Notes

Picking on the Little Guy? Asserting Trademark Rights Against Fans, Emulators, and Enthusiasts*

We live in a time of robust trademark[1] protection, but the fact that a trademark owner has a right does not mean the owner should always exercise that right. There are times when asserting a trademark right might do more harm than good to a trademark owner, without addressing any real threat to that owner. This Note aims to explore the actions of trademark owners against subsets of infringers referred to here as fans, emulators, and enthusiasts—groups that use the mark not to create a separate brand identity of their own but rather to show their support for or imitate the original brand owner. These groups include sports fans, youth and amateur sports teams that use official team names and logos, and enthusiasts that use trademarks in their domain names or to identify their group.

This presents a different situation than most trademark analyses, which usually focus on two separate businesses at odds with one another, each attempting to secure a share of its own product market. In the particular cases at issue here, the use is not competitive, and it usually has little risk of confusing consumers or diluting the original mark. In fact, in some cases such use may actually strengthen or reinforce the original mark, given the nature of the use.

While the law allows a trademark owner to enforce its rights in these situations, there are costs involved in such enforcement—costs to the trademark owner asserting its rights, costs to the allegedly infringing party, and costs to the community and society as a whole. While costs are inherent in any trademark-enforcement scenario, there is a problem if the costs are not offset by a corresponding benefit. For example, costs to an infringing party or to society are justifiable if the trademark owner derives a benefit to which

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1. For simplicity, the term *trademark* will be used throughout this Note to refer to marks used as source identifiers both for goods (trademarks) and for services (service marks). The distinction between the two does not affect the analysis because they are treated similarly under federal trademark law. *See* Lanham Act § 3, 15 U.S.C. § 1053 (2006) ("[S]ervice marks shall be registrable, in the same manner and with the same effect as are trademarks, and when registered they shall be entitled to the same protection provided in this chapter in the case of trademarks.").

it is entitled under the law—such is the nature of our trademark regime. However, if the trademark owner does not derive a benefit, or actually ends up worse off as a result, then such a situation is unacceptably inefficient. Trademark law itself obligates an owner, to a certain extent, to police its mark and ensure the integrity of its brand, but this obligation should be understood in such a way as to avoid unnecessary enforcement actions that result in inefficient outcomes.

This Note proceeds in four parts. Part I presents several examples of enforcement actions against fans, emulators, and enthusiasts for analysis. Part II explores the trademark owners' possible motivations for taking such actions, looking both at reasons expressed by spokespeople and reasons that may be lying beneath the surface. Part III analyzes the costs of enforcement actions in these cases to the parties involved, including the public. Part IV concludes.

I. Fans, Emulators, and Enthusiasts

There are several examples of enforcement actions taken against fans, emulators, and enthusiasts. Trademark owners take different approaches to these groups that use their marks. Some owners refuse to allow the use altogether, while others force groups to enter into licensing agreements if they wish to continue the use. Still other owners take no action at all and actually encourage the use. What follow are a few representative examples of the types of use that are the focus of this Note.

In 2010, a team of Philadelphia Phillies fans calling themselves the "Phlyin' Phanatics" entered their contraption in the Red Bull Flugtag Competition, a contest in which people build homemade flying machines and launch them into a body of water.[2] The team of fans had spent $3,000 and 400 hours building a machine modeled after the Phillie Phanatic, the mascot of the Phillies and a trademark of Major League Baseball (MLB).[3] MLB objected to the use, requiring them to remove a replica of the mascot's head from the craft and leaving a sour taste in the mouths of the dejected Phillies fans.[4]

MLB has a history of vigorously enforcing its trademarks. In the 1990s, it began cracking down on little league teams whose uniforms featured

2. Teresa Masterson, *MLB Decapitates Flugtag's Phlyin' Phanatic*, NBC PHILADELPHIA (Sept. 6, 2010), http://www.nbcphiladelphia.com/news/local/MLB-Decapitates-Flugtags-Phlyin-Phanatic-102163614.html.

3. *Id.*

4. *See* Dan Geringer, *Phlyin' Flugtag Team Just Can't Get a Head*, PHILA. DAILY NEWS (Sept. 3, 2010), http://articles.philly.com/2010-09-03/news/24972804_1_phillie-phanatic-shuttle-red-bull-s-flugtag (quoting members of the team who said they were "really disheartened" and who suggested that they should simply "cut the head off and call it, 'The Philly Mascot That Major League Baseball Decided to Kill'").

official logos but were not purchased through an authorized, licensed dealer.[5] This requirement to purchase from a licensed dealer appears to be the status quo,[6] but there have been some recent instances of enforcement actions taken against amateur teams. In 2008, a youth league in the Tinley Park area of Chicago was forced to stop using MLB team names because its uniforms were not purchased from licensed vendors, even though the teams apparently did not use official MLB logos.[7] This action even garnered the attention of comedian Stephen Colbert, warranting an appearance in a satirical segment on his show, *The Colbert Report*, along with plenty of tongue-in-cheek criticism of the youth league at the expense of the intended target—MLB.[8] MLB took similar action against the Cape Cod League, an amateur league that had served for years as a breeding ground for future MLB talent.[9] MLB demanded that they comply with the licensed-vendor requirement in order to use MLB team names, but in this case the threat was not a strictly legal one—instead, MLB threatened to withhold the annual $100,000 grant that it had provided to the league for years.[10] Six teams were affected by the demand: two changed their names in order to stay loyal to local vendors, and the other four kept their major league names and agreed to purchase through the licensed vendor.[11]

Recently, college football teams have also begun to make news for actions taken against high school teams that use official names and logos, but the actions taken turn out to be quite diverse. For example, the University of Florida refuses to allow any use of its "Gator" mark, licensed or not, arguing

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5. Bill Haltom, *Little League Ballplayers Need Major League Trademark Lawyers*, TENN. B.J., Mar./Apr. 1995, at 25, 25 (taking a critical view of MLB's requirement that youth teams use officially licensed vendors); Michele Himmelberg, *Little League Outfits Causing Quite a Stir*, DENV. POST, Apr. 23, 1994, at C5, *available at* Factiva, Doc. No. dnvr000020011029dq4n007k3 (reporting that the requirement to purchase through licensed vendors could cost these leagues thousands of dollars if they want to emulate the major league teams, a cost many cannot afford to bear).

6. *See* Bob Kimball, *MLB Wants Things Uniform When It Comes to Trademarks*, USATODAY.COM (June 3, 2008), http://www.usatoday.com/sports/baseball/2008-06-02-mlb-trademarks_N.htm (noting that approximately 4,000 leagues use official MLB uniforms in the United States).

7. *Id.*; Mike Masnick, *Stephen Colbert Takes on MLB's Attempt to Bully Little Leaguers with Trademarks*, TECHDIRT (May 30, 2008, 9:39 AM), http://www.techdirt.com/articles/20080529/2344361265.shtml.

8. *The Colbert Report: Episode 400* (*The Word: Brushback Pitch*) (Comedy Central television broadcast May 28, 2008), *available at* http://www.colbertnation.com/the-colbert-report-videos/168724/may-28-2008/the-word---brushback-pitch.

9. *See* Mark Murphy, *Wooden Bat League Faces Splintering Relationship: MLB Licensing Issue Causes Dilemma for Cape Cod Teams*, BOS. HERALD, May 31, 2009, *available at* http://www.bostonherald.com/sports/other_sports/general/view.bg?articleid=1175856 (noting that one out of five major league players had played in the amateur league at some point).

