Advertising and the Transformation of Trademark Law

Mark Bartholomew

Recommended Citation
Available at: https://digitalrepository.unm.edu/nmlr/vol38/iss1/2

This Article is brought to you for free and open access by The University of New Mexico School of Law. For more information, please visit the New Mexico Law Review website: www.lawschool.unm.edu/nmlr
I. INTRODUCTION

The trouble with trademark law is that it tries to serve two different masters at the same time. Over the years, multiple justifications have been provided for trademark protection. Trademarks are a creation of common law, and early cases provide insight into the reasoning for mark protection. Although a federal trademark statute now exists (the Lanham Act), it essentially operates as a national register for state trademark rights and does not alter the basic contours of the common law. As a result, courts have been free to arrive at their own justifications for trademark protection. As these justifications have been refined through years of common law development, two primary rationales have emerged.

On the one hand, trademark law is designed to protect the buying public. When evaluating a claim of infringement, courts will only prevent trademark uses that are likely to confuse consumers. By preventing confusing uses of a mark by competitors, trademark protection provides an incentive for the mark holder to invest in product quality and, thereby, promotes consumer interests. If confusing uses of a trademark were permitted, producers would have little incentive to invest in their products as competitors could siphon off business goodwill. Trademarks also promote the public good by increasing efficiency: instead of engaging in a rigorous analysis of a product every time a purchase is made, a consumer can rely on a brand name as a valuable indicator of product reliability.

On the other hand, consumers are not the direct beneficiaries of trademark protection and the courts have occasionally justified trademark protection by citing the need to legally recognize the trademark holder’s time and effort in building its brand. This justification recognizes that trademark law awards a precious right to advertisers by allowing them to prevent others from using their mark and gives businesses a way to protect the goodwill created in their business and to stop activities that threaten to dim the commercial resonance of their marks.

The tension that exists between these two rationales for trademark law has generated vigorous debate. The debate revolves around the critics’ view of

* Associate Professor of Law, State University of New York at Buffalo. The author would like to thank the organizers and participants of the 2007 Intellectual Property Scholars Conference as well as Guyora Binder, Charles Ewing, Jim Gardner, Shubha Ghosh, Fred Konefsky, Mark McKenna, Elizabeth Mensch, B. Lafe Metz, and Jim Wooten for their insightful comments and suggestions.

1. See Jane C. Ginsburg et al., Trademark and Unfair Competition Law 13 (4th ed. 2007) (“Until the enactment of the Lanham Act in 1946, United States trademark law was primarily a common law creature.”).
4. See infra Part II.A.
5. See infra Part II.A.
6. See infra Part II.A.
advertising. Restrictionist critics contend that advertising is inefficient and that strong trademark holder rights are not a fitting proxy for the public interest. These critics believe that money that could be spent on research and development for better products is instead wasted on redundant and uninformative advertising.\(^8\) Meanwhile, new competitors are shut out of a marketplace dominated by recognized brand names.\(^9\) For these critics, strong protection for trademarks does little to protect consumer interests and can lead to unfortunate concentrations of economic power.\(^10\)

In contrast, trademark scholars sympathetic to neoclassicist economic theory believe that advertising is benign. These scholars believe that instead of fooling the public into buying things they do not really want or need, advertisements are simply efficient informational devices that reduce consumer search costs.\(^11\) Lower search costs promote competition by giving consumers the time to investigate product alternatives.\(^12\) As a result, the neoclassicists deem trademark holders suitable champions for the consuming public. Although the neoclassicists appear to have gained the upper hand in the debate,\(^13\) our understanding of the intersection of economic theory and intellectual property protection is inherently limited and makes a conclusive answer as to the appropriate scope of trademark rights unlikely.\(^14\)

What is lost in the debate over which master trademark law really serves is an analysis of trademark law’s origins. Trademark scholar Frank Schechter once lamented that “nowhere is the obscurity of the origins and at the same time the ‘touching absence of curiosity’ concerning these origins more apparent than in the field of the law of trade-marks.”\(^15\) Because the debate over modern trademark protection has been focused on questions of economic efficiency, historical evaluation of trademark law has been deemed largely unnecessary.\(^16\)

It would be a mistake, however, to ignore the history behind trademark law. In the United States, core trademark doctrine has remained frozen in place for almost a century. An exegesis of the political and cultural climate of American trademark

10. E.g., Glynn S. Lunney, Jr., Trademark Monopolies, 48 Emory L.J. 367, 421 (1999).
law’s formative era explains trademark law’s staying power. It also shows why trademark law needs to change.

Modern trademark law’s story of origin is really the story of the birth of modern advertising.\(^\text{17}\) Part II of this Article chronicles the rapid manner in which courts decided to grant property rights in the value created by advertising. When judges were presented with the new phenomenon of mass-market advertising, they had to decide its legal worth. In a relatively short period of time, they determined that the goodwill built up through advertising was worthy of protection, and their opinions altered established trademark doctrine to reflect this determination.\(^\text{18}\) Within a twenty-year period, trademark holders that were once without a remedy found themselves able to prevent any unwanted use of their mark so long as that use was confusing to an unaware and uncritical consumer.\(^\text{19}\) Mark holders could sue others for trademark infringement without evidence of bad faith.\(^\text{20}\) They also won the right to block others from using their brand even when they sold a product that was different from that sold by the defendant.\(^\text{21}\) Trademark holders still possess these same rights ninety years later.

Why did the courts decide so quickly to award legal protection to the positive consumer sentiment generated by advertising? Part III catalogs the intellectual history of advertising in the early twentieth century. In short order, commercial efforts to promote and sell new products became linked to economic and cultural progress. At the same time, a backlash against the formalist trademark doctrine of the nineteenth century resulted in expanded protection for advertising value and doctrinal limits on the power of judges to ignore this value.

The remainder of Part III explains why the legal doctrine crafted a century ago continues to remain in effect. Judges in the formative era perceived advertising as completely effective in its ability to build business goodwill by generating positive thoughts in consumers’ heads and, therefore, deserved legal protection.\(^\text{22}\) The courts embraced advertisers as skilled professionals and praised the economic and social results of their craft.\(^\text{23}\) This judicial perception of advertising has persisted. As a result, the doctrinal innovations of the 1910s and 1920s have withstood attacks from those who criticized advertising’s effects on the economy and American culture.

As revealed in Part IV, the judiciary rejected attempts in subsequent years to expand legal protection for advertising even further. When state legislatures created a cause of action for “dilution” of the unique selling power of a mark, judges

---

\(^{17}\) In addition to trademark law protections, consumers in the early 1900s could sue a seller for false advertising of its own goods or services. See Graeme B. Dinwoodie & Mark D. Janis, Trademarks & Unfair Competition: Law and Policy 759 (2004). This common law tort of false advertising was narrowly construed, however. See id. Only deceived buyers could sue for false advertising: the common law immunized sellers from the claims of competitors for false advertising because competitors could seldom show actual losses. W. Page Keeton et al., Prosser and Keeton on The Law of Torts 1018–19 (5th ed. 1984). Some courts read the right even more narrowly, blocking any claims for false advertising that did not involve the seller passing off its goods as the goods of another. E.g., Chamberlain v. Columbia Pictures Corp., 186 F.2d 923, 925 (9th Cir. 1951).

\(^{18}\) See infra Part II.

\(^{19}\) See infra Part II.B.

\(^{20}\) See infra Part II.B.

\(^{21}\) See infra Part II.B.

\(^{22}\) See infra Part III.

\(^{23}\) See infra Part III.
balked. The courts had faith that the conditioned reflex created by advertising was not permanent; in their eyes, advertising was effective, but not immutable. Yet, dilution law threatened to inoculate the goodwill bound up in a trademark from change, a fundamentally anti-competitive prospect. Because the judges believed that advertising’s message should not be etched forever on a consumer’s psyche, they refused to move beyond the rights awarded to advertisers in the Progressive Era.

Part V argues that the ninety-year-old system of protection for advertisers is based on a flawed premise. Trademark law assumes that advertising’s effects are transient and that the appeal of one brand can always be shrugged off in favor of another. To the contrary, recent research in cognitive psychology demonstrates that advertising does, in effect, leave a permanent mark on its audience. The phenomenon of affective decision making reveals that consumers make purchasing decisions based on involuntary and subconscious thought. These affective decisions are easily swayed by mere familiarity with a trademark and contextual cues surrounding the mark. Advertisers are uniquely positioned to orchestrate the context and content of our exposure to a brand name and guide us to the ultimate affective decision: purchase. Based on these new insights into the involuntary functioning of the consumer mind, the Article suggests that trademark doctrine should be altered to avoid privileging marks that are already popular with consumers and are unlikely to ever lose their luster in our collective subconscious.

II. LEGAL PROTECTION FOR ADVERTISING

Before the late nineteenth century, advertisers faced a legal landscape hostile to efforts to protect their work, and few trademark cases entered the courts. Those mark holders that elected to prosecute infringement claims confronted strict evidentiary requirements. By the beginning of the twentieth century, however, legal doctrine had become dramatically more receptive to advertiser complaints. The rest of Part II examines the doctrinal changes that opened up the courts to suits from mark holders to preserve their advertising investments. Part III describes the historical and intellectual currents that spawned these changes.

A. Legal Protection for Advertising Prior to 1900

While some form of trademark regulation has existed in Anglo-American law since the fifteenth century, legal rules for trademarks were slow to develop prior to the industrial revolution. No English common law court held in favor of trademark protection until 1824 and the first American case granting relief in a

24. See infra Part IV.B.
25. See infra Part IV.B.
26. See infra Part IV.B.
27. See infra Part V.
28. See infra Part V.
29. See infra Part V.
30. See infra Part V.
31. See infra Part II.A.
33. LAWRENCE M. FRIEDMAN, A HISTORY OF AMERICAN LAW 188 (3d ed. 2005).
trademark action did not come until thirteen years later. For the bulk of the nineteenth century, trademark law developed at a glacial pace as few cases involving trademarks made their way through the courts.

