not patented.²⁵⁴ This aligns a bit more closely with how a misuse doctrine would be used in trademark law because the issue of trademark bullying is closer to an overenforcement problem rather than that of improper purpose.²⁵⁵

B. *Scope of the Proposed Misuse Doctrine in Trademark Law*

1. Overview of Scope

A misuse doctrine is not completely new to trademark law.²⁵⁶ Misuse was used within trademark law in the late 1800s, not in the trademark bullying context, but rather before trademark bullying became a pressing issue.²⁵⁷ The misuse defense was used in cases involving mislabeling products that had trademarks, and courts never extended it beyond this application.²⁵⁸ The misuse doctrine in trademark law was rarely used for anticompetitive conduct, and courts have declined to recognize a misuse doctrine as an equitable remedy.²⁵⁹ However, because of the growing issue of trademark abuse, there is a possibility that the misuse doctrine in trademark law could be revived to address trademark bullying. Incorporating a modified version of the misuse doctrine into trademark law would disincentivize trademark bullying by creating legal consequences, such as loss of trademark rights.

The misuse doctrine as applied to trademark law would create a minimum threshold to prevent companies from sending unlimited cease-and-desist letters when they are only being used as a scare tactic to intimidate small businesses and individuals. The misuse doctrine could effectively serve as both a proactive and a reactive measure to mitigate the issue of trademark bullying. It could deter large companies from engaging

²⁵³ See Brinson, *supra* note 251, at 371–72.

²⁵⁴ *Id.* at 357.

²⁵⁵ See discussion *supra* Part I (discussing how the Lanham Act allows for overenforcement and how trademark bullies engage in overenforcement of their trademarks).

²⁵⁶ See Ridgway, *supra* note 212, at 1553–54; see also *Manhattan Med. Co. v. Wood*, 108 U.S. 218, 222 (1883) (applying the misuse doctrine to deny trademark enforcement because the plaintiff's made false claims regarding their products' manufacturing); *Clinton E. Worden & Co. v. Cal. Fig Syrup Co.*, 187 U.S. 516, 528 (1903) (“[I]f the plaintiff makes any material false statement in connection with the property which he seeks to protect, he loses his right to claim the assistance of a court of equity . . .”).

²⁵⁷ See Ridgway, *supra* note 212, at 1553.

²⁵⁸ *Id.* at 1554.

²⁵⁹ *Id.*

in patterns of bullying in advance, and it could also serve as a consequence if these companies continue to abuse their rights despite this doctrine being in place.

The misuse doctrine in trademark law could be adopted through courts as an equitable defense to infringement, so no new legislation or amendments to the Lanham Act would be necessary.²⁶⁰ A misuse defense could be adopted under existing statute.²⁶¹ The misuse doctrine can be adopted under § 1115(b)(9), which deems equitable principles applicable to incontestable trademarks.²⁶² Misuse is an equitable enough doctrine to fit under this section of the Lanham Act, making it unnecessary to involve Congress because the doctrine can already be implemented by courts.²⁶³

The threat of a misuse defense alone may be enough for trademark bullies to adjust their practices because of the risk of losing trademark rights. However, even when used in practice, the misuse doctrine would be used very rarely, which would limit its application to extreme circumstances only. To limit the misuse defense even further, courts may opt to use a strike system to ensure the defense is only successful against repeat offenders. As an alternative, courts may draw from patent and copyright misuse and use unenforceability during the period of misuse as a consequence rather than a complete loss of rights.²⁶⁴ Judges and courts could use their discretion to determine if the defense is applicable, and if so, what type of penalty would be imposed upon the trademark bully when an offender is found to have engaged in misuse. A successful misuse defense can result in the loss of trademark rights in severe cases, but courts may also opt to impose a temporary loss of rights or financial penalties instead. These determinations would be up to courts to decide as the solution is implemented.

The misuse doctrine would be used as a defense against a plaintiff in an infringement suit. Defendants can utilize the misuse defense in a similar manner as the functionality defense²⁶⁵ in the sense that it can be asserted even when the defendant is not the direct victim of trademark bullying.²⁶⁶ Similar to the misuse doctrine in patent law, any defendant

²⁶⁰ 15 U.S.C. § 1115(b)(9).

²⁶¹ *Id.*

²⁶² *Id.*

²⁶³ *Id.*

²⁶⁴ See *supra* text accompanying note 217; see also *supra* text accompanying note 230.

²⁶⁵ See generally Mark P. McKenna, *(Dys)Functionality*, 48 HOUS. L. REV. 823 (2011).