10. *Id.*

11. *Id.*

that licensing agreements are "extremely difficult to maintain and manage."[12] The University of Wisconsin takes a similar stance regarding use of its "Motion W" insignia.[13]

The University of Notre Dame has taken a mixed approach to high schools infringing its trademarked "Fighting Irish" name and leprechaun logo. When Notre Dame's football team returned from El Paso, Texas, after participating in the Sun Bowl in 2010, the University sent a letter to Cathedral High School—an El Paso Catholic school—demanding that it phase out its use of the famous leprechaun logo and the name "Fighting Irish."[14] The high school had been known as the Fighting Irish for over eighty-five years.[15] The University said that it does not actively seek out infringement, but it does stop it when it sees it.[16] The school had previously taken similar action against a high school in its home state of Indiana, a school that was founded by the same religious order as the one that founded Notre Dame.[17] In the case of Cathedral High School in El Paso, the school will ultimately be allowed to continue using the name "Irish," though it must drop "Fighting" from the name as well as use of the leprechaun logo.[18]

Other schools take a somewhat more lenient approach to high schools using their logos and names. Schools like Kansas State University allow licensing of their logos for a nominal fee, sometimes as low as one dollar for two years.[19] Western Michigan University actively seeks out infringement from time to time, but when it finds instances of infringement, the University offers the infringer the option of a two-year license for $100.[20]

In stark contrast to the approach taken by some colleges, the National Football League (NFL) reportedly allows youth teams and high schools to use official NFL team names and logos freely.[21] In fact, the NFL seems to

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12. Matt Porter, *Florida Gators Tell Palm Beach Gardens, Glades Day to Stop Using Their Logos*, PALM BEACH POST (Oct. 13, 2010), http://www.palmbeachpost.com/sports/florida-gators-tell-palm-beach-gardens-glades-day-969833.html.

13. *See* James Wagner, *Logos Inspire a Turf Battle*, WASH. POST, Oct. 22, 2010, *available at* http://www.washingtonpost.com/wp-dyn/content/article/2010/10/21/AR2010102106519.html (observing that Wisconsin has forced over forty schools to stop using its logo).

14. Aaron Bracamontes, *Notre Dame Asks Cathedral High School to Drop Irish Logo, Nickname*, EL PASO TIMES (Mar. 5, 2011), http://www.elpasotimes.com/news/ci_17543105.

15. *Id.*

16. *Id.*

17. Rob Schneider, *Cathedral Won't Fight Notre Dame; High School Will Comply with Request to Stop Using the Leprechaun Logo*, INDIANAPOLIS STAR, Mar. 16, 2007, *available at* http://www.indystar.com/article/20070316/LOCAL/703160504/Cathedral-won-t-fight-Notre-Dame.

18. Bracamontes, *supra* note 14.

19. Wagner, *supra* note 13. One interesting restriction on the use of Kansas State's "Powercat" logo is that licensees are free to use almost any colors in their licensed logo, including Kansas State's own purple and silver, but they may not use red and blue, which just happens to be the color combination of Kansas State's rival, the University of Kansas. *Id.*

20. Larissa Chinwah, *Colleges to High Schools: Stop Using Our Logos*, DAILY HERALD (Nov. 30, 2010), http://www.dailyherald.com/article/20101130/news/712019831.

21. *Id.*

encourage the use.[22] Thus, many high schools borrow popular official NFL logos without having to worry about the threat of enforcement by the NFL.[23]

The case of enthusiasts is perhaps best illustrated by an incident between Ford Motor Company and therangerstation.com, a website for enthusiasts of Ford Ranger pickup trucks. In 2008, Ford sent a letter to the owner of the website demanding that he surrender the URL and pay Ford $5,000.[24] What ensued was an online firestorm regarding Ford's actions against the website.[25] While Ford's primary concern actually involved the alleged sale of counterfeit merchandise on the site and not use of the trademark "Ranger,"[26] the case is an important illustration of what can happen when a company pursues its trademark rights too aggressively against enthusiasts.[27]

II. Why Do Trademark Owners Assert Their Rights Against These Users?

One question that may not be completely obvious to ask is why trademark owners challenge these types of uses in the first place. Are these owners simply trademark bullies,[28] seeking to expand their own rights through abusive enforcement against small alleged infringers? This explanation alone seems incomplete here. Many of these allegedly infringing uses do not seem all that threatening to the original owners and may even be reinforcing and strengthening the brand among its followers. A member of a youth football team that calls itself the "Gators" might grow up with an affinity for the University of Florida and go on to become an actual Florida Gator one day. Likewise, a frequent contributor to the message boards on therangerstation.com is likely to continue buying Ford Rangers after sharing common experiences with the online community.

The focus in this part is not on what the law allows a trademark owner to protect, or even what it should allow, because those issues are largely irrelevant in this context. In all of the examples discussed above, the threat of litigation was sufficient to effect compliance by the junior user. These

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22. *See id.* (quoting the NFL's director of corporate communications as saying, "We support football on all levels and do not have an issue with high school and youth teams using NFL team logos"); Wagner, *supra* note 13 (crediting the same spokesman with remarking that the NFL considers it "inspirational for young players to play football under the same name as NFL teams").

23. Wagner, *supra* note 13.

24. Ron Ploof, *The Ranger Station Fire: How Ford Motor Company Used Social Media to Extinguish a PR Fire in Less than 24 Hours* 3 (2008), *available at* http://ronamok.com/ebooks/the_ranger_station_fire_final.pdf.

25. *Id.*

26. *See id.* at 8 (explaining that the demands for relinquishment of the URL and payment of $5,000 were intended as scare tactics meant to stop the sale of counterfeit decals on the site).

27. *See infra* Part III.

28. *See* Leah Chan Grinvald, *Shaming Trademark Bullies*, 2011 WIS. L. REV. 625, 642 (defining "trademark bullying" as "enforcement of an unreasonable interpretation by a large corporation of its trademark rights against a small business or individual through the use of intimidation tactics").

users are not equipped to withstand the costs of litigation, and once threatened, they usually conform to the mark owner's demands by either discontinuing the use or entering into a licensing agreement. Thus, the focus in this part is instead on the trademark owners' internal motivations—that is, on what motivates owners to take the enforcement actions that they do.

When asked, many trademark owners assert that the main motivation behind zealous enforcement is preservation of their mark and the rights associated with it. However, there may be other motivations at play here as well, including a desire to capitalize on an opportunity for revenue and a genuine concern about the effects of actual confusion and dilution among consumers. The likely answer is a combination of these concerns, but while these incentives are often present in any trademark enforcement scenario, there is reason to think that they are less warranted in this specific context.

A. Ability to Capitalize

The easy (and perhaps cynical) answer to why trademark owners assert their rights in these situations is that they want to make more money. The ability to license the use of a mark is an opportunity for increased revenue—a potentially lucrative one, as evidenced by the vibrant sports merchandising market.[29] If the revenue from licensing to these users exceeds the costs of enforcement,[30] this could be a sufficient motivator.

MLB's requirement that youth teams buy official uniforms from a licensed vendor clearly results in some revenue, though it is unclear how much. For most of these owners, however, it seems unlikely that generation of revenue is a significant motivator for enforcement. As discussed above, many of them—such as the University of Florida and the University of Wisconsin—refuse to allow the use outright, foreclosing any possibility of licensing revenue from those users.[31] Others—such as Kansas State University and Western Michigan University—do charge nominal licensing fees, though they are so small that licensing income alone cannot be the reason for them to take the actions that they do.[32]

Additionally, one might expect that as licensing fees approach a level where they become profitable to the trademark owner, the users would become more likely to simply discontinue the use altogether. Youth sports

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29. *See* David Bennett, *Tilting Playing Field: Expanded Protection for Sports Trademarks*, SPORTS LITIG. ALERT (Nov. 20, 2009), http://www.hackneypublications.com/sla/archive/000951.php (reporting revenues from the licensing of logos and names of college teams of over $3 billion annually); Darren Rovell, *Publication: MLB Will Beat NFL in Licensing Revenue in '10*, CNBC.COM (June 14, 2010), http://www.cnbc.com/id/37692194/Publication_MLB_Will_Beat_NFL_In_Licensing_Revenue_In_10 (detailing the results of a report that revealed that the total retail sales of licensed merchandise based on sports teams, logos, and personalities totaled $17.5 billion worldwide in 2009).