The few trademark plaintiffs that chose to proceed with litigation found no friend in the courts. Trademark law in the nineteenth century sounded in tort and was designed to ensure appropriate behavior by business competitors. Rather than protecting an absolute right in brand-name goodwill or safeguarding the public interest, the courts maintained that the goal of trademark law was "the promotion of honesty and fair dealing" between competitors. Judges gravitated toward a "fair dealing" concept of trademark law because they feared the recognition of a broad property right in trademarks would provide individual businesses with a monopoly in language. As one court explained, the English language is "the common property of mankind." Because language should be available to all competitors, "[f]rom these fountains whosoever will may drink, but an exclusive right to do so cannot be acquired by any." Courts at this time were concerned that a monopoly in language could translate into a monopoly of product. For example, trademark protection for descriptive words like "Cough Remedy" threatened to shut out competitors seeking to inform the public as to the nature of their goods.

37. See Mark P. McKenna, The Normative Foundations of Trademark Law, 82 Notre Dame L. Rev. 1839, 1882–83 (2007) (contending that trademark protection was based on natural law with mark holders possessing an extremely limited property right in their existing customer base); Robert G. Bone, Hunting Goodwill: A History of the Concept of Goodwill in Trademark Law, 86 B.U. L. Rev. 547, 561 n.59 (2006) (arguing instead that the motivation behind trademark rights at this time was a blend of trademark holder property rights and consumer protection). For the purposes of this Article, the exact legal theory behind trademark rights in this period is less important than the theory's resulting doctrinal effects. The important points to keep in mind are that (1) the focus on reasonable competitive behavior kept the reach of trademark law severely circumscribed and (2) in the early part of the twentieth century, courts responded to social and economic pressure by taking the focus off competitor behavior and dramatically broadening trademark protection.
38. Palmer v. Harris, 60 Pa. 156, 159 (1869); see also Sartor v. Schaden, 101 N.W. 511, 513 (Iowa 1904) (remarking that judicial action to protect trademarks was "all bottomed on the principle of common business integrity"); James Love Hopkins, The Law of Trademarks, Tradenames, and Unfair Competition vii–viii (3d ed. 1917) (arguing that trademark law was ennobling because it helped to curb the "commercial cannibalism" in business relations); Wallace R. Lane, Development of Secondary Rights in Trade Mark Cases, 18 Yale L.J. 571, 578 (1909) (explaining that most courts evaluating trade name cases "have planted their decisions upon the rock of commercial integrity and honor").
40. Avery & Sons v. Meikle & Co., 81 Ky. 73, 90 (1883).
41. Id.
43. See Gilman v. Hunnewell, 122 Mass. 139, 148–49 (1875); see also Canal Co. v. Clark, 50 U.S. 311, 323 (1872) ("No one can claim protection for the exclusive use of a trade-mark or trade-name which would practically give him a monopoly in the sale of any goods other than those produced or made by himself. If he could, the public would be injured rather than protected, for competition would be destroyed.").
Tort systems have two characteristics that were essential in structuring trademark doctrine in the 1800s. First, tort law focuses on the defendant’s conduct in determining liability. In contrast, property rights regimes of the late nineteenth century posited a complete right to exclude others, limited only by certain restraints imposed by the “will of the sovereign in the public interest” that made the defendant’s motivations irrelevant. Second, tort systems are intended to compensate injured parties. In determining whether a plaintiff deserves compensation, tort law requires a balancing of the plaintiff’s claim to protection against the defendant’s claim to freedom of action. In making this evaluation, courts utilize “custom” to determine when a defendant’s actions are socially unreasonable.

Trademark’s tort law basis produced several doctrinal rules that limited an advertiser’s ability to protect the goodwill bound up in its trademark. First, if a plaintiff could not demonstrate that a defendant purposely intended to infringe, no relief would be granted. For example, in the case of Burnett v. Phalon, the New York Court of Appeals addressed the issue of infringement by focusing exclusively on whether a defendant could have used the word “Cocoine” in good faith given the plaintiff’s widespread use of the mark “Cocoaine.” The majority found in favor of the plaintiff, concluding that “[n]o one can readily believe” that the defendant “failed to observe the advertisements” for plaintiff’s “Cocoaine” brand.

The dissent, like the majority, grounded its argument on good faith, urging all courts to use restraint in determining bad faith, as the case law “has nearly established a common law of copyright of perpetual duration” that “without great care, . . . may be made an instrument of wrong.” The dissent chastised the majority

44. See Lemley, supra note 14, at 1072.
45. See DUNCAN KENNEDY, THE RISE & FALL OF CLASSICAL LEGAL THOUGHT 123 (2006) (discussing alienation of property); see also id. at 6 (describing the classical model of “absolute dominion” over property); Julie E. Cohen, Overcoming Property: Does Copyright Trump Privacy?, 2002 U. ILL. J.L. TECH. & POL’Y 375, 379 (discussing the absolutist connotations of property regimes); Dan Hunter, Cyberspace as a Place and the Tragedy of the Digital Anticommons, 91 CAL. L. REV. 439, 472–500 (2003) (describing the effects of analogizing the internet to real property); Adam Mossoff, Patents as Constitutional Private Property: The Historical Protection of Patents Under the Takings Clause, 87 B.U.L. REV. 689, 691 (2007) (referring to the “natural rights conception of property as securing the exclusive rights to acquire, use, and dispose of one’s possessions” and describing that conception as “the leading property theory” in the nineteenth century). To some degree, property and tort regimes overlap. Nevertheless, broadly speaking, tort law assesses liability by examining the defendant’s motivations and the extent of the plaintiff’s injury while in property rights regimes, liability is determined independent of motive or degree of harm. See KEETON ET AL., supra note 17, at 6 (explaining that under “[t]he common thread woven into all torts...[t]he tort-feasor usually is held liable for acting with an intention that the law treats as unjustified”); Richard A. Epstein, Book Note, Rights and “Rights Talk”, 105 HARV. L. REV. 1106, 1109 (1992) (reviewing MARY ANN GLENDON, RIGHTS TALK: THE IMPOVERISHMENT OF POLITICAL DISCOURSE (1991)) (positing that real property law is guided by “a system of absolute rights that allows individuals to exclude some persons on a whim” and that such a regime is necessary for efficient markets in land).
46. KEETON ET AL., supra note 17, at 5.
47. Id. at 6; see also OLIVER WENDELL HOLMES, JR., THE COMMON LAW 144 (Boston, Little, Brown & Co. 1881) (stating that reference to a “moral standard” in tort law is designed to reconcile “the reasonable freedom of others with the protection of the individual from injury”).
49. See HOPKINS, supra note 38, at 293 (“Whether at law or in equity, the doctrine of the common law prevailed, that the defendant must be shown to have guilty knowledge or fraudulent intent.”).
50. AMERICAN TRADEMARK CASES, 376–400 (Cincinnati, Rowland Cox 1871) (citing Burnett v. Phalon, 9 Bos. 192 (N.Y. 1867)).
for not adopting a more charitable view of the defendant’s intent given the facts at hand, citing uncontradicted testimony from the defendant’s chemist that he invented the name “Cocoine” spontaneously and, despite plaintiff’s widespread advertising, without prior knowledge of the “Cocoaine” trademark. For the rest of the century, although courts began to drop the intent requirement for so-called “technical trademarks,” i.e., those marks that employ a completely new word or an existing word in an arbitrary way, courts rigorously applied the intent requirement in all other trademark cases.

The second doctrinal rule was that, for most of the nineteenth century, trademark courts read a “reasonable person” standard into the law that required consumers to exercise discretion and judgment. To make a successful trademark infringement case, a plaintiff must demonstrate that the defendant’s conduct is likely to confuse purchasers as to the source or sponsorship of the plaintiff’s goods or services. Before 1900, the courts only accepted evidence of confusion that occurred after a purchaser had engaged in a reasonable investigation of the defendant’s product. The leading American trademark law treatise cited the New York case of Partridge v. Menck with approval. Partridge required “careful inspection” of allegedly misleading advertisements before there could be a finding of infringement. When consumers did not undertake a careful examination of the defendant’s product, then the infringement claim had to be denied: “[A court] is certainly not bound to interfere, where ordinary attention will enable a purchaser to discriminate.” The Supreme Court agreed, emphasizing in an 1877 decision that a “critical” review of the offending advertisement by consumers was required. Following this precedent, the Eighth Circuit explained that while a secondary user of a trademark must not attempt to mislead a purchaser that is exercising ordinary care, “[h]e is not, however, required to insure to the negligent or the indifferent a knowledge of the manufacture or the ownership of the articles he presents.” Similarly, the Supreme Court of Washington explained that while confusion of an expert or a “very

53. Id. at 391–96.
54. Today, “technical trademarks” are referred to as “inherently distinctive” marks. McCarthy, supra note 14, § 11.4. For example, “Kodak” is considered to be an inherently distinctive mark.
56. William Henry Browne, A Treatise on the Law of Trade-Marks and Analogous Subjects 384 (Boston, Little, Brown, & Co., 2d ed. 1885); see also McCarthy, supra note 14, § 23.2 (collecting cases illustrating the likelihood of confusion standard).
57. 2 Sand. Ch. 622 (N.Y. Ch. 1846).
59. Id. at 687 (citing Partridge v. Menck, 2 Sand. Ch. 622, 625 (N.Y. Ch. 1846)).
60. Id. Numerous American courts in the late 1800s cited this passage from Partridge with approval. E.g., Carmichel v. Latimer, 11 R.I. 395, 405–06 (1876); Popham v. Cole, 66 N.Y. 69 73 (N.Y. 1876); Ball v. Siegel, 4 N.E. 667, 670 (Ill. 1886).
61. McLean v. Fleming, 96 U.S. 245, 255 (1877) (finding trademark infringement when the defendant’s remarkably similar trade dress “divert[ed] the attention of the unsuspecting buyer from any critical examination of the prepared article”) (emphasis added).
cautious purchaser” is infringement, confusion of only an “indifferent or careless purchaser” is not.63

Through the consumer confusion standard, courts in the 1800s tried to strike an appropriate balance between redressing mark holder injuries and preserving competition.64 In striking that balance, courts focused on actions that diverted already loyal customers from the trademark owner’s business.65 On one hand, a competitor’s use of a mark that confused careful purchasers threatened to hijack the mark holder’s established clientele. On the other hand, although confusion among indifferent, undiscriminating purchasers could result in some mistaken purchases, it would not really threaten the mark owner’s established customer base. Uncritical consumers were consumers who had not yet been convinced as to the worth of the plaintiff’s product.66 A requirement of “careful inspection” placed the burden on all consumers to avoid being fooled by similar marks and meshed well with comparable standards in other areas of the law.67