²⁶⁶ Any defendant can assert functionality as a defense because functionality is a basis for cancelling a trademark. See 15 U.S.C. § 1052(e)(5) (discussing functionality as a basis for refusing registration of a trademark); see also *id.* § 1115(b)(8) (including functionality as an incontestability defense). Like the proposed misuse defense, the functionality doctrine is intended to encourage legitimate competition and prevent trademark law from allowing a singular trademark owner to

may assert the misuse defense.²⁶⁷ The misuse defense would be based on likelihood of confusion. However, the defense would not be triggered whenever there is no likelihood of confusion; the circumstances have to be more extreme to show that a plaintiff has crossed the line between an unsuccessful infringement claim and outright abuse. A finding of no likelihood of confusion does not equate to trademark bullying or abuse, but a pattern does. If a plaintiff in an infringement suit engages in a pattern of asserting infringement or sending cease-and-desist letters when likelihood of confusion is null and void, the plaintiff risks losing rights in its trademark. The defense may be used even in an infringement suit that would otherwise be valid because engaging in trademark abuse opens the door to plaintiffs losing rights in their mark.

The misuse doctrine would be less about the immediate litigants and would not necessarily be brought by the parties involved in the initial disputes, or in other words, the direct victims of the trademark bullying. The defense would more often be brought by defendants in infringement suits with large companies who are not connected to the abuse at all.²⁶⁸ This would mitigate the issue that victims of trademark bullying do not have the resources or power to fight back, because they do not have to be the ones asserting the defense.²⁶⁹ Additionally, the fact that plaintiffs could lose their trademark rights would incentivize defendants to assert misuse claims even if they are not the ones directly harmed, because a successful misuse defense would preempt the plaintiff's current infringement claim against the defendant, benefitting both the direct defendant and the victim of trademark abuse. Any defendant can assert misuse as a defense against a plaintiff in an infringement suit, even if the defendant is not directly a victim of the plaintiff's bullying tactics. The bully would then lose in an infringement suit if the defendant successfully proves misuse, resulting in loss of the plaintiff's trademark rights, at least temporarily.²⁷⁰ In short, the misuse defense would primarily be raised by

control a useful feature of a product. See *Qualitex Co. v. Jacobson Prods. Co.*, 514 U.S. 159, 164–65 (1995) (“The functionality doctrine prevents trademark law, which seeks to promote competition by protecting a firm’s reputation, from instead inhibiting legitimate competition by allowing a producer to control a useful product feature. It is the province of patent law, not trademark law, to encourage invention by granting inventors a monopoly over new product designs or functions for a limited time . . . after which competitors are free to use the innovation. If a product’s functional features could be used as trademarks, however, a monopoly over such features could be obtained without regard to whether they qualify as patents and could be extended forever (because trademarks may be renewed in perpetuity).” (citations omitted) (citing 35 U.S.C. §§ 154, 173)).

²⁶⁷ *Morton Salt Co. v. G. S. Suppiger Co.*, 314 U.S. 488, 494 (1942).

²⁶⁸ This idea is similar to patent and copyright misuse because the defense can be raised by anyone. See discussion *supra* Section II.B.

²⁶⁹ See generally Jacobs, *supra* note 13.

²⁷⁰ See *supra* note 264.

people who are not the ones being bullied. It would be raised by people being sued by the trademark bullies for likelihood of confusion. Those defendants would essentially be arguing that the trademark bully cannot enforce against them either because of misuse, which results in the bully's loss of rights in the mark and the loss of the right to enforce against others in the future. Once again, the existence of the defense itself may be enough to deter trademark bullying in a more proactive rather than a reactive sense. The defense may not often be used in practice if it proactively curbs bullying tactics in the trademark sphere.

2. Proving Misuse

The standard or burden of proof for showing misuse would be based on patterns of abusive behavior.²⁷¹ A defendant in an infringement suit would not simply be able to assert misuse as a defense against a plaintiff who arguably engaged in trademark bullying in an isolated incident. This defense would only be available against plaintiffs who engage in trademark bullying or abusive behavior as a regular pattern or practice—companies who are repeat offenders. This can be proved in a number of ways, including previous litigation and proof of frivolous cease-and-desist letters being sent by plaintiffs. It would ultimately be up to courts to decide if the burden of proof has been met. Like the other incontestability defenses under section 33(b) of the Lanham Act,²⁷² misuse would be an affirmative defense with the burden of proof on the alleged infringer.

The misuse defense does not require courts to look deeply into improper purpose. In other words, it is not based on the intent to abuse, bully, or intimidate. The defense should be thought of as being used when a company or plaintiff overextends its trademark rights. In this case, the purpose is less relevant in terms of asserting the defense. The problem here is the overextension of rights on its face, not the purpose behind it. Requiring a showing of intent would be too high of a burden to meet and would render the defense ineffective. Perhaps, instead, the standard should be a reasonable person standard, allowing for misuse to succeed when no reasonable person would believe an actual likelihood of confusion exists.²⁷³

²⁷¹ See generally La, *supra* note 109 (discussing patterns of abusive behavior).