30. *See* discussion *infra* Part III.

31. *See supra* notes 12–13.

32. *See supra* notes 19–20.

teams and car enthusiasts might decide it is not worth the extra cost of using the officially licensed name in order to identify with the brand. Thus, while the opportunity for revenue can surely be one factor in the decision of whether to enforce trademark rights, in at least some of these cases it cannot be the only reason.

B. Fear of Consumer Confusion and Dilution

Another possibility is that the trademark owners in these cases actually fear what the law is purportedly meant to protect against: consumer confusion and dilution.[33] Regardless of whether a likelihood of confusion or dilution exists in a strictly legal sense, trademark owners may have a genuine concern that their brand might be harmed in some way and might want to prevent that potential harm by asserting their rights through a cease-and-desist letter or actual litigation.

Confusion in the trademark context typically refers to confusion as to affiliation, connection, association, origin, sponsorship, or approval between the original mark owner and a subsequent user.[34] When a high school sports team uses a college team's logo or team name, the college may be concerned that third parties who encounter that youth team will think that the college is somehow affiliated with the high school, sponsored the high school, or at the very least, approved the use of the mark. If this is a serious concern, then the mark owner is justified in using the mechanisms of the law to stop the subsequent use.

However, actual confusion among the public is unlikely. The chance that the public will think that a team of teenagers playing high school football is associated with a college hundreds of miles away is arguably small. Most of the spectators are usually affiliated with the school and surrounding community and would know that the school has merely adopted a popular team name or logo. Further, the number of consumers exposed to that particular use is likely to be relatively small, therefore posing a minimal threat

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33. *See* Lanham Act § 32(1)(a), 15 U.S.C. § 1114(1)(a) (2006) (imposing liability upon anyone who without permission "use[s] in commerce any reproduction . . . of a registered mark in connection with the sale, offering for sale, distribution, or advertising of any goods or services on or in connection with which such use is likely to cause confusion"); *id.* § 43(a), 15 U.S.C. § 1125(a) (making "[a]ny person who . . . uses in commerce any word, term, name, symbol, or device" liable to "any person who believes that he or she is or is likely to be damaged by such act" if that use "is likely to cause confusion . . . as to the affiliation, connection, or association of such person with another person, or as to the origin, sponsorship, or approval of his or her goods, services, or commercial activities by another person"); *id.* § 43(c), 15 U.S.C. § 1125(c) ("[T]he owner of a famous mark . . . shall be entitled to an injunction against another person who . . . commences use of a mark . . . that is likely to cause dilution by blurring or dilution by tarnishment of the famous mark . . . .").

34. *See id.* § 43(a)(1)(A), 15 U.S.C. § 1125(a)(1)(A) (imposing liability upon users who "cause confusion . . . as to the affiliation, connection, or association of such person with another person, or as to the origin, sponsorship, or approval of his or her goods, services, or commercial activities by another person").

to the original mark owner.[35] Finally, the fact that some mark owners enter into licensing agreements belies any claim by them of concern about confusion. Owners that enter into these agreements are actually creating associations and affiliations that were not there previously, and the public is not likely to spot the difference between licensed and unlicensed uses. Thus, while trademark confusion may be a valid concern in some instances, the existence of licensing agreements suggests it is not the reason for trademark litigation in every case.

Fear of dilution is another potential threat that a trademark owner may wish to address by enforcing its rights. Dilution by blurring refers to an "association arising from the similarity between a mark or trade name and a famous mark *that impairs the distinctiveness of the famous mark*,"[36] and dilution by tarnishment refers to an association that "harms the reputation of the famous mark."[37] Considering that in many of these cases the contested marks are identical to the original marks, there may be a risk of dilution of the original (assuming the original would be considered a "famous mark").[38] Mark owners may fear that too many uses of the same mark might make the original less distinctive or that it may actually harm the reputation of the mark.[39]

In these particular cases, however, it seems that the result would not be dilution but, rather, the opposite. For example, in the case of youth teams using major league names, the use is obviously a reference to the original and not an attempt to create a separate brand identity. At the very least, the contested use likely does not diminish the original brand but rather highlights the original in the minds of those who come into contact with it. In these cases, it is plausible to think that the use might actually reinforce the original brand, leading those who support the youth team to support the original or to buy officially licensed merchandise of the original.[40] Similarly, when a Ford

35. Although admittedly, with websites like YouTube and the proliferation of nationally televised high school games, there may be a valid counterargument to be made here regarding the exposure of the junior user's use of the mark to the general public.

36. Lanham Act § 43(c)(2)(B), 15 U.S.C. § 1125(c)(2)(B) (emphasis added).

37. *Id.* § 43(c)(2)(C), 15 U.S.C. § 1125 (c)(2)(C).

38. *See id.* § 43(c)(2)(B)(i), 15 U.S.C. § 1125(c)(2)(B)(i) (listing "degree of similarity between the mark or trade name and the famous mark" as one of the factors courts may consider in determining whether a mark is likely to cause dilution by blurring).

39. The tarnishment concern may have been what motivated MLB to prevent the Phlyin' Phanatics from launching their contraption; perhaps MLB felt that an amateur rendition of their valuable mark would not portray it in the best light. *See supra* notes 2–4 and accompanying text.

40. If the youth team tries to sell logoed merchandise that could pass as that of the original mark owner, that presents a different, and arguably valid, concern. *See* Hanover Star Milling Co. v. Metcalf, 240 U.S. 403, 412–13 (1916) ("The essence of the wrong [in trademark cases] consists in the sale of the goods of one manufacturer or vendor for those of another."), *superseded by statute*, Lanham Act, 15 U.S.C. §§ 1051–1141n, *as recognized in* Park 'N Fly, Inc. v. Dollar Park & Fly, Inc., 469 U.S. 189 (1985); Beacon Mut. Ins. Co. v. OneBeacon Ins. Grp., 376 F.3d 8, 10, 15 (1st Cir. 2004) (identifying loss of sales and diversion of sales as among the types of commercial injury relevant to a determination of infringement under the Lanham Act); Bos. Prof'l Hockey Ass'n v.

enthusiast website uses the original brand in its name, it is an obvious direct reference to the original mark holder and not the typical dilutive use that the Lanham Act (along with most businesses) seems to be concerned with.

While it is possible that the law might find that likelihood of confusion or dilution exists in these contexts, that does not necessarily mean that the trademark owners would sincerely have the same fear. While the risk of confusion and dilution is likely on the minds of trademark owners in these contexts, there is reason to think that this alone is not enough to motivate their actions. The fact that some of the owners enter into licensing arrangements that create associations and allow potentially dilutive uses suggests that there is still another motivator at play here.