The final doctrinal rule was that an advertiser could only block the infringing use of a trademark on products identical to its own. The Trademark Act of 1905 prohibited only those uses of an existing trademark on “merchandise of substantially the same descriptive properties as those set forth in the registration.”68 This language was derived from common law cases holding that infringement could only occur when the defendant used the mark on the same class of goods as the plaintiff.69 For example, in an 1898 case involving a trademark suit by an ale manufacturer against the defendant lager manufacturer, the court held that there could be no infringement because ale and lager were not of the “same descriptive properties.”70 Courts reasoned that when the defendant’s goods were not the same as the mark holder’s, the defendant was only trying to attract its own customers, not

64. See Mark P. McKenna, Trademark Use and the Problem of Source in Trademark Law (forthcoming 2008) (manuscript at 14-15, on file with the author) (explaining that nineteenth century courts, concerned with the anticompetitive implications of trademark law, carefully distinguished between legitimate and illegitimate attempts to divert consumers).
65. See McKenna, supra note 37, at 1857–58 n.77 (“[T]he mark owner’s interest, both at law and in equity, was in its returning customers.”).
66. Critical consumers, by contrast, whose perceptions were relevant to determining whether there had been infringement, were those who were actively searching for the plaintiff’s brand. In Partridge v. Menck, the New York Court of Chancery reasoned that there was no likelihood of confusion because purchasers searching for plaintiff’s “A. Golsh’s” matches would not be deceived by the defendant’s matches sold as the manufacture of a “late chemist for A. Golsh.” UPTON, supra note 58, at 691 (citing Partridge v. Menck, 2 Sand. Ch. 622, 625 (N.Y. Ch. 1846)). The court held that no confusion was likely even though both plaintiff’s and defendant’s labels contained a beehive in addition to the words “A. Golsh.” See id. at 690-91 (citing Partridge, 2 Sand. Ch. at 624–25).
67. See MORTON HORIZON, THE TRANSFORMATION OF AMERICAN LAW, 1780–1860, at 259 (1977); see also HOLMES, supra note 47, at 94 (explaining that the “general principle” of late nineteenth-century law “is that loss from accident must lie where it falls”).
69. HOPKINS, supra note 38, at 307.
70. Bass, Ratcliffe & Gretton, Ltd. v. Henry Zeltner Brewing Co., 87 F. 468, 468 (C.C.S.D.N.Y. 1898), aff’d, 95 F. 1006 (2d Cir. 1899).
divert the trademark holder’s, and the defendant’s behavior therefore met the standard of commercial reasonableness.71

B. Legal Protection for Advertising After 1900

The trademark doctrine that existed in the nineteenth century quickly changed as a more absolute vision of trademark rights emerged in the early 1900s.72 American courts shifted their focus from regulating competitive conduct that threatened the mark holder’s existing trade to recognizing the trademark owner’s right to exploit its mark to its fullest extent. Abandoning the language of commercial reasonableness, courts of the early 1900s increasingly defined trademarks as “property” or used metaphors from real property to describe questions involving trademarks.73 For example, some courts referred to trademark infringement as “trespassing” on the rights of the mark owner.74 One federal court described a defendant’s wrongful registration of a plaintiff’s trademark as “a cloud upon the plaintiff’s title” and cited cases involving quieting title to real property to justify its intervention.75

These rhetorical changes were accompanied by significant shifts in established nineteenth-century doctrine. First, courts began to shift their focus away from the defendant’s conduct, finding infringement even without proof of fraudulent intent. This shift was not entirely unexpected, as courts had already begun moving away from requiring an intent to deceive for infringement of technical trademarks.76 In the late 1800s, courts had frequently described technical trademarks as “property” but were hesitant to do so with descriptive marks.77 In the early 1900s, however, legal scholarship agitated for technical and descriptive marks to be labeled “property,” a renaming that would obviate the need for proof of intent and enable courts to

71. For example, when a defendant used the plaintiff’s mark to identify a paint formed by mixing the plaintiff’s zinc oxide product with oil, the court held that there was no infringement because the plaintiff did not sell paint. See La Societe Anonyme Des Mines v. Baxter, 14 F. 1164, 1164 (C.C.S.D.N.Y. 1877). Even though the plaintiff’s product was expressly designed for use in paint mixtures, the court reasoned that no infringement was possible unless the plaintiff and defendant sold the same item. Id.
72. E.R. Coffin, Technical Trademarks Versus Non-exclusive Trademarks, 66 ALB. L.J. 180, 180 (1904) (“But it has long been settled that plaintiff has an absolute right to the exclusive use of his trademark. The right has hardened into a rule of property.”).
73. See, e.g., Godillot v. Hazard, 49 How. Pr. 5, 10 (N.Y. Sup. Ct. 1875); Derringer v. Plate, 29 Cal. 292, 294–95 (1865). To a degree, property rights rhetoric had always been interwoven with the commercial reasonableness justification for trademark law, but in the early 1900s, the balance shifted and courts began to emphasize trademark law’s role in enforcing a mark holder’s property rights over the need to separate reasonable from unreasonable competitive behavior. See McClure, supra note 39, at 312–15.
74. E.g., Hercules Powder Co. v. Newton, 266 F. 169, 171 (2d Cir. 1920); Louis Bergdoll Brewing Co. v. Bergdoll Brewing Co., 218 F. 131, 132 (E.D. Pa. 1914); see also FRANK S. MOORE, LEGAL PROTECTION OF GOODWILL 99 (1936) (describing an infringer as “a trespasser upon valuable property of the complainant, namely, complainant’s goodwill, just as he would be a trespasser if he wrongfully encroached upon complainant’s land”).
75. Coca-Cola Co. v. Stevenson, 276 F. 1010, 1013–14 (S.D. Ill. 1920); see also MOORE, supra note 74, at 4 (analogizing a trademark search and valuation of a mark to conducting a title search before buying real estate).
76. McClure, supra note 39, at 317.
77. Descriptive marks are those marks that immediately convey the characteristics of the goods or services at issue. See BLACK’S LAW DICTIONARY 1531 (8th ed. 2004). For example, a Saint Louis brewer that labeled its beer “St. Louis Lager Beer” would be using that term as a descriptive trade name, not as a technical trademark. See Anheuser-Busch Brewing Assn. v. Piza, 24 F. 149 (C.C.S.D.N.Y. 1885).
evaluate all trademark cases by the same "likelihood of confusion" standard.78 As one scholarly commentary of the time noted, once the courts conceived of trademark ownership in the same terms as ownership of real property, there was no need to examine the accused infringer’s conduct for violations of commercial norms.79

During this period, a property right connoted an absolute right that made even cases of innocent infringement illegal.80 Although not uniform, most courts in the 1920s agreed with the scholars and took the position that intent was not necessary in any trademark infringement action.81 By the 1930s, the only important difference between technical and non-technical trademarks concerned eligibility for registration.82

As intent became unnecessary in assessing infringement, courts simultaneously dumbed down the reasonable purchaser standard. While the Victorian-era consumer was expected to exercise some caution in the commercial world, the early 1900s consumer was “apt to act quickly, and [was] therefore not expected to exercise a high degree of caution.”83 As one court explained:

The purchaser is required only to use that care which persons ordinarily exercise under like circumstances. He is not bound to study or reflect; he acts upon the moment. He is without the opportunity of comparison. It is only when the difference is so gross that no sensible man, acting on the instant, would be deceived, that it can be said that the purchaser ought not to be protected from imposition.84

Thus, in contrast to the “careful inspection” requirement of Partridge, courts at the turn of the century adopted a much more relaxed standard for confusion.85 This change now allowed a plaintiff to base an infringement case on a shopper’s fleeting and hasty impressions. As one court of appeals explained, “It may be true that the cautious and discriminating purchaser is not likely to be so misled; but the protection accorded to a trade-mark is not limited to the cautious and discriminating customer, but embraces the ‘ordinary’ or ‘unwary’ purchaser as well.”86 Another

79. Handler & Pickett, supra note 42, at 770 ("The connection between the monopoly notion and the rule that fraud need not be proved in trademark cases is apparent, for if a man has the absolute right to use a mark, even an innocent infringement must be forbidden.").
80. See KENNEDEY, supra note 45, at 6 (describing classical legal thought as guided by the conception of a system of individual legal property holders exercising an "absolute dominion over property").
82. Zechariah Chafee, Jr., Unfair Competition, 53 HARV. L. REV. 1289, 1298 (1940). Under the Trademark Act of 1905, only technical trademarks could be federally registered, although amendments to the Act in 1938 and 1939 made non-technical trademarks eligible for federal registration as well. See id.
84. Pillsbury v. Pillsbury-Washburn Flour Mills Co., 64 F. 841, 847 (7th Cir. 1894).
85. Compare Partridge v. Menck, 2 Sand. Ch. 622 (N.Y. Ch. 1846), with Pillsbury, 64 F. at 841.
86. De Voe Snuff Co. v. Wolff, 206 F. 420, 423–24 (6th Cir. 1913); see also Garrett & Co. v. A. Schmidt, Jr. & Bros. Wine Co., 256 F. 943, 946 (N.D. Ohio. 1919). In Garrett, the court stated:

From these opinions it appears that the test of whether or not there is infringement or unfair
court explained that in all trademark cases "undoubtedly...many of the public are hasty, heedless, and easily deceived."\(^8\) As described by the Second Circuit in 1910, the consuming public was "that vast multitude which includes the ignorant, the unthinking and the credulous, who, in making purchases, do not stop to analyze, but are governed by appearances and general impressions."\(^8\) One court of appeals described the ordinary prospective purchaser as follows: "He acts quickly. He is governed by a general glance. The law does not require more of him."\(^9\)

Finally, the courts also quickly dispatched the nineteenth century doctrine that both products at issue had to be the same for there to be infringement. Although the Trademark Act of 1905 required that both products in an infringement suit have the "same descriptive properties," by the 1920s, judges had come to recognize that consumers could also be confused by the use of a similar mark on different products.\(^9\) For example, the manufacturer of a high grade whiskey convinced a court that it was confusing for another business to use its mark in conjunction with malt syrup used to make "home brew."\(^9\) In another case, Judge Learned Hand granted trademark protection to a lock manufacturer even though the defendant did not make locks, but rather, flashlights and batteries.\(^9\) Judge Hand brushed off concerns that his approach did "some violence to the language" of the 1905 Trademark Act.\(^9\) Instead, he maintained that the judiciary had, in recent years, realized that a trademark holder had "a sufficient economic interest in the use of his mark outside the field of his own exploitation."\(^9\) Hand's reasoning signaled a major theoretical shift away from regulation of unreasonable competitive behavior and monopoly prevention to protection of the advertiser's property right in the full exploitation of its trademark.\(^9\)

As a result of these three doctrinal changes, the value generated by advertising suddenly received robust legal protection. Intent to deceive was no longer required for a viable action against an alleged trademark infringer.\(^9\) The ordinary prudent purchaser standard had been watered down to remove any requirement of critical thought or analysis by consumers.\(^9\) Moreover, these rights potentially extended

competition is to be determined by taking the trade-mark, labels, and dress as a whole, and determining therefrom whether the resemblances so far dominate the differences in appearance, sound, and dress as to be likely to deceive, not the cautious, experienced, or discriminating purchaser, but the average, ordinary, and unwary customer.