²⁷² 15 U.S.C. § 1115(b).

²⁷³ In other words, no reasonable person would think there is an actual, possible likelihood of confusion between the trademark bully's mark and the victim's or victims' marks.

C. *Why This Solution Should Be Adopted*

A big picture purpose of trademark law is essentially to protect consumers.²⁷⁴ Adopting a misuse defense would be an effective method of drawing a line when consumer confusion is obviously not a concern in order to balance the goal of mitigating consumer confusion with allowing for fair competition and creativity. Trademark law and the Lanham Act already engage in a balancing of goals.²⁷⁵ Specifically, the Lanham Act balances functionality with consumer confusion.²⁷⁶ The misuse doctrine also promotes fair competition, which is another “big picture” goal of trademark law.²⁷⁷ This solution would allow for creativity in the market, which benefits consumers and the general public. Small businesses and individuals can be creative in adopting their trademarks with less fear of being accused of infringement based on meritless and frivolous claims. However, when there is actually a likelihood of confusion and two marks are confusingly similar, this doctrine would not apply.

Section 1115(b)(9), which allows for equitable defenses to incontestable registered marks,²⁷⁸ could support an application of a misuse doctrine. Because of this, Congress and courts would be able to adopt this doctrine without having to alter existing law to allow for it. This saves time and resources and makes it an easy and efficient solution to put in place under the Lanham Act, unlike solutions that have already been proposed.²⁷⁹

Most notably, this type of solution is used in other areas of the law, including in patent and copyright law, and it has proven to be effective.²⁸⁰ Further, similar practices are used within trademark law itself.²⁸¹ Trademark law already incorporates rarely used standards that push companies to act a certain way.²⁸² Trademark law also already has defenses that impose consequences on trademark owners for problematic behavior, even when not explicitly related to confusion.²⁸³ For example, under section 33(b) of the Lanham Act, some defenses to incontestability

²⁷⁴ See generally *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 767–68 (1992).

²⁷⁵ See *id.* See generally McKenna, *supra* note 265.

²⁷⁶ McKenna, *supra* note 265, at 823–24.

²⁷⁷ 15 U.S.C. § 1127; see *Two Pesos*, 505 U.S. at 767–68.

²⁷⁸ See 15 U.S.C. § 1115(b)(9).

²⁷⁹ See discussion *supra* Section II.A.3.

²⁸⁰ See discussion *supra* Section II.B.

²⁸¹ See 15 U.S.C. § 1115(b) (defenses to incontestability).

²⁸² *Id.*

²⁸³ *Id.*

include fraudulently obtained registrations,²⁸⁴ abandonment,²⁸⁵ misrepresentation of source,²⁸⁶ and uses violating antitrust law.²⁸⁷ Each of these defenses show that inequitable or problematic behavior can be punished under the Lanham Act, and that the Lanham Act is willing to impose consequences when trademark owners do something objectively wrong.²⁸⁸ Because the Lanham Act already utilizes equitable defenses, adopting an equitable misuse defense would not be revolutionary or problematic under the Lanham Act.

The misuse doctrine can also be justified by comparing it to abandonment and naked licensing. As discussed earlier on, abandonment incentivizes overenforcement, even though a finding of abandonment is relatively rare in practice.²⁸⁹ Trademark misuse can be the rare occurrence that provides a counterweight in the other direction. Even if rarely used, a misuse defense can serve as a check at the opposite end of abandonment, disincentivizing overenforcement. In effect, the misuse doctrine can be the mirror image of abandonment. There is a large range in the middle (between abandonment and misuse) of reasonable behavior, but these two extremes push trademark owners to keep their behavior somewhere in the middle and not overstep at either end of the spectrum.

Outside the realm of intellectual property, similar policies to deter undesired practices have been implemented regarding educational privacy.²⁹⁰ Under the Family Educational Rights and Privacy Act (FERPA), schools need permission from the parent or student (if the student has reached the age of eighteen) in order to release any information regarding a student's education record.²⁹¹ Failure to comply with FERPA can result in a school losing federal funding.²⁹² This can be compared to loss of trademark rights as an acceptable consequence of trademark bullying. The threat of losing federal funding functions as a deterrent, and the Department of Education has never actually taken away federal funding for failure to comply with FERPA.²⁹³ In practice, the

²⁸⁴ *Id.* § 1115(b)(1).

²⁸⁵ *Id.* § 1115(b)(2).

²⁸⁶ *Id.* § 1115(b)(3).

²⁸⁷ *Id.* § 1115(b)(7).

²⁸⁸ *See id.* § 1115(b).

²⁸⁹ *See discussion supra* Section I.A.