C. Fear of Losing Protection

Conventional wisdom says that trademark owners are under an affirmative duty to "police" their marks and that failure to do so can have disastrous consequences, from a weakening of rights all the way up to loss of the mark.[41] At least publicly, many trademark owners in these cases adopt this view as well. Regarding its actions against the Cape Cod League, a spokesman for MLB's licensing division said, "There's a variety of reasons we have to do this . . . . It affects our relationships. If you don't enforce your trademark rights, then you run the risk of losing them."[42] A spokesman for Notre Dame spoke similarly regarding its actions against Cathedral High

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Dall. Cap & Emblem Mfg., Inc., 510 F.2d 1004, 1012–13 (5th Cir. 1975) (holding that the reprinting of a team's mark on embroidered emblems for sale constituted an infringing use of that mark, even while conceding that buyers might arguably not even be deceived or confused by the emblems); *see also* 4 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 25:5 (4th ed. 2011) ("'Express passing off' is defined as the classic form of trademark infringement."). *But see* Robert G. Bone, *Enforcement Costs and Trademark Puzzles*, 90 VA. L. REV. 2099, 2153–55 (2004) (challenging the rationale behind the enforcement of merchandising rights through trademark law, contending that in merchandising cases "there is little in the way of trademark-related harm . . . , and the substantive policies favoring trademark protection are not strongly implicated"); Stacey L. Dogan & Mark A. Lemley, *The Merchandising Right: Fragile Theory or* Fait Accompli*?*, 54 EMORY L.J. 461, 481–84 (2005) (arguing that where consumers are not "duped" into thinking that a product bearing a trademark was made or sponsored by the mark owner, a broad merchandising right might actually interfere with the goals of trademark law). Resolution of the debate over whether a merchandising right is consistent with the policies underlying trademark law is beyond the scope of this Note.

41. *See* Nitro Leisure Prods., L.L.C. v. Acushnet Co., 341 F.3d 1356, 1367 (Fed. Cir. 2003) (Newman, J., dissenting) ("Trademark law requires that the trademark owner police the quality of the goods to which the mark is applied, on pain of losing the mark entirely."); 6 MCCARTHY, *supra* note 40, § 31:38 (noting that the law imposes a duty on a trademark owner to police its rights against infringers); Michael S. Mireles, Jr., *Towards Recognizing and Reconciling the Multiplicity of Values and Interests in Trademark Law*, 44 IND. L. REV. 427, 473 (2011) ("Trademark owners who fail to police their marks take great risks with the value of their marks under trademark law."); Arnold B. Calmann & Jakob B. Halpern, *Ten Steps to Prevent Trademark Disaster*, N.J. LAW., June 2009, at 53, 56 (warning that if an owner does not police its rights effectively, equitable doctrines such as acquiescence or laches may attach, or the mark may lose significance as a source identifier and lose protection altogether).

42. Murphy, *supra* note 9.

School, saying, "To allow others to use our trademarks as their own could weaken the University's rights to its own marks to the point where its legitimate property interests could be at risk."[43] Even the media itself adopts this dire prediction for those owners who fail to police their marks sufficiently.[44]

However, many owners also try to at least convey the message that they take no pleasure in fulfilling this duty the law imposes on them. After the Tinley Park Bulldogs were forced to either drop the use of official MLB team names or buy from approved vendors, an MLB spokesman was quoted as saying, "We want nothing more than youth league players using the names of major league teams."[45] During another incident where MLB sent warning letters to a fan site that featured official Houston Astros uniforms, an MLB spokesman said, "'We like the sites, encourage the sites[,] . . . [b]ut our (trademark) people are very wary of misuse. They are very careful to protect our logos and trademarks.'"[46] In this way, it seems entities attempt to distance themselves from their actions, as if to say that the real culprits behind any harm caused by their enforcement actions against fans are the law itself and the "trademark people" and lawyers that force owners to comply with the unhappy obligations that the law imposes. While, in general, those who sleep on their trademark rights can run the risk of losing them, there is reason to think that the risk may be overstated in this subset of infringement cases. There are two aspects to this potential loss of rights that must be examined: (1) rights as to the infringing party or parties and (2) rights as to third parties in general.

1. Rights as to the Infringing Party.—When trademark owners speak of the obligation to assert their rights for fear of losing them, they may be speaking of the closely related equitable doctrines of laches and acquiescence.[47] The doctrines of laches and acquiescence are by no means exclusive to trademark law, but they do apply in a particular way in the trademark context. The application of laches and acquiescence has been

43. Bracamontes, *supra* note 14.

44. *See, e.g.*, Wagner, *supra* note 13 ("Under trademark law, logo holders such as universities have an obligation to police their marks. If not, they essentially lose the right to stop unauthorized uses."); Joshua Kaufman, *Fan Art: Friend Or Foe?*, MONDAQ (Oct. 16, 2011), http://www.mondaq.com/unitedstates/x/149444/Trademark/Fan+Art+Friend+or+Foe ("Trademark owners in the United States have a duty to 'police' their trademarks.").

45. Bob Kimball, *Using Big-League Team Names Could Cost Big; Licensing Fees Cause Some to Run Legally Afoul*, USA TODAY, June 3, 2008, at C3, *available at* Factiva, Doc. No. USAT000020080603e463005x.

46. Rod Beaton, *Fans' Internet Sites, MLB Clash Over Copyright*, USA TODAY, Aug. 21, 2002, at 6C.

47. *See* Mireles, *supra* note 41, at 469 ("Failure to police third party usage and other conduct may also result in the loss of trademark rights through either laches or some other equitable defense such as estoppel or perhaps even acquiescence.").

articulated as a sort of "implied license" to use a mark if the mark owner does not enforce its rights vigorously against a party.[48]

While the approach of courts is not always precise or consistent regarding the impact of a failure to sue infringers, in general, laches is an equitable defense that may be recognized when a long delay in taking action causes undue prejudice to a defendant.[49] Importantly, however, these are "personal" defenses that only involve the loss of rights as against a particular defendant as opposed to a loss of rights as against the world.[50]

The Second Circuit indicates that the defense of laches requires a defendant to prove that it has been prejudiced by the plaintiff's unreasonable delay in bringing suit and characterizes laches as essentially "passive consent."[51] The Fourth Circuit enumerates three questions to ask in considering a laches claim: "(1) whether the owner of the mark knew of the infringing use; (2) whether the owner's delay in challenging the infringement of the mark was inexcusable or unreasonable; and (3) whether the infringing user was unduly prejudiced by the owner's delay."[52] The court points out that the Lanham Act does not contain a limitations period, and thus, the doctrine of laches acts to remedy the inequity of a trademark owner allowing a competitor to build up its business only to later "lower the litigation boom."[53] Thus, the doctrine of laches requires that a claim for infringement existed at the time from which any delay is measured.[54]

Acquiescence is very similar to laches but requires something more.[55] In fact, the doctrines are so similar that the Sixth Circuit uses the terms interchangeably, noting that "acquiescence encompasses the elements of laches."[56] What differentiates acquiescence is that it is premised on the notion of "active consent"—that is, a finding of conduct on the part of the plaintiff amounting to "an assurance to the defendant, express or implied, that the plaintiff would not assert his trademark rights against the defendant."[57] As articulated by the Second Circuit, the elements of acquiescence are (1) that the trademark owner actively represented that it would not take action against the subsequent user; (2) that the delay between

48. *Id.* at 469–70.

49. 4 MCCARTHY, *supra* note 40, § 17:17.

50. *Id.*

51. Profitness Physical Therapy Ctr. v. Pro-Fit Orthopedic & Sports Physical Therapy P.C., 314 F.3d 62, 67 (2d Cir. 2002) (internal quotation marks omitted).

52. What-A-Burger of Va., Inc. v. Whataburger, Inc. of Corpus Christi, Tex., 357 F.3d 441, 448–49 (4th Cir. 2004) (quoting Brittingham v. Jenkins, 914 F.2d 447, 456 (4th Cir. 1990)).

53. *Id.* at 449.

54. Kellogg Co. v. Exxon Corp., 209 F.3d 562, 569 (6th Cir. 2000).

55. *See id.* ("Although both laches and acquiescence require proof that the party seeking to enforce its trademark rights has unreasonably delayed pursuing litigation and, as a result, materially prejudiced the alleged infringer, acquiescence requires more.").

56. *Id.* at 569 n.2.