\(^{87}\) N.Y. Mackintosh Co. v. Flam, 198 F. 571, 572 (S.D.N.Y. 1912).


\(^{89}\) Coca-Cola Co. v. Chero-Cola Co., 273 F. 755, 756 (D.C. Cir. 1921).

\(^{90}\) Edward C. Lukens, *The Application of the Principles of Unfair Competition to Cases of Dissimilar Products*, 75 U. PA. L. REV. 197, 200 (1927) ("It is now established beyond controversy that the product need not be the same, in order that relief may be granted."); see also Standard Oil Co. of N.M., Inc. v. Standard Oil Co. of Cal., 56 F.2d 973, 978 (10th Cir. 1932) ("[I]t is now well settled that the law of unfair competition is not confined to cases of actual market competition.").

\(^{91}\) Four Roses Prods. Co. v. Small Grain Distilling & Drug Co., 29 F.2d 959, 959-60 (D.C. Cir. 1928).

\(^{92}\) Yale Elec. Corp. v. Robertson, 26 F.2d 972 (2d Cir. 1928).

\(^{93}\) Id. at 974.

\(^{94}\) Id.; see also Finchley, Inc. v. Finchley Co., 40 F.2d 736, 738 (D. Md. 1929) (stating that "undoubtedly" there is a "trend" towards granting the mark holder greater control over use of the mark in unrelated fields).

\(^{95}\) Yale Elec. Corp., 26 F.2d 972.

\(^{96}\) See supra notes 76–82 and accompanying text.

\(^{97}\) See supra notes 83–89 and accompanying text.
against all product manufacturers, not just manufacturers of products in the same
discrete category as the trademark holder.98 With this foundation, rights in the value
created by advertising began to expand even further. In a somewhat startling
extension of trademark law, the Supreme Court went so far as to uphold a state law
preventing subsequent retailers of a trademarked item from selling the item at
discount prices.99 Now, an advertiser’s control over a brand name could extend
beyond the point of sale. Thus, in contrast to their legal status in the nineteenth
century, advertisers of the 1910s and 1920s enjoyed powerful rights to safeguard
the value they had created in their marks. Part III begins by describing why the
courts felt obliged to recognize broad rights in advertising when just a few years
before they had been hostile to such claims. The remainder of Part III explains why
the doctrinal innovations of the 1920s have survived in the same form for nearly one
hundred years.

III. RECOGNIZING A NEW PROPERTY RIGHT IN ADVERTISING

A. Advertising Becomes Important to the National Economy

As discussed above, trademark doctrine was transformed in the first decades of
the twentieth century. In a short time span, several barriers to protecting the value
built by advertising were removed. The courts depicted this transformation of
trademark law as the product of timeless, objective principles. In reality, however,
the new law of advertising was the result of early twentieth century historical and
social forces. Advertising’s importance to the national economy, its embrace by a
critical mass of cultural observers, and the professionalization of the advertising
field all led to greater judicial safeguards against brand-name “free riding.”100
Simultaneously, the symbiotic relationship between academic psychologists and
advertisers prompted doctrinal moves that stripped discretion from the courts and
increased the power of trademark owners.101

1. Advertising Demonstrates Its Effectiveness

Between 1880 and 1920, advertising evolved from a relatively small part of
American commercial life into a crucial component of the national economy. The
nature of advertising also changed. Where advertising had once simply supplied raw
information about a product to consumers, by the 1920s, advertising was a
professional art that relied on emotional appeals with little to no informational

98. See supra notes 90–95 and accompanying text.
99. Old Dearborn Distrib. Co. v. Seagram-Distillers Corp., 299 U.S. 183 (1936). In Old Dearborn, the Court
was asked to construe the Illinois Fair Trade Act, which proscribed the sale of a trademarked article by means of
the trademark at a discounted price. Id. at 185–86. The Court upheld the statute, allowing the trademark holder to
prevent retailer price reductions that could be deemed injurious to the goodwill built up in the mark. Id. at 192–98.
The decision meant that an Illinois trademark holder’s rights extended past the point of sale. See id.
100. See infra Part III.A.1–2.
101. See infra Part III.A.2.
In little time, courts recognized advertisers as skilled professionals and adopted legal doctrines that enshrined the worth of their services. Trademarks had a limited role in the United States economy before 1900. Until that time, the brand identification and recognition provided by trademarks were largely unnecessary because most people lived in rural areas, shopped in rural areas, and bought products that were produced in the same areas where they lived. As a result, for most of the 1800s, few manufacturers chose to advertise. Trademarks were relatively unimportant as consumers usually bought their goods from a local shopkeeper with whom they had a personal relationship.

The little advertising that existed in the 1800s focused on the dissemination of information to existing customers. Purchases required planning and deliberation. A decision to purchase often necessitated writing a letter of inquiry to a manufacturer and a subsequent follow up order or, at the very least, a long trip from the country to the local dry goods store. Thus, advertising was not designed to trigger a rush of emotion that would cause the shopper to spontaneously pluck the product off of a store shelf. Instead, advertisements provided information about a product so a purchaser could make an informed decision. The information contained in these early advertisements described the product's attributes and composition and explained where the product could be obtained.

Moreover, a trademark's value in this era depended on the reputation it acquired over time, not through advertising. A trademark would only be legally protected after years of quality production created a cachet among consumers. As one treatise of the time remarked: "The association of the trade-mark with the origin of the goods may be acquired only after long use. The effect as well as the value of the trade-mark is the work of time and experience."

102. See infra notes 113–119 and accompanying text.
103. See infra notes 126, 160–174 and accompanying text.
104. See Rogers, supra note 36, at 42–43.
105. Bone, supra note 37, at 575.
107. POPE, supra note 106, at 233.
108. Id.
110. NORRIS, supra note 109, at 43 (describing how, with few exceptions, manufacturers and merchants wrote their own advertising copy in the 1800s). Patent medicine advertisers in this period were a bit of an exception to the rule. Although, like other advertisers, they wrote their advertising copy themselves and framed it in informational terms, the patent medicine sellers were notoriously deceitful, routinely attributing curative powers to their products that simply were not true. See POPE, supra note 106, at 186–87. Patent medicine distributors also differed from other advertisers in their early willingness to employ innovative advertising techniques like the use of testimonials and vivid illustrations. See id. at 232.
111. AMASA C. PAUL, THE LAW OF TRADE-MARKS INCLUDING TRADE- NAMES AND UNFAIR COMPETITION § 4, at 10 (1903).
112. Id.
By 1920, however, advertising had changed. The American population exploded and became more concentrated in urban areas at the end of the nineteenth century. Manufacturers could now appeal to an expanded and more diversified pool of consumers willing to purchase new products. Advances in production, transportation, and communication made the country ripe for products with a nationwide distribution. Advertising allowed businesses to mobilize consumers to create a national market for products that were often functionally equivalent to local goods. Salesmanship of a brand became important; simple announcements of a product’s availability and content were insufficient. At the same time, increases in production resulted in an unprecedented number of choices for consumers. It was the advertiser’s job to use a particular trademark in a compelling way to break out of the clutter.

At the same time, lessons from behavioral psychology revolutionized the way products were marketed. Now consumers were viewed as being subject to irrational desires. Instead of plying them with information, advertisers engineered emotional appeals designed to trigger consumers’ reactive and spontaneous impulses. It was important to feature vivid brand images in advertisements that would remain in the consumer’s memory. By 1920, the structure and approach of the advertising business had largely taken the same form that it has today. Instead of providing consumers with information, advertisers issued missives designed to persuade consumers to buy. Instead of capturing existing demand for an established product, advertising’s role was to stimulate new demand for new products.

Advertising’s new psychological emphasis made trademarks more important. Instead of wasting ad space on textual information about a product, advertisers could use vivid imagery to generate psychological appeals that would infuse a trademark with meaning. As Robert Bone has discussed, firms at the turn of the century began to believe that advertising provided the key to controlling goodwill.

114. Bone, supra note 37, at 576.
115. Pope, supra note 106, at 31; see also supra note 106 and accompanying text.
117. Id. at 8 (discussing transition from informational advertising to persuasive advertising); E.S. Turner, The Shocking History of Advertising! 177 (1953) (locating the beginnings of advertising based on appeals to emotion to the period around the first world war).
118. Norris, supra note 109, at 107 (“[T]he variety of foods and the number of brands being introduced to the American woman by 1910 must have been staggering.”).
120. Pope, supra note 106, at 14.
122. See Pope, supra note 106, at 8; see also Bone, supra note 37, at 580 (“By the 1920s, the new psychological approach to advertising was in full swing.”).
123. Pope, supra note 106, at 8.
125. Bone, supra note 37, at 582.
Happy to encourage this belief, advertisers maintained that advertising, if handled by skilled professionals, would unquestionably translate into increased sales. One simply needed to spend more on advertising, like any other capital asset, to bolster firm goodwill. For every $100 invested in advertising, the business’s goodwill would receive $100 in value or more. The advertisers sought to rewrite accounting rules to have advertising treated as a capital expenditure, rather than an ordinary short-term business expense. According to the advertisers, the value of a brand name was directly dependent on repetition; they refused to acknowledge the possibility of diminishing returns from their craft.