²⁹⁰ *See, e.g., Family Educational Rights and Privacy Act (FERPA)*, CTRS. FOR DISEASE CONTROL & PREVENTION, <https://www.cdc.gov/php/publications/topic/ferpa.html> [<https://perma.cc/5K3D-Y5L4>].

²⁹¹ *Id.*

²⁹² 34 C.F.R. § 99.67(a)(3) (2023).

²⁹³ *Student Privacy, FERPA and Its Weakening by the U.S. Department of Education*, PARENT COAL. FOR STUDENT PRIV., <https://studentprivacymatters.org/ferpa-changes> [<https://perma.cc/>]

misuse doctrine would work in a manner similar to that of FERPA. Both mechanisms deter a specific activity and may result in loss of a certain right, but when the policy is implemented successfully, the ultimate consequence does not actually occur very often because they are primarily proactive solutions rather than reactive.²⁹⁴

D. *Addressing Concerns and Counterarguments*

Critics of this solution may question why loss of trademark rights is an acceptable outcome under trademark law. Critics may contend that loss of trademark rights is counterproductive to the overall goal of the Lanham Act.²⁹⁵ Arguably, if trademark rights cannot be obtained by efforts alone in the absence of consumer recognition, then trademark rights should not be lost based on misuse alone when there is still consumer recognition. However, the loss of trademark rights is an acceptable outcome and is not in conflict with the broad goals of trademark law for a variety of reasons.²⁹⁶ The misuse doctrine would help serve as a limit on trademark rights. It would not be used frequently, and instead would only be used in extreme cases. Further, the existence of this defense alone would serve its purpose without actually being used often, because it would function as a deterrent or disincentive to trademark bullying. The end goal is that no brands are losing trademark rights because no brands are engaging in bullying or abusive tactics due to the threat of the loss of trademark rights.

The misuse doctrine actually does help advance the Lanham Act's broad goals of protecting fair competition and encouraging creativity in the marketplace.²⁹⁷ Further, sometimes confusion can be irrelevant or null. Just because people may confuse the source of two trademarks does not mean that it necessarily matters. Null likelihood of confusion is not something that requires protecting because in these cases consumers would not actually be confused. The misuse doctrine effectively accounts for meritorious infringement claims based on likelihood of confusion while weeding out frivolous ones. Adopting a misuse defense is supported by the broad, overarching purpose of the Lanham Act and trademark law,

VSC2-EPRQ] (“[S]chools that failed to comply with FERPA could lose their federal funding—but to this day the US Dept. of Education has never imposed a financial penalty on any agency or institution for violating FERPA.”).

²⁹⁴ See *id.*

²⁹⁵ See generally Brown, *supra* note 40.

²⁹⁶ See *supra* notes 39–51 and accompanying text.

²⁹⁷ See *supra* notes 39–51 and accompanying text.

which is to protect consumers.²⁹⁸ From a “big picture” perspective, taking away trademark rights to disincentivize trademark bullies is an effective method of drawing a line when consumer confusion is clearly not a concern and would promote creativity in the market, which benefits consumers and the general public.²⁹⁹

At times, the functionality doctrine trumps consumer confusion.³⁰⁰ This shows that consumer confusion is not the be-all and end-all in trademark law, and that trademark law balances different interests and goals to achieve its overall purposes.³⁰¹ The misuse doctrine can also trump consumer confusion in some cases, especially when consumer confusion is an obviously null claim, as it almost always is in true cases of trademark bullying. Ultimately, the misuse doctrine effectively engages in a balancing approach to serve as a deterrent to trademark bullies.

CONCLUSION

Adopting a misuse doctrine that threatens trademark bullies with the risk of losing trademark rights effectively balances the different interests protected by trademark law while finally disincentivizing companies from using harassment and abusing their power against smaller businesses and individuals. A misuse doctrine serves as both a proactive and reactive all-in-one solution without requiring individuals and small businesses with minimal resources to expend time and money fighting back through litigation. Adopting a misuse defense would promote fair competition, facilitate free speech, protect small businesses and individuals with less power, and protect consumers by providing more purchasing choices.

If the problem of trademark bullying and abuse is not addressed, it will continue to worsen as large, powerful companies obtain more money and resources to continue using harassment and other bullying tactics. If a limit is finally placed on trademark bullying, it would serve as a check on bullies and their attorneys to think before acting and using bullying tactics. A misuse doctrine will serve as the cap that the law is currently missing on incentives available to trademark bullies, and it will be a powerful step in the direction of eliminating this issue for the future.

²⁹⁸ See *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 767–68 (1992).

²⁹⁹ See discussion *supra* Section I.D.

³⁰⁰ See McKenna, *supra* note 265, at 823–24 (arguing that the functionality doctrine has the power to serve as a defense to consumer confusion and even trumps consumer confusion in certain cases).

³⁰¹ *Id.*