57. Profitness Physical Therapy Ctr. v. Pro-Fit Orthopedic & Sports Physical Therapy P.C., 314 F.3d 62, 67–68 (2d Cir. 2002) (internal quotation marks omitted).

the active representation and any subsequent assertion of a right against the user was not excusable; and (3) that the delay caused undue prejudice to the subsequent user.[58]

The doctrines of laches and acquiescence are not as threatening as they may appear at first glance, however. For one, while the doctrines can limit monetary relief for damages, they will generally not bar injunctive relief if the likelihood of confusion is great enough to outweigh the effect of the delay.[59] In the historic trademark case of *United Drug Co. v. Theodore Rectanus Co.*,[60] the Supreme Court articulated this principle.[61] That case established that a trademark right is not a property right, nor is it a right "in gross or at large"; rather, it is "a right appurtenant to a business or trade" that derives from use, not mere adoption.[62] While the issue in that case was the scope of geographic rights in a mark,[63] another corollary inference to take from the nature of a trademark right as articulated by the Court is that there is an interest in the trademark right that extends beyond the owner and the infringer: the public's interest in the mark as a source identifier. A trademark transcends mere property rights, and thus, even in the face of equitable doctrines like laches and acquiescence, the consumer's interest in the trademark may still warrant an injunction to prevent confusion even if the trademark owner himself is foreclosed from recovering a financial remedy. In most of the cases at issue in this Note, all the trademark owners seek is for the infringing use to cease or be licensed. If all that the owners seek to protect is the right to an injunction against the infringing use should they desire it in the future, refusing to enforce that right promptly would not necessarily destroy that right.

Of course, this is assuming the doctrines would even apply when the actual elements of the doctrines are examined. While there may be knowledge of, or even assent to, the infringing use on the part of the owner, it is not clear that the elements of inexcusable delay or undue prejudice would be met in most of these cases. What distinguishes these cases from the usual case of laches and acquiescence is perhaps best articulated in *Dwinell-Wright Co. v. White House Milk Co.*[64]—an opinion authored by Judge Learned Hand. He explained the rationale behind estopping an owner from asserting its rights after an unreasonable delay, saying, "[H]ow [such a plaintiff] can expect us to stifle a competition which with complete complaisance, and even with active encouragement, it has allowed for years

58. *Id.* at 67. Note that the second element listed here, delay, which is crucial to a finding of laches as well, suggests that even if a party has acquiesced, it will be able to revoke that consent if it does so before an unreasonable amount of time has passed.

59. *Id.* at 68; *Kellogg*, 209 F.3d at 568.

60. 248 U.S. 90 (1918).

61. *Id.* at 102.

62. *Id.* at 97.

63. *Id.* at 94–95, 97–98.

64. 132 F.2d 822 (2d Cir. 1943).

to grow like the mustard tree; why we should destroy a huge business built up with its connivance and consent: this we find it impossible to understand."[65] This characterization makes sense in the context of a business, competing or not, that is expending efforts and capital to expand and grow. Millions of dollars may have been spent by the time a delaying owner decides to assert rights against the alleged infringer.[66] That is not the case in the examples discussed in Part I. Fans, emulators, and enthusiasts are typically not businesses that seek to grow and expand as a normal business would, and thus it is unlikely that a delay in bringing suit will cause them to incur substantial expenses building up a brand only to lose it all in an eventual lawsuit. Given the relatively minimal effect that a delay would have on these users as compared with the usual commercial infringer, it is unlikely that the element of undue prejudice would even be satisfied in many of those cases.

There are also other doctrines that would act to protect a trademark owner in these cases against losing protection through laches or acquiescence. Consider the situation where the owners claim that they actually want the users to utilize the mark but are forced to enforce the mark or lose protection. If it is truly the case that they support the use, then what might they be afraid of? Why are they afraid of losing protection against a use that they purport not to oppose on its face? Assuming their desire to allow the use is sincere, then what they may fear is a future use or an expansion of the existing use that begins to affect the owner's interests in a way it did not before. For example, a high school might realize that it can sell logoed merchandise to fans of the original owner at a lower cost because it does not pay licensing fees. Under the pretext that it is selling its own merchandise, this activity harms the original owner's interest. Likewise, a youth or amateur sports league could expand and gain national prominence, becoming a legitimate enterprise and posing a real risk of confusion or dilution of the original mark.

This might be a valid concern except for the fact that trademark law makes an exception for these types of cases. Inherent in the doctrine of acquiescence is the principle that "[w]hile a plaintiff may acquiesce in some uses of the mark and in any resulting likelihood of consumer confusion, that acquiescence does not extend to a use that has not yet materialized and is not foreseeable."[67] Thus, use in a different way or in a different geographic area

65. *Id.* at 825–26.

66. *See, e.g.*, Kellogg Co. v. Exxon Corp., 209 F.3d 562, 565 (6th Cir. 2000) (noting the expense Exxon had incurred over the years promoting its "Whimsical Tiger" mark before Kellogg brought an action for infringement of its "Tony the Tiger" mark).

67. Profitness Physical Therapy Ctr. v. Pro-Fit Orthopedic & Sports Physical Therapy P.C., 314 F.3d 62, 69 (2d Cir. 2002).

may be outside of the original scope of consent, express or implied, that may have otherwise foreclosed enforcement against the original infringing use.[68]

When Kellogg filed suit against Exxon for the use of Exxon's "Whimsical Tiger" symbol as infringing on its own "Tony the Tiger" mark, thirty-one years had passed from the time Kellogg was placed on notice of the use by virtue of Exxon's federal registration, which Kellogg did not oppose.[69] The district court in the case granted summary judgment to Exxon, finding that this delay constituted acquiescence on the part of Kellogg and that Kellogg was therefore foreclosed from exercising its trademark rights against Exxon.[70] However, Exxon's initial registration was for use on petroleum products, while Kellogg's mark was for breakfast cereals.[71] As the Sixth Circuit noted on appeal, "the two marks peaceably co-existed, each catering to its own market."[72] At issue in the case now, however, was Exxon's use of the mark on its line of convenience stores in connection with the sale of food and beverage products.[73] The Sixth Circuit reversed the district court's summary judgment in favor of Exxon, holding as a matter of law that Kellogg's acquiescence to the use of the mark for petroleum products did not extend to acquiescence to use of the cartoon tiger to sell non-petroleum products.[74] Similarly, acquiescence to the use of a college team's logo or team name for a high school or youth team would not automatically extend to use on merchandise or other commercial activities.

The related doctrine of progressive encroachment is also effective in protecting a delaying or acquiescing trademark owner's rights. Essentially, the doctrine allows an owner sufficient leeway to wait to take action until the likelihood of confusion becomes significant enough to warrant it.[75] As the Second Circuit says, "[t]he primary rationale is that a plaintiff should not be obligated to sue until its right to protection has ripened."[76] According to the court, the important question is whether the defendant "redirected its business so that it more squarely competed with plaintiff and thereby increased the likelihood of public confusion of the marks."[77] Essentially, a plaintiff is allowed to show that even if it could have brought suit earlier but

68. *Id.*

69. *Kellogg*, 209 F.3d at 573.

70. *Id.*

71. *Id.*

72. *Id.*

73. *Id.*

74. *Id.* at 574. A question of fact still existed as to whether Kellogg had acquiesced to such use at a later time, but the original acquiescence thirty years earlier to the use of the cartoon tiger on petroleum products was not enough. *Id.*

75. Profitness Physical Therapy Ctr. v. Pro-Fit Orthopedic & Sports Physical Therapy P.C., 314 F.3d 62, 70 (2d Cir. 2002).