The role of advertising in the new economy was not overlooked by commentators. It quickly became apparent that advertising stimulated demand. While the normative value of advertising’s role was debatable, its effectiveness was not. The successful use of psychological techniques to sell government bonds and recruit soldiers during World War I convinced intellectuals and policy makers of advertising’s efficacy. Meanwhile, the amount of advertising presented to the consuming public skyrocketed. Advertisements for trademarked goods were everywhere in the 1920s while the economy roared and products flew from store shelves.

Advertising affected more than just the general public, and courts soon began to attribute to advertising the power trumpeted by the advertisers themselves. Judges in this period recognized the investment a mark holder made in advertising by expanding the protection of mark goodwill. For example, despite acknowledging that a variety of New York businesses already used the term “Knickerbocker,” a court nevertheless granted trademark rights for Knickerbocker-brand beer, in part because of the “liberal expenditure of money by the plaintiff for advertising.” As one legal commentator stated while arguing for greater protection of trademarks, “Large sums are paid for the use of names in advertising....Something of such great value is certainly entitled to adequate protection under the law.” This view was largely accepted in the legal literature on trademark law.

Greater legal protection of trademarks emerged through a bit of spurious but effective legal reasoning. If the advertisers were to be believed, the amount spent on advertising a mark was directly proportionate to the amount of goodwill added

126. See POPE, supra note 106, at 68–69 (discussing advertisers’ argument at the turn of the century that advertising could create business goodwill); WALTER DILL SCOTT, THE PSYCHOLOGY OF ADVERTISING 175 (1908) (maintaining that all persons could be influenced by the power of suggestive advertising).
128. POPE, supra note 106, at 245.
129. See discussion infra Part IV.A–B.
130. Bone, supra note 37, at 579.
132. SCHECHTER, supra note 15, at 167.
to the mark. Legal authorities largely accepted this premise. But the value of a trademark largely depends on the legal protection provided to the trademark's originator. The increasing importance of trademarks in the early twentieth century was not, in itself, sufficient reason for protecting them from use by others. If the judiciary had taken a different path and refused to protect a mark holder's advertising expenditures, then advertising might not have attained such great value. Yet, the courts had another reason for employing circular logic to justify their protection of advertising expenditures. As discussed below, the courts accepted advertising's cultural contributions at the same time that they recognized its economic value.

2. Consumption Becomes Culturally Acceptable

Separate from the question of advertising's success in stimulating demand was the question of whether it was good for society. Cultural critics divided into two camps. Some were supportive. In their view, consumerism was synonymous with modernism. Others felt threatened and argued for consumer restraint. The first group believed that the emergence of advertising, along with mass production, undoubtedly provided convenient and affordable products like canned soup, cameras, and breakfast cereals to consumers. In the past, these products were sold in restricted markets at high prices. To these commentators, advertising was a liberator making a real contribution to people's lives by increasing the standard of living. They contended that instead of replacing time-honored values, the pursuit of life's comforts was an ennobling process necessary for developing the human mind. Social scientist Simon Patten wrote in 1907 that America's increasing affluence was creating a new basis of civilization where the masses would be able to exist on a higher plane. He theorized that rather than coarsening society, advertising would convince Americans to accept new and worthwhile national

136. E.g., Coca-Cola Co. v. Chero-Cola Co., 273 F. 755, 757 (D.C. Cir. 1921) (explaining that the Coca-Cola company's mark had gained a secondary significance because Coca-Cola had used its mark since 1886 and had spent “[m]illions... for advertising its goods under the mark”); Rosenberg Bros. & Co. v. Elliott, 7 F.2d 962, 965 (3d Cir. 1925) (noting that the complainant spent “$3,000,000 in five years in advertising its marked products” and that “good will acquired in this way...is entitled to protection”); Lady Esther, Ltd. v. Flanzbaum, 44 F. Supp. 666, 668-69 (D.R.I. 1942) (explaining that the plaintiff “spent large sums of money in advertising to build up good-will”).

137. See supra note 136.

138. Justice Holmes made a similar point in his dissent in a seminal unfair competition case where he argued that legal rights create value and not the other way around. See Int'l News Serv. v. Associated Press, 248 U.S. 215, 246 (1918) (Holmes, J., dissenting) (“When an uncopyrighted combination of words is published there is no general right to forbid other people repeating them—in other words there is no property in the combination or in the thoughts or facts that the words express. Property, a creation of law, does not arise from value....”).

139. For example, Justice Stevens, cognizant of “the natural tendency of legal rights to express themselves in absolute terms to the exclusion of all else,” particularly in intellectual property, chose to buck this trend by authoring a decision that greatly restricts legal protection of copyright interests. Sony Corp. of Am. v. Universal City Studios, Inc., 464 U.S. 417, 432 n.13 (1984).

140. See POPE, supra note 106, at 108.

141. See id.


standards of taste and aesthetics. Budget studies performed by government agencies adopted Patten's view. They surveyed immigrant life on the assumption that workers would strive for refinement and culture once their physical needs had been met.

Not everyone agreed with this assessment. As Daniel Horowitz has commented, "The emergence of mass culture threatened the dominance and health of a crumbling genteel culture that had stood as a bulwark of Victorian bourgeois life." Elites felt threatened by immigrants and laborers who were gaining political power and were able to purchase respectability in the new consumer culture. As a result, they rejected the new consumerism, advocating thrift and restraint to keep people in their place. They argued that by causing people to abandon the value of thrift, advertising encouraged a morally suspect overindulgence that threatened the nation's stability. Some cited the pursuit of consumer comforts during World War I as proof of moral regression of the citizenry. Thorstein Veblen critiqued the consuming habits of the wealthy, rejecting the idea that people would necessarily choose moral or elevating objectives for their newfound wealth. Despite his populist sympathies, William Jennings Bryan rejected advertising's egalitarian message. He specifically attacked the conspicuous consumption that seemed to sweep the land, urging the readers of Ladies' Home Journal to adopt restraint in their purchases.

These attacks on consumer culture did not last forever, and they began to lose force once it became accepted that middle class buying power was essential to efficient economic functioning. By spurring middle class desires for an increased standard of living, advertising kept the engine of consumerism running. Commercials and public relations campaigns made consumer credit, which had been the province of shadowy loan sharks, a viable and attractive option for the middle

---

144. HOROWITZ, supra note 142, at 77; see also Lears, supra note 119, at 11 (describing the commercial attack on "Victorian repression").
145. HOROWITZ, supra note 142, at 63.
146. Id. at 69.
147. Progressive elites associated mass consumption with the social pastimes of immigrants and attacked consumerism in the same breath as they attacked saloons and movie houses for their supposedly destructive effects on family life. See HOROWITZ, supra note 142, at 63; see also HOFSTADTER, supra note 113, at 181 ("[T]he typical Progressive and the typical immigrant were immensely different, and the gulf between them was not usually bridged with much success in the Progressive era.").
148. HOROWITZ, supra note 142, at 125; see also LORI ANNE LOEB, CONSUMING ANGELS: ADVERTISING AND VICTORIAN WOMEN 162 (1994) (describing the emphasis on hard work, thrift, and temperance that characterized early Victorian society).
149. See HOROWITZ, supra note 142, at 72–74. One commentator offered a particularly florid description of the post-World War I consumer culture: "We have all been participants in a wild, bacchanalian orgy wherein we cast aside our usual sense and caution and flung our money insanely to the winds, gorging ourselves on every delicacy and indulging our desire of licentious spending until we finally achieved an economic debauch." Christine Frederick, The Economic Strike of the American Housewife, 70 CURRENT OPINION 750, 751 (1921) (quoted in HOROWITZ, supra note 142, at 114).
153. Id.
Following the work of Simon Patten, economist E.R.A. Seligman argued that it no longer made sense to disparage consumption. In the past, society needed savings to amass the capital necessary to turn the wheels of the industrial revolution. By the 1920s, however, with the manufacturing interests on secure footing, the real danger was overproduction if people curtailed their materialist desires. Seligman maintained that consumption, instead of being a cultural threat, was necessary to keep up with industrial output. He argued that valuing the creation of materials but devaluing the appropriation of these materials by consumers was a fatal fiscal mistake. Instead, both involved utilizing resources in a way that spurred growth and enhanced the standard of living. As more and more people came to agree with Seligman’s assessment, advertising gained increased respect.

Meanwhile, advertisers convinced America’s intellectual elites that they were professionals deserving the same respect as lawyers, doctors, and professors. Since the 1800s, advertisers had been laboring to overcome negative public perceptions. In large part, P.T. Barnum cast a lingering shadow over their vocation. Barnum was known as America’s first commercial public relations specialist, but he was also reviled for his crass manner and blatant misrepresentations. But by the early 1900s, advertisers had finally managed to rid themselves of Barnum’s bad press. They professionalized their craft by restricting access to the advertising trade while trumpeting their specialized skills. Exclusion is a key component in any group’s efforts to achieve professional respectability. Once representing the lion’s share of advertising, patent medicine advertisers were now professional respectability.

156. Id. at 168–69.
157. Id. at 163–66.
158. Id. at 157–71.
159. Id.
161. Just a few years before, law professors had taken much the same approach. The case method of instruction, adopted in the late 1800s at Harvard and then gradually introduced at other law schools, gave law professors sole possession of a unique way to teach. Legal education no longer resembled other pedagogy, thereby enhancing its exclusivity and appeal. See John Henry Schlegel, Between the Harvard Founders and the American Legal Realists: The Professionalization of the American Law Professor, in 2 The History of Legal Education in the United States: Commentaries and Primary Sources 955, 956–61 (Steve Sheppard ed., 1999).
162. See Bluford Adams, E Pluribus Barnum: The Great Showman and the Making of U.S. Popular Culture 83 (1997) (“Barnum also stood for advertising in the minds of many Americans. By the 1850s, the latest innovations in marketing were commonly known as Barnumisms...”). Barnum’s career in advertising lasted from 1841, when he first began to write advertising copy, until his death in 1891. Applegate, supra note 121, at 55, 57.
163. See Marchand, supra note 131, at 7–8.
164. Pope, supra note 106, at 173 (“By the years around World War I, [advertising] agents were proudly asserting their professionalism and proclaiming their own importance in an economy of mass consumption and mass persuasion.”).
Advertising leaders pushed for a code of ethics that would burnish their reputation while excluding the more unsavory elements of their trade. In 1911, the Associated Advertising Clubs of the World adopted the slogan "Truth in Advertising" to emphasize their more exclusive image.

By citing their mastery of psychological techniques, advertisers attempted to claim sole possession of a unique way to sell goods and services. A mystique was built up around advertising that advertisers did their best to encourage. Like other respected professionals, advertisers adopted a calculated air of exclusive knowledge. They successfully convinced manufacturers that marketing campaigns should be entrusted to specialized agencies that were "objective" and understood the creative process. Interestingly, one important trade publication referred to advertising agents not as agents but as "attorneys." Others suggested that agents should refer to themselves as "business engineers" to emphasize their professionalism and scientific expertise. Specialized schools developed whose sole mission was to instruct students in the science of advertising.

The move to professionalize advertising worked. Often viewed with disapproval in the 1800s, advertisers were held in high regard throughout the first part of the twentieth century. The cultural threat once posed by advertising had been largely defused. Advertisers were seen as respected professionals whose talents could strengthen the nation.

At the same time, intellectuals and policymakers publicly recognized the social benefits generated by advertising. Economists applauded the use of advertising to stimulate consumption. In 1926, Calvin Coolidge described advertising as essential to American economic and spiritual growth:

> It is to be seen that advertising is not an economic waste....But rightfully applied, it is the method by which the desire is created for better things. When that once exists, new ambition is developed for the creation and use of wealth. The uncivilized make little progress because they have few desires. The inhabitants of our country are stimulated to new wants in all directions. In order to satisfy their constantly increasing desires they necessarily expand their

167. Turner, supra note 117, at 186; Marchand, supra note 131, at 8.
169. See, e.g., Henry Foster Adams, Advertising and Its Mental Laws 57 (2d ed. 1922) ("The wonder is that the advertiser who has not had a thorough scientific and mathematical training can know anything about his business.").
170. Pope, supra note 106, at 151; see also Jackson Lears, Fables of Abundance 159 (1994) (describing how advertising agencies tried to duplicate the efforts of the medical and legal professions with one agency advising its clients to choose "your [advertising] agent as you would your lawyer or your doctor") (alteration in original).
171. Pope, supra note 106, at 173.
172. Id. at 173–74 (internal quotation marks omitted).
175. See Calder, supra note 154, at 242 (characterizing economist E.R.A. Seligman's philosophy as one where "human development depended not on making peace with limits but on multiplying human wants"); Horowitz, supra note 142, at 147 (discussing consumer economists of the 1920s who studied conspicuous consumption and applauded "maximizing market-defined satisfactions").
productive power. They create more wealth because it is only by that method that they can satisfy their wants. It is this constantly enlarging circle that represents the increasing progress of civilization. 176

By the 1920s, the consumer-based economy had stretched across a wide enough swath of the population to deflect arguments against consumerism based on class and ethnicity. With the economy dependent on the buying decisions of the middle class, critics came to accept advertising’s role in stimulating demand.

Judges came to embrace the cultural benefits of advertising as well. As has been shown in other contexts, judges have been willing to defer to the arguments of professionals with whom they can identify as fellow elites. 177 In 1937, when Frank Schechter characterized “the most recent judicial view” as “that advertising and trade-marks need not inherently and inevitably constitute a menace to social or economic welfare,” 178 he was guilty of understatement. After initial intransigence, courts accepted that advertisers were professionals with unique skills. Judicial opinions referred to advertising as an “art” 179 or a skill that required “mastery.” 180 One court described successful advertising as “ingenious.” 181 Advertising’s effect depended on “delicate factors” like “stress of voice, emphasis, and arrangement of type” that were calibrated by skilled professionals. 182

Courts also accepted that advertising played a positive role in the national economy. In advertising’s earlier years, the courts were skeptical of the salutary pronouncements of advertising executives. In a 1918 case, Judge Learned Hand commented that “[t]he art of advertising spuriously reinforced a genuine demand by the power of reiterated suggestion.” 183 But these fears had been displaced by the 1920s. As one court explained: “The obvious advantages of a system of mass production can only be obtained by a distribution of goods on a national scale. This in turn requires a system of national advertising.” 184 The Supreme Court opined that advertising and trademarks generate “economic advantages...which have been generally commended and fostered.” 185

179. E.g., Luten v. Wilson Reinforced Concrete Co., 263 F. 983, 985 (8th Cir. 1920); State v. Emery, 189 N.W. 564, 570 (Wis. 1922); State v. Advertiser Co., 77 So. 758, 761 (Ala. 1918) (McClellan, J., dissenting).
180. E.g., Dayton Eng’g Labs. Co. v. Kent, 260 F. 187, 189 (E.D. Pa. 1919), aff’d, 264 F. 103 (3d Cir. 1920). Eventually, legal critics of advertising would appropriate these terms to emphasize advertising’s ability to stimulate irrational desires, describing the profession as a “black art.” See infra text accompanying note 270.
to "the expansion of markets" and "the development of large scale advertising" in the twentieth century to justify expanded protection for trademarks.\textsuperscript{186} Even Judge Learned Hand had changed his tune by the 1920s, describing the goodwill built up in a mark as "a reputation, like a face, [that] is the symbol of its possessor and creator" and that cannot lawfully be used by others.\textsuperscript{187}

**B. The Progressive Embrace of Psychology Coincides with Greater Advertising Protection**

As advertisers won victories in the court of public opinion, the Progressive movement further cemented advertising's power in the legal system. The Progressive movement included a diverse coalition of social reformers, intellectuals, middle-class professionals, and small businessmen assembled in the years between 1900 and 1920.\textsuperscript{188} Although it is difficult to categorize the ideology of such a diverse group, historians agree that the Progressives were attempting to deal with the social, economic, and political harms spawned by the industrialization of the United States after the Civil War.\textsuperscript{189} Progressives took issue with nineteenth century legal doctrines that depicted legal decision making as the product of immutable principles. In their eyes, these formalist doctrines created a smokescreen that insulated judges from politics and social context and led to unpredictable and unjustified results.\textsuperscript{190} As a result, the Progressives tended to be skeptical of judicial discussion of "property," preferring decisions based on social science data over invocations of natural rights.\textsuperscript{191} Yet somewhat paradoxically, their call for reform of early twentieth century trademark law may have triggered doctrinal changes that reinforced protection of trademark "property rights" and strengthened the advertiser's hand.

During the formative era for trademark law in the first two decades of the twentieth century, Progressive thinkers criticized the judiciary for its incompetence and sought to adjust the process of legal decision making. Progressive politicians promoted popular recall of judges and of their decisions, citing the out-of-touch decision making of the \textit{Lochner} era as justification.\textsuperscript{192} The Progressives combined a cynical view of judges with a naïve faith in the ability of "scientific" administration to erase judicial mistakes.\textsuperscript{193} The Progressives argued that expert
opinion should be used to provide more accurate assessments of the legal questions at issue. Judges were too isolated from the real world conditions and new scientific theories that should inform optimal decision making.

Trademark law became especially fertile ground for Progressive attacks on the legal system. In 1915, John Henry Wigmore, Dean of Northwestern Law School, chastised the judiciary for its reliance on an outdated trademark doctrine that led to inequitable results for advertisers. Wigmore had been involved in many Progressive causes, including reforms of the electoral process. He saw trademark law as tending towards desiccation and diagnosed "a voluntary divorce of the judicial pronouncements from morality and reality." Wigmore argued that nineteenth-century trademark jurisprudence failed to protect "hard work, skillful manufacturing, and vigorous advertising" from the parasitic actions of trademark pirates. Others criticized the courts for failing to appreciate the realities of modern business, including the need to build up corporate goodwill via advertising. Many noted the courts' inconsistent results in trademark cases, suggesting that they were the product of an easily manipulable and archaic doctrine.

Particularly troubling to the Progressives was the courts' failure to incorporate teachings from the social sciences into their reasoning. Frank Schechter wrote that he was uncomfortable with relying on "the judicial estimate of the state of the public mind" for the basis of trademark protection. Edward Rogers, "the Dean of the trademark bar," proclaimed judges incapable of accurately assessing the

---

195. ROSS, supra note 188, at 103 ("The advocates of judicial education attributed much of the conservatism of judges to simple ignorance of social, economic, and industrial conditions.").
197. See generally W. R. ROALFE, JOHN HENRY WIGMORE: SCHOLAR AND REFORMER (1977) (providing a biography of the life of Wigmore, including his efforts in ballot reform).
198. Wigmore, supra note 196, at 189.
199. Id. at 184.
200. See WIEBE, supra note 160, at 212 (commenting on "the close relationship between progressivism and the rising history of advertising"); Wallace R. Lane, Development of Secondary Rights in Trade Mark Cases, 18 YALE L.J. 571, 578 (1908) ("Not infrequently may be found a decision which appears to show little or no comprehension of the broad features of the doctrine, or of its relation to the expanding needs of a commercial world.").
201. McClure, supra note 39, at 327 ("In trademark and unfair competition law it was not long before the extreme conceptualism of the formalist period was also under attack....The arbitrariness and inconsistency of the application of the rules became glaringly clear."); Felix S. Cohen, Transcendental Nonsense and the Functional Approach, 35 COLUM. L. REV. 809, 817 (1935) ("[L]egal reasoning on the subject of trade names is simply economic prejudice masquerading in the cloak of legal logic.").
202. Cf. ROSS, supra note 188, at 103; see also EDWARD A. PURCELL, JR., THE CRISIS OF DEMOCRATIC THEORY 78 (1973) (explaining that as full-time law professors became their own professional group in the early 1900s, they turned to the social sciences as a way to differentiate themselves from the professional bar).
203. SCHECHTER, supra note 15, at 166.
mental state of the ordinary purchaser. In Rogers' opinion, this was because the judge unconsciously "projects his mentality" on the ordinary purchaser, always crediting the average consumer with greater care and greater ability to discriminate than is actually the case.