76. *Id.*

77. *Id.*

did not, certain factors now exist that have justified it doing so.[78] This means that if use by a fan, emulator, or enthusiast becomes a threat to the original owner where it was not one before, that owner could assert progressive encroachment as "an offensive countermeasure to the affirmative defenses of laches and acquiescence" to excuse the delay.[79]

Based on the foregoing analysis, it seems that trademark owners have little to fear regarding their rights against infringers. The doctrine of progressive encroachment and the narrow scope of acquiescence afford considerable protection for a trademark owner, allowing it to tolerate uses to which it has no objection and from which it may actually be benefitting. Further, even a successful laches or acquiescence defense would still not bar a remedy of injunction completely, which is all these owners seek in most cases.

2. Rights as to Third Parties in General.—A more serious consequence than loss of rights against a particular infringer is loss of rights against third parties. Some doctrines, such as genericide and abandonment, can result in a complete loss of rights in a mark, though for reasons to be discussed, that result is highly unlikely in these cases. However, one general result that may affect one's rights in a mark is a loss of mark *strength*, and this might be a somewhat more realistic concern.

The Lanham Act provides for cancellation of a registered mark at any time if it "becomes the generic name for the goods or services . . . for which it is registered, . . . or has been abandoned."[80] Further, it provides that a mark is deemed to be "abandoned" if either (1) its use has been discontinued with intent not to resume use, or (2) the owner causes, including through acts of omission, the mark to become the generic name for the goods or services.[81] The first definition for abandonment is not at issue here because in none of these cases has the original use been discontinued with an intent not to use the mark. The second definition, which involves the mark becoming the generic name for the goods and services, is commonly referred to as "genericide."[82]

A word or mark is generic if it "refers . . . to the genus of which the particular product is a species"[83]—that is, a generic mark is one that refers to

78. *Kellogg*, 209 F.3d at 571.

79. *Id.*

80. Lanham Act § 14, 15 U.S.C. § 1064(3) (2006).

81. *Id.* § 45, 15 U.S.C. § 1127.

82. Deven R. Desai & Sandra L. Rierson, *Confronting the Genericism Conundrum*, 28 CARDOZO L. REV. 1789, 1790 (2007) ("Genericide . . . refers to the process by which a mark that was once highly valuable and unquestionably protectable loses all trademark status and value."); *id.* at 1791 ("[U]nder the doctrine of genericide, mark holders are required to 'police' their marks, and failure to do so may lead to a court finding that the source-identifying function of the mark no longer exists.").

83. Abercrombie & Fitch Co. v. Hunting World, Inc., 537 F.2d 4, 9 (2d Cir. 1976).

a class of goods rather than a specific source of goods. For example, use of the mark "Apple" would be generic for a brand of apples but is not so for a brand of computers. At common law and under the Lanham Act, a generic mark has never been protectable.[84] In determining whether a previously protectable mark has become generic (that is, whether genericide has occurred), courts usually look to both the use of the mark by consumers and the policing efforts of mark owners against third parties.[85] Famous examples of once-protectable marks that were lost through genericide include "Murphy Bed,"[86] "Escalator,"[87] "Aspirin,"[88] and "Thermos."[89]

While failure to police a mark can result in genericide, that is highly unlikely in the cases at issue. The use of the trademarks here is not the same as the public adopting a brand name to refer to a class, as it might be with use of the word "Kleenex" to refer to facial tissue or "Xerox" to refer to photocopies. Regardless of how many youth teams use the name "Dodgers," such use is not likely to make the word synonymous with "baseball" or "baseball team." There is little risk of the mark losing significance altogether with this type of use, and in all of these cases the original owner has not discontinued use. Thus, there is no risk of the owners in these cases losing their trademark rights completely as against the world.

However, widespread use of a mark may affect the strength of the mark. In his treatise on trademarks, J. Thomas McCarthy opines that the greatest significance of a failure to sue goes to the strength of the mark rather than abandonment or genericity.[90] In this case, the mark still has significance as a source identifier but is weakened through similar use by competitors.[91] However, he calls the relationship here a "tenuous" one.[92] He also notes that failure to sue could undercut an argument of irreparable injury, which is necessary to obtain a preliminary injunction.[93]

Strength of the mark is one of the factors commonly considered in deciding whether a likelihood of confusion exists.[94] Accordingly, it is

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84. *Id.*

85. Mireles, *supra* note 41, at 459.

86. Murphy Door Bed Co. v. Interior Sleep Sys., Inc., 874 F.2d 95, 104 (2d Cir. 1989).

87. Haughton Elevator Co. v. Seeberger, 85 U.S.P.Q. 80, 81 (Comm'r Pat. 1950).

88. Bayer Co. v. United Drug Co., 272 F. 505, 512 (S.D.N.Y. 1921).

89. King–Seeley Thermos Co. v. Aladdin Indus., Inc., 321 F.2d 577, 581 (2d Cir. 1963).

90. *See* 4 MCCARTHY, *supra* note 40, § 17:17.

91. *Id.*

92. *Id.*

93. *Id.*

94. *See* Sara Lee Corp. v. Kayser–Roth Corp., 81 F.3d 455, 467 (4th Cir. 1996) (calling strength or distinctiveness of a mark "the first and paramount factor" in the likelihood-of-confusion analysis (internal quotation marks omitted)); AMF Inc. v. Sleekcraft Boats, 599 F.2d 341, 348–50 (9th Cir. 1979) (listing mark strength as one of eight factors for consideration in determining whether a likelihood of confusion exists), *abrogated in part on other grounds by* Mattel Inc. v. Walking Mountain Prods., 353 F.3d 792 (9th Cir. 2003); Polaroid Corp. v. Polarad Elecs. Corp., 287 F.2d 492, 495 (2d Cir. 1961) (same).

possible that in an action against a third party, a court may look to the use of the mark by fans, emulators, or enthusiasts and conclude that the mark is relatively weak and therefore entitled to a more narrow scope of protection. Similarly, one of the elements for determining likelihood of dilution by blurring is "[t]he extent to which the owner of the famous mark is engaging in substantially exclusive use of the mark."[95] Thus, it is possible that other uses of the mark by these groups could harm a dilution claim by the owner against a third party.

However, such a result would require a court to follow the factors for confusion and dilution blindly, without regard for the difference between use of the mark by these groups and use by a competitor or another business. This kind of blind adherence to the factors is unlikely, as it would warrant a similar inference of weakness for marks that are the subject of licensing agreements or product-line expansions—an approach that courts have not generally taken.[96]

Does this analysis regarding loss of protection suggest that these trademark owners are simply naive and misinformed regarding their rights under trademark law? Not likely. These entities presumably utilize attorneys and professionals who are knowledgeable of their rights under the law. This could mean one of two things. It could mean that even though owners may be aware that the risk that they will lose substantial rights for failure to enforce them is small, they still feel the safest way to ensure full protection of the mark is to stop any other use altogether. After all, Exxon did win summary judgment on the issue of acquiescence at the trial-court level in *Kellogg*, even where Exxon's use of the mark had expanded to other goods beyond the initial acquiescence by Kellogg.[97] Kellogg was ultimately successful in its appeal on that issue, but it does illustrate the uncertainty and risk inherent in acquiescing to a particular use. The best way for a trademark owner to avoid any uncertainty regarding interpretation of its possible acquiescence is for the owner to never acquiesce in the use to begin with.

The second possibility is that there is more to a trademark owner's motivation than the fear of losing protection or rights. For example, any third-party use of a mark that an owner allows is a use that a potential challenger to that mark might present before a court and force that owner to confront, raising the potential costs of litigation for that owner. Thus, it may benefit the owner to control the mark for control's sake. Again, the surest way to ensure that potential uses of the mark do not harm the owner's

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95. Lanham Act § 43, 15 U.S.C. § 1125(c)(2)(B)(iii) (2006).