In Rogers' view, the only way to address this situation was to integrate the science of psychology into the courtroom. Psychologists had the expertise to objectively assess the consumer mindset and make an accurate ruling as to likelihood of confusion. Others made similar proposals. Progressives found psychology to be an ideal tool as they sought to use scientific techniques to reshape the law. Psychological research emphasized the limited cognitive abilities of the public, and early psychologists "shared a low opinion of the intellectual and logical capabilities of consumers." The psychologists' negative interpretation of consumer capabilities paralleled the Progressives' own pessimistic view of the average person.

The Progressive embrace of psychology took place at the same time that psychologists and advertisers were joining forces. Thus, by advocating the use of psychological experts in trademark cases, the Progressives were indirectly benefiting advertisers. Advertisers were more than happy to associate their craft with something that had a scientific pedigree. Meanwhile, psychologists lobbied for advertisers to accept their teachings and hire them to conduct market surveys. Eager to promote their own skill set, psychologists sought to bolster the advertisers' argument that an investment in advertising was directly proportional to increased sales. Columbia University psychology professor Albert Poffenberger gave credit for the sudden popularity among Americans of mouthwash, toothpaste, and soap to "strokes of genius in the control of behavior, which are made possible by a recognition of the reign of law in human action." Psychology professor Walter

---

206. Id.
207. Id. at 621–22.
208. See generally Samuel Haber, Efficiency and Uplift: Scientific Management in the Progressive Era, 1890–1920 (1964) (describing the importance of psychology in the Progressive Era for questions of business management); Purcell, supra note 202, at 86–87 (stating that of the social sciences, psychology “elicited the greatest interest from the legal critics”); Herbert Hovenkamp, The Mind and Heart of Progressive Legal Thought, 81 Iowa L. Rev. 149, 150 (1995) (discussing how “Progressive legal thought aligned itself with the emerging social sciences, mainly sociology and psychology”).
209. See, e.g., Walter Dill Scott, Influencing Men in Business 168 (4th ed. 1914) (“If in persuading men we wish to depend upon the working of suggestion we must relieve them, so far as possible, of the distressing necessity of deciding...”); Scott, supra note 126, at 175 (“Today we are finding that suggestion is of universal application to all persons, while reason is a process which is exceptional, even among the wisest.”).
211. See Ross, supra note 188, at 101 (discussing Progressive distrust of the electorate); Weibe, supra note 160, at 89 (describing Progressivism as a response to the excesses of Populism).
212. See Lears, supra note 119, at 18 (discussing the hiring of psychological consultants by advertising firms in the early 1900s).
Dill Scott argued that human behavior could be controlled to a degree previously thought impossible by using advertising that followed scientific principles.\textsuperscript{215}

As Progressives agitated for increased use of psychological expertise, the legal apparatus began to change. Some law schools began to offer classes taught jointly by lawyers and psychologists.\textsuperscript{216} In 1910, Edward Rogers issued a call for experts in "the psychology of recognition" to study consumer perception of trademarks using "laboratory methods."\textsuperscript{217} He joined forces with Harvard psychology professor Hugo Munsterberg to conduct a series of experiments designed to find an "exact measurement" of the point at which two trademarks can be as similar as possible without causing confusion.\textsuperscript{218}

Shortly after World War I, law reviews began to feature articles on trademark law written by psychology professors. Mirroring the arguments of Progressives, these articles were skeptical of the judiciary's ability to assess consumer perception. Richard Paynter, a professor of applied psychology, took the trademarks at issue in nine adjudicated trademark infringement decisions and placed the same marks before a scientifically chosen group of ordinary purchasers.\textsuperscript{219} His study showed that courtroom decisions did not match what consumers actually perceived under laboratory conditions.\textsuperscript{220} In a similar experiment, Ohio State psychology professor Harold Burtt also used previously adjudicated trademark cases to test for the presence of confusion.\textsuperscript{221} He concluded that there exists "a rather slight correspondence between the court's decision and the actual psychological similarity between the names."\textsuperscript{222} The Second Circuit cited Burtt's work for the proposition that trademark law failed to accurately gauge the responses of the ordinary prudent purchaser.\textsuperscript{223}

Burtt, Paynter, and the Progressives were making a play to take power out of the hands of idiosyncratic and scientifically untrained judges. They advocated using expert-led surveys to assess the presence of confusion instead of vague and formalistic judicial reasoning. Paynter made the point that psychologists and judges were doing the same thing when they compared the plaintiff's and the defendant's uses of a trademark: both were trying to gauge how the consumer's mind perceived

\begin{flushleft}
\textsuperscript{215} Dill Scott, supra note 126, at 94.
\textsuperscript{216} Hurst, supra note 192, at 269.
\textsuperscript{217} Rogers, supra note 205, at 622.
\textsuperscript{218} Hugo Munsterberg, Psychology and Industrial Efficiency 285 (1913). Although Professor Wigmore took issue with some of Professor Munsterberg's arguments regarding psychology and witness testimony in a famous article, Wigmore advocated use of psychological techniques to improve legal decision making. John H. Wigmore, Professor Munsterberg and the Psychology of Testimony, 3 Ill. L. Rev. 399, 432–34 (1909).
\textsuperscript{219} Paynter's study is contained in Edward S. Rogers, An Account of Some Psychological Experiments on the Subject of Trademark Infringement, 18 Mich. L. Rev. 75, 77 (1919).
\textsuperscript{220} See id.
\textsuperscript{221} Harold E. Burtt, Measurement of Confusion Between Similar Trade Names, 19 Ill. L. Rev. 320 (1924).
\textsuperscript{222} Id. at 336.
\textsuperscript{223} Judge Jerome Frank proclaimed that Burtt's analysis proved that judicial speculations "failed to match the responses of ordinary consumers." LaTouraine Coffee Co. v. Lorraine Coffee Co., 157 F.2d 115, 124 (2d Cir. 1946). In one case, Judge Frank conducted his own survey, "question[ing] some adolescent girls and their mothers and sisters" to ascertain, contrary to the majority opinion, that no member of the relevant purchasing group could confuse the plaintiff's "Seventeen" magazine with defendant's "Miss Seventeen" girdles. See Triangle Publs., Inc. v. Rohrlich, 167 F.2d 969, 976 (2d Cir. 1948) (Frank, J., dissenting). Judge Frank assured his readers that the "adolescent girls and their mothers and sisters" were "persons I have chosen at random." Id.
\end{flushleft}
The difference in results occurred because only the psychology expert could remove individual biases and gain an accurate measure of confusion.225 "Measurement by relative position gives an exact measure," Paynter said, "whereas a judicial decision throws a case into one of two categories, ill-defined and without quantitative significance. It is thus clear that this experimental method is far superior to the present legal procedure."226 Burtt opined that because judges did not have access to statistically significant samples of prospective purchasers, "[a] more just solution" to determining likelihood of confusion could be obtained through the use of psychological experiments to assess confusion.227 According to Burtt, judges were doomed to inconsistency because they did not use scientific methods to detect the presence of consumer confusion.228 Moreover, unlike the social scientists, their judgments were "influenced by the abilities of contending counsel to magnify the differences and increase the similarities of the trade-marks."229

The simultaneous timing of the Progressive attack with seminal changes in trademark doctrine suggests a correlation. As William Ross has written, the Progressives "helped to change judicial attitudes since they weakened the grip of legal formalism on judicial thinking and made judges more aware of the relationship between law and society."230 In other areas of the law, the Progressive push for psychological expertise changed legal practice.231 In trademark law, the language used by judges in the early 1900s reveals that advertisers successfully linked themselves to the science of psychology. When discussing consumer perceptions, courts not only accepted the professional status of advertisers, but also the efficacy of the psychological techniques they employed.

224. See Rogers, supra note 219, at 92.
225. Cf. id.
226. Id.
227. Burtt, supra note 221, at 320.
228. See id.
229. Rogers, supra note 219, at 92; see also John Wolff, Non-competing Goods in Trademark Law, 37 COLUM. L. REV. 582, 600 (1937) (discussing a German statutory model for trademark rights that "leaves the courts less leeway for subtle but often unsound distinctions and makes for greater uniformity of trademark protection").
230. ROSS, supra note 188, at 315–16; see also WIEBE, supra note 160, at 150 ("In place of fixed rules in the spirit of Newton, Oliver Wendell Holmes Jr., offered the alternative of an organic law, evolving in general concert with social custom.").
232. E.g., Everlasting Valve Co. v. Schiller, 21 F.2d 641, 641 (E.D. Pa. 1927) ("The value in the name is...owing to the psychology of advertising."); Loughran v. Quaker City Chocolate & Confectionery Co., 286 F. 694, 697 (E.D. Pa. 1923) ("The aim of all advertising is psychological effect."); aff’d, 296 F. 822 (3rd Cir. 1924); Dayton Eng’g Labs. Co. v. Kent, 260 F. 187, 189 (E.D. Pa. 1919) (suggesting that small improvements in quality “backed by a mastery of the psychology of advertising” can lead to market dominance), aff’d, 264 F. 103 (3rd Cir. 1920); see also Best & Co. v. Miller, 167 F.2d 374, 379 (2d Cir. 1948) (Clark, J., dissenting) (referring to “the psychology of advertising which is designed particularly to attract attention to specific goods, so that they may sell themselves”); Allen B. Wrisley Co. v. FTC, 113 F.2d 437, 443 (7th Cir. 1940) (Trenor, J., concurring in part and dissenting in part) (deferring to the mark holder’s findings of likely confusion given their “considerable knowledge respecting the psychology of advertising").
The study of psychology also specifically changed trademark doctrine. Although the courts did not cede their authority to determine likelihood of confusion to outside experts, trademark doctrine incorporated the psychologists' critiques at the same time that Progressive criticisms caused some courts to lose faith in their own ability to evaluate consumers. One court of appeals indicated that jurists could never truly predict consumer perceptions. Another court commented that the degree of resemblance necessary to constitute infringement could never be stated with certainty. In 1921, the results of psychological testing were admitted in a trademark infringement case. By the 1930s, multiple courts were accepting evidence from consumer confusion surveys like those conducted by Burt and Paynter.