96. *See* Sara Stadler Nelson, *The Wages of Ubiquity in Trademark Law*, 88 IOWA L. REV. 731, 734–36 (2003) (noting that courts generally consider the use of a mark by an owner on a diversity of products to constitute evidence that the mark is famous and entitled to protection under dilution law but ultimately arguing that such usage actually destroys the "uniqueness" of a mark and should therefore preclude a remedy for dilution of that mark).

97. Kellogg Co. v. Exxon Corp., 209 F.3d 562, 573 (6th Cir. 2000).

interests (whether through blurring, tarnishment, consumer confusion, or some other effect) is to foreclose any other unauthorized use at all. The law currently allows the mark owner to do this through mechanisms such as cease-and-desist letters or even litigation, and this Note does not seek to change that. However, such a decision by a trademark owner should take into account the costs associated with it. Similarly, the law should account for these costs to provide appropriate incentives for the trademark owner to exercise its rights and to prevent inefficient enforcement of those rights.[98]

III. Costs of Enforcement Against Fans, Emulators, and Enthusiasts

There are several costs associated with enforcing a trademark. The most obvious are the costs of enforcement to the trademark owner: litigation, monitoring, sending cease-and-desist letters, and simply retaining personnel to deal with trademark issues. There are also obvious costs to the infringer, who must discontinue the use, find its own brand, and rebrand anything that has the offending logo. When a right is exercised efficiently, these costs are ones the system should have no problem forcing infringers to bear. Finally, there are costs to the public of litigation and of losing a source identifier that they may have been using to identify a particular product or service. These too are justified costs if overall consumer confusion is reduced by enforcement. However, in many of these cases the costs may not be justified by any appreciable benefit to the owner or otherwise. As we have seen, zealous enforcement may not earn a trademark owner substantially more protection for its mark in these cases than if the owner simply allowed the use, and any financial benefits do not appear to be significant.

A. Costs to the Trademark Owner

Aside from the normal costs of enforcement, actions taken against fans, emulators, and enthusiasts entail special costs to the trademark owner. One such cost is the potential benefit and goodwill that may have been derived from allowing the use. As the NFL observes, allowing use of their team trademarks could be a "great opportunity to inspire kids to one day play in the NFL and wear the real helmet."[99] Allowing the use might even encourage kids and fans at those schools to purchase officially licensed merchandise with the logo, eventually leading them to support the original team.[100] This

98. For example, courts should recognize the character of an allowed use of a mark by a fan, emulator, or enthusiast and consequently take care that such use is not leveraged unfairly by a challenger to impose unwarranted litigation costs on the mark owner.

99. *See* Porter, *supra* note 12 (quoting NFL spokesman Brian McCarthy).

100. *See* Richard Chacon, *Seventh Annual Harvard Latino Law, Business, and Public Policy Conference: Investing in Our Future*, 8 HARV. LATINO L. REV. 93, 96 (2005) (calling Cathedral High School in El Paso a "feeder school" for Notre Dame and noting the connection students at Cathedral felt with the university); Marissa Monroy, *Cathedral High School's Ties to Notre Dame*, KVIA EL PASO (Dec. 17, 2010), http://www.kvia.com/news/26178083/detail.html (remarking on the number of Cathedral graduates that end up at Notre Dame and on the traditions that the high

opportunity may be something the mark owners are willing to forgo, but if they only do so because they fear they have to in order to preserve their marks, then this is a wasted opportunity.

There is also a risk of backlash against the owner among fans who feel that the actions are unwarranted. In response to the demand that they remove the Phillie Phanatic head from their Flugtag, the Phlyin' Phanatics Flugtag team was understandably dejected, having poured so much time and money into something that was meant to represent their support as Phillies fans. The pilot of the craft, Adam Denard, was quoted as saying, "I've been going to Phillies games since I was a toddler, and the Phillie Phanatic was always a favorite."[101] It is not clear that the incident would be enough to turn the group off of the Phillies forever—after all, fandom likely does not die that easily. However, when fans feel a connection to something and devote this amount of effort to it, it is probably little consolation to them that these enforcement actions are in accordance with trademark law.

The incident with the *Ranger Station* illustrates just how quickly this kind of backlash can take off, especially in the context of widespread Internet use. When the website received the letter from Ford demanding that it turn over the URL and pay $5,000, the news first broke on the forums of the website itself under a thread entitled "TRS is being attacked by the Ford Motor Company."[102] What ensued was something of a firestorm, spreading to other fan websites with members and Ford fans expressing outrage at Ford's actions.[103] The furor was abated by quick action on the part of Scott Monty, head of social media at Ford.[104] Monty checked with Ford's legal department and confirmed that the actual concern was sale of counterfeit decals on the *Ranger Station*—the website demand was used as a scare

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school shares with the university in a report made before Notre Dame's visit to El Paso and subsequent demand); Porter, *supra* note 12 (suggesting that students at Palm Beach Gardens High School, which used the Florida Gator logo without authorization, routinely buy officially licensed merchandise just to wear items with the famous Gator head to school).

101. Geringer, *supra* note 4.

102. Ploof, *supra* note 24, at 3.

103. *See, e.g.*, Wade Meredith, *PR Disaster: Ford Suing the Only People Who Actually Still Care About Ford Cars*, 360ANGLES (Dec. 10, 2008), http://voltagecreative.com/articles/pr-disaster-ford-suing-people-who-about-ford-cars (giving a synopsis of the public relations battle along with updates as it progressed and eventually suggesting changing the title of the post to "PR Disaster Averted . . . by Brand-Management Jedi Scott Monty" after his response to the situation (alteration in original)); Peloton25, Comment to *TheRangerStation.com in Legal Trouble with Ford . . .*, FOCALJET (Dec. 10, 2008, 1:32 AM), http://forums.focaljet.com/team-pit-stop/596094-therangerstation-com-legal-trouble-ford.html ("I know the legal arguments for both sides on issues like this, but it just seems like common sense should prevail for companies to keep them from going after their own enthusiast base."); Thameth, Comment to *TheRangerStation.com in Legal Trouble with Ford . . .*, FOCALJET (Dec. 10, 2008, 2:34 AM), http://forums.focaljet.com/team-pit-stop/596094-therangerstation-com-legal-trouble-ford.html ("So sad that Ford is letting its legal team do this. At this time they should be embracing their fan base and building it up to make it larger. . . . [R]ight now is the WORST possible time to be shooting down your fans.").

104. *See* Ploof, *supra* note 24, at 4–10 (detailing Monty's response via social media to the negative online publicity).

tactic.[105] Monty acted quickly to resolve the situation and spread word of its resolution through social media.[106] After all was said and done, Ford had contained the crisis less than twenty-four hours after it had begun.[107]

Word spreads quickly online, and one can imagine the damage that may have been done among the brand's most devoted enthusiasts had the situation not been resolved so skillfully. With the growth of the Internet, this poses a real danger to trademark owners who pursue their rights too vigorously. Rumblings like those that occurred with the *Ranger Station* surface on some of the news stories surrounding the examples highlighted in this Note.[108] In fact, some commentators argue that the public should strive to become informed about possible trademark "bullying" so lawmakers might shape trademark law in a way that makes it work for the people.[109] The power of the Internet to provide that information should inform trademark owners' decisions and make them think twice before acting.[110]

B. Costs to the Public

Enforcement in these actions also brings with it costs to the general public. One such cost is the loss to the community of a team that they have grown to support and with which they identify. For example, loss of a logo, name, or mascot not only hurts a community because of the history built up around support for the local high school team, but it also takes time and money for a school to rebrand the team and to rebuild the school spirit and pride behind the team. The public is an interested party in the trademark system, and loss of a mark to the public is not without cost.

There is also an even more significant interest involved that may implicate important speech concerns, and this might best be described as a sort of identification interest. Take the example of the Phlyin' Phanatics

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105. *Id.* at 8.

106. *Id.* at 8–10.

107. *Id.* at 10.

108. *See, e.g.*, Cathedral Alum, Comment to *Notre Dame Forcing Cathedral High to Drop 'Fighting,' Change Mascot*, KVIA.COM (Mar. 3, 2011), http://www.kvia.com/news/27073606/detail.html ("Notre Dame is now the home of the Fighting Bullies."); Kimball, *supra* note 6 (quoting a website commentator in response to MLB's actions against the Tinley Park Bulldogs as asking, "What the heck are they doing trying to collect on middle class families? Weak, MLB, totally weak, dude"); Nolongeranotredamefan, Comment to *Notre Dame Forcing Cathedral High to Drop 'Fighting,' Change Mascot*, KVIA.COM (Mar. 3, 2011), http://www.kvia.com/news/27073606/detail.html ("Notre Dame is only doing [this] because they were here in El Paso . . . . Don't take something from these kids that won't harm you.").

109. *See* DAVID BOLLIER, BRAND NAME BULLIES: THE QUEST TO OWN AND CONTROL CULTURE 7 (2005) ("As copyright and trademark holders extend their powers in unprecedented ways, it is important for us to learn these little-known stories. . . . A largely unresponsive body of law can be forced to the bar of public judgment and common sense and, as warranted, be held up to ridicule.").

110. For an analysis of how the Internet can be used effectively to combat trademark bullies through "shaming," along with some legal-reform proposals to facilitate the use of such tactics, see generally Grinvald, *supra* note 28.

Flugtag Team. Their interest in building a contraption based on the Phillie Phanatic is not based solely on the fact that the character is an interesting one. It is based on the fact that they feel a sort of identification with the mascot and the team—as fans, they feel entitled to use the mascot to express their support for what they see as "their" team.[111] Many youth teams similarly want to identify with major league teams and players when they seek to don official team uniforms to play youth ball.[112] Ford Ranger enthusiasts also undoubtedly feel a certain entitlement to use the mark given their allegiance to the brand and their wishes to identify themselves as Ford devotees.

This is another way that use of a mark serves a purpose that transcends the original source-identifying function of trademarks.[113] The use of the marks in these cases is reflective of the original mark and should be analyzed differently because of the expressive use involved. As Judge Kozinski notes, once enforcement moves beyond the confusion rationale, trademark law risks losing its "built-in first amendment compass."[114] This is not to say that enforcement in these cases violates the Constitution. Rather, the law must be sensitive to the price we pay when speech interests are implicated in a trademark-enforcement scenario. Surely, speech is stifled any time a trademark is enforced because it necessarily means that the infringer is not allowed to communicate the mark, but this is usually acceptable because enforcement often serves some beneficial purpose, whether it be preventing consumer confusion, protecting investment in a mark, or lowering consumer search costs.[115] However, if the benefit derived from the action is small or nonexistent, or if the enforcement actually acts to the detriment of all parties involved, impingement on speech interests like those at issue here becomes a much more serious problem. Trademark law has already created a situation

111. *See* Geringer, *supra* note 4 (quoting the pilot of the machine, Adam Denard, as saying, "This is my city, Major League Baseball! My Phillies! My Phillie Phanatic!").

112. *See* Kimball, *supra* note 6 (relating the dismay of one Tony Baldwin of insidetheballpark.com regarding the actions MLB took against the Tinley Park youth league, who said, "I can't believe that MLB is coming down on these teams, especially since these little baseball players look up to these (major league) teams and enjoy putting on a Yankees jersey before playing their game"); Masnick, *supra* note 7 (suggesting that MLB should be doing everything it can to build up its fans and that one way to do that is to let kids identify with the teams and players by using major league team names).

113. *See* Alex Kozinski, *Trademarks Unplugged*, 68 N.Y.U. L. REV. 960, 962 & n.9 (1993) (speaking of marks acquiring characteristics that are "different from—and sometimes inconsistent with—their traditional role as identifiers of source," such as when consumers wear clothing with a trademarked symbol emblazoned on the front).

114. *Id.* at 973.

115. The merit or value of any of these purposes is assumed for the sake of argument, while acknowledging that there are valid arguments on all sides about what the proper purpose of trademark law is or should be. That is the subject for another paper, but presumably we can agree that if the design of trademark law is such that enforcement in a given scenario creates a valid benefit, it could justify at least some impact on speech interests.

where much of our cultural capital is not in the public domain.[116] Elements of our cultural heritage have become "private properties that we parody, proliferate, or politicize at our peril,"[117] and in these cases we can also add *identify with* to that list of actions that are taken at the risk of infringing another's property right.

Finally, another cost of trademark enforcement in these cases that affects the public interest is the cost to the trademark system itself. A legal system that sanctions, and even incentivizes, trademark bullying through overzealous enforcement of marks against small infringers might harm the integrity of the trademark system as a whole if it goes too far.[118] When the public begins to see trademark law as a vehicle that serves only corporate interests, it harms the legitimacy of the law.

IV. Conclusion

There are a myriad of reasons why trademark owners might choose to enforce their rights against fans, emulators, and enthusiasts. However, such enforcement actions may yield no benefit in the aggregate and may actually be causing significant harm. In order to prevent inefficient enforcement actions, the focus must be not on the law itself, but rather on the incentives that the law provides (or does not provide) to the trademark owner. The reason for this is simple: A change in the law to protect these allegedly infringing groups would be largely ineffective. The fact of the matter is that these users are in such a position that even if the law is on their side, litigation would be so prohibitively expensive that they would usually face two choices: (1) comply with the cease-and-desist letter, or (2) fight the case and win, but to their financial ruin. The solution, then, is to ensure that the law at the very least does not encourage vigorous enforcement in situations where it benefits no one and results in a net loss to all parties involved.

There are two ways that this may be addressed so that trademark law at least does not encourage inefficient enforcement of a mark.[119] The first is to ensure that the doctrines of acquiescence and laches do not attach unless there is a risk of significant harm to the original owner's interests. As we have seen, this is largely already the case given the doctrines of ripeness and progressive encroachment. Ensuring that the law allows for recognition of the special nature of the uses in these cases will help prevent inefficient

116. Rosemary J. Coombe, *Objects of Property and Subjects of Politics: Intellectual Property Laws and Democratic Dialogue*, 69 TEXAS L. REV. 1853, 1866 (1991) ("[T]he cultural resources available to us (and within us) are increasingly the properties of others.").

117. *Id.* at 1868.

118. *See* BOLLIER, *supra* note 109, at 237 (lauding the value of stimulating the public to question the moral legitimacy of laws that permit enforcement abuses through mechanisms like cease-and-desist letters).

119. Inefficient enforcement may always be a possibility because of other motivations of the trademark owner, but at the very least, such inefficient enforcement should not be encouraged by trademark law itself.

enforcement of rights against nonthreatening uses. The second way involves the confusion and dilution analyses. Courts applying the law should recognize that these types of uses should factor differently in the analysis, both in assessing the strength of the mark for confusion and dilution purposes, and in determining whether substantially exclusive use of the mark exists for the dilution inquiry. Since these cases are litigated so infrequently, it is hard to say whether courts would be inclined to do this anyway, but making sure that this is considered is essential to moving toward the proper balance.

For the trademark owner, the foregoing analysis illustrates that choosing whether to stop use by a fan, emulator, or enthusiast is not just a legal decision but also an important business decision, and a mark owner must be cognizant of all of these factors and take them into account before blindly asserting rights against any and all users. In these cases in particular, special attention must be paid given how little owners might stand to gain from enforcing rights against these groups and how much they could lose with an incorrect decision. To the extent that the law can encourage wise, efficient decision making on the part of a mark owner in these situations, it has the potential to result in situations that are beneficial to all involved: the mark owner, the subsequent user, the public, and trademark law itself.

—David E. Armendariz