The irony is that by critiquing a trademark jurisprudence that was in the process of awarding stronger rights to advertisers, the Progressives strengthened the advertisers' hand even further. The Progressives were uncomfortable with the moral overtones of the property rights rhetoric used to justify protection for trademark holders, and instead advocated for legal decisions to be based on scientific evidence of human behavior. But even though the Progressives did not agree with a natural rights basis for trademark law, they were not unsympathetic to the position of advertisers. The members of the Progressive movement were people of means; they sought reform, not revolution. John Wigmore critiqued the trademark courts for not doing enough to protect advertising investment, not for doing too much. Although the Progressives supported legislative efforts to redistribute great concentrations of wealth, they did not view advertising as contributing to economic inequality.

The doctrinal changes that coincided with the Progressive attack privileged "objective" evidence and deemphasized judicial interpretations of the consumer's mind. As a result, many judges began to publish trademark decisions that hinged on the plaintiff's own advertising data, a doctrinal shift that could only inure to the advertisers' benefit. It became conventional in any trademark infringement decision to recite the parties' total advertising expenditures. By relying on such objective data, judges could inoculate themselves from complaints that they were relying on easily manipulated nineteenth century legal doctrine.

235. Donald L. Thompson, Survey Data as Evidence in Trademark Infringement Cases, 2 J. MKTG. RESEARCH 64, 66 (1965) (citing Coca-Cola Co. v. Chero-Cola Co., 273 F. 755 (D.C. Cir. 1921)).
236. See Robert Bonynge, Trademark Surveys and Techniques and Their Use in Litigation, 48 A.B.A.J. 329, 330 (1962). Earlier efforts had been made to submit trademark confusion surveys, but courts typically rejected this evidence on hearsay grounds or discounted its weight. See Jack P. Lipton, Trademark Litigation: A New Look at the Use of Social Science Evidence, 29 ARIZ. L. REV. 639, 644–45 (1987).
237. See Morton White, Social Thought in America: The Revolt Against Formalism 64–65 (1956).
238. See Ross, supra note 188, at 13; Hopstader, supra note 147, at 141–43.
239. See Wigmore, supra note 196, at 181–85.
In contrast to their nineteenth century predecessors, twentieth century courts held that expenditures on advertising could demonstrate secondary meaning—an association in the public mind of a mark as the source of the plaintiff's goods— in a descriptive mark. Proof of secondary meaning was necessary for a successful infringement suit over a descriptive mark. For example, in order to state a claim for infringement against a company that sold brushes embossed with the words “Set in Rubber,” the owner of the mark for “Rubberset” rubber brushes had to demonstrate secondary meaning in the word “Rubberset.”

Because descriptive terms were deemed important for common use, the courts had historically construed the secondary meaning requirement strictly. Before the Progressive era, the existence of secondary meaning had been determined by the amount of time that the plaintiff's mark had been in use, but by the early twentieth century, advertising expenditures were an explicit part of secondary meaning doctrine. A mark holder could prove secondary meaning by merely demonstrating that large sums of money had been spent on advertising. The Rubberset court, for example, impressed by the plaintiff's extensive advertising expenditures, not only found secondary meaning, but ventured that another finding was impossible, “knowing as we do the effect of modern advertising.”

Some courts even interpreted large amounts spent on advertising as satisfying the plaintiff's overall burden of proof of infringement. For example, in one trademark infringement case, the Ninth Circuit chronicled the promotional efforts of a plaintiff, a New York City night club, in great detail. It also noted the specific amounts spent by the plaintiff on each promotional method. The court justified its focus on this evidence by explaining that “[t]he amount of advertising that the senior appropriator has given to his trade name is another element that the courts will take into consideration in determining whether he is entitled to redress against

244. HOPKINS, supra note 38, at 153 (explaining that while plaintiff's burden in demonstrating that its mark has achieved secondary meaning “is not impossible, [it] is...at the same time extremely difficult to discharge” (internal citation omitted)).
245. See, e.g., Levy v. Waitt, 61 F. 1008, 1010–11 (1st Cir. 1894); see also Barton v. Rex-Oil Co., 2 F.2d 402, 405 (3d Cir. 1924) (stating that in most of the cases reported...the time in acquiring a secondary meaning figured largely and in some cases exclusively in determining whether such meaning had been acquired,” but recognizing that time “is not the exclusive standard”).
246. See, e.g., United Drug Co. v. Parodney, 24 F.2d 577, 579 (E.D.N.Y. 1928) (basing, in part, a finding of secondary meaning in the mark “United Drug” on the “immense amount of money” spent by plaintiff on “[m]illions of circulars, advertisements, labels, etc.”); see also 52 AM. JUR. Trademarks, Tradenames, etc. § 73 (1936) (listing “the nature and extent of popularizing and advertising” a mark as one of the elements used to prove secondary meaning); EDWARD C. VANDENBURGH III, TRADEMARK LAW AND PROCEDURE 91 (1959) (stating that “[e]xtensive advertising creates a presumption that secondary meaning has been acquired in the mark”).
247. Rubber & Celluloid Harness Trimming Co., 233 F. at 155; see also Rader v. Derby, 89 N.E.2d 724, 728 (Ind. App. 1950) (explaining that in determining the question of secondary meaning “various elements are to be considered, including...the nature and extent of popularizing and advertising such name or mark” (quoting 52 AM. JUR. Trademarks, Tradenames, etc., § 73)).
248. Stork Rest. Inc. v. Sahati, 166 F.2d 348, 350–51 (9th Cir. 1948).
249. Id. at 351.
a junior appropriator." But the court did more than take such evidence into consideration. After making a full list of the plaintiff's "expensive" and "spectacular" advertising, the court determined that "[t]he conclusion is inescapable that the appellees are seeking to capitalize on the publicity that the appellant has built around the name" and found in plaintiff's favor, reversing the court below. A district court in Massachusetts made a similar analysis, noting that plaintiff's "[e]xtensive advertising" at an annual budget of up to $3 million dollars had helped to establish the quality of the "Bulova" name in connection with watches, and that the defendant must have intended to infringe on that established name.

The cases described above were not atypical. Other courts of the time also evaluated the sums of money spent on advertising as an explicit part of the trademark infringement calculus. These doctrinal moves were not inevitable and, as described above, courts in earlier cases had been wary of claims based on advertising expenditures. It is unclear whether this new willingness to use advertising expenditures as evidence in trademark infringement cases stemmed from the need of judges to shield themselves from the Progressive attack, from the appointment of sympathetic judges by Progressive political figures, or simply from the judiciary's recognition of the importance of advertising in twentieth century America. What is clear is that by making advertising expenditures a formal part of trademark infringement analysis, the courts before World War II gave even greater protection to advertising's value. Moreover, this data could be used by all judges, not just judges critical of conceptualizing trademark law in absolutist natural rights terms. Even judges who did not adopt the Progressive point of view employed evidence of advertising expenditures to justify their decisions in favor of mark holders.

250. Id. at 356.
251. Id.
252. Id. at 364.
255. See supra note 245 and accompanying text.
256. Interestingly, Judge Learned Hand moved against the judicial tide, retreating from his earlier attempts to link advertising efforts with strong property rights. Cf. S.C. Johnson & Son Inc. v. Johnson, 175 F.2d 176, 180 (2d Cir. 1949). In contrast to his decision in Yale, by 1949, he had determined that extensive promotional efforts were not enough to award a property right to a trademark plaintiff. Compare Yale Elec. Corp. v. Robertson, 26 F.2d 972 (2d Cir. 1928) with S.C. Johnson & Son Inc., 175 F.2d at 180. Hand admitted that some confusion could occur and "nobody likes to have his reputation subject to the hazards of another's conduct." S.C. Johnson & Son Inc., 175 F.2d at 180. Nevertheless, the differences in the two products at issue (cleaning fluid versus waxes) meant that the plaintiff, despite its extensive advertising, should not be allowed "to reach a choking hand into a market not its own." Id. Seeing Hand's about face, one legal scholar described him as "no longer the champion of plaintiffs that he once was." Thomas P. Deering, Trade-marks on Noncompetitive Products, 36 OR. L. REV. 1, 12 (1956).
257. See, e.g., De Nobili Cigar Co. v. Nobile Cigar Co., 56 F.2d 324, 325, 327 (1st Cir. 1932) (citing evidence of plaintiff's advertising expenditures and stating that no man has a right "to trespass upon his neighbor's rights or property" to justify finding of trademark infringement and expansion of injunctive relief against defendant).
IV. EXPLANATIONS FOR THE DURABILITY OF THE ADVERTISING PROPERTY RIGHT

Thus, by the 1920s and 1930s, a new law of trademark set out strong protections for the efforts of advertisers. The courts’ innovations in trademark doctrine stemmed from advertising’s obvious efficacy, the social respect won by advertisers, and the Progressive critiques of nineteenth century trademark doctrine. A mark holder in the early twentieth century could expect a court to apply a relaxed standard of consumer confusion while not requiring proof of the defendant’s bad intent.\(^{258}\) Whereas in previous decades trademark law had been based on commercial custom, mark holders now found courts to be sympathetic to their assertion of “rights” in a trademark. With these changes, a defendant’s motivations were largely irrelevant. Instead, the mark holder could use evidence of the amount of money spent on advertising to bolster its claims of infringement. This vision of trademark law favored the advertiser, preserving whatever capital it had managed to build with the consuming public.

This approach to trademark law has proven remarkably durable as courts have enforced the same doctrinal standards for the rest of the century. This Part discusses why the early twentieth century model of trademark law has remained in place for ninety years, withstanding efforts to make it both more and less advertiser-friendly. The answer lies in the courts’ particular view of the consumer’s brain. Judges since the 1910s have seen consumers as susceptible to emotional advertising, but, at the same time, they have refused to accept that the conditioned reflex created by advertising could be permanent.\(^{259}\) In judicial eyes, advertising worked, but only to a point. The option was always open for a new competitor with a better product and a different trademark to take over the advertiser’s market share. This belief that the impact of advertising is of limited duration permitted the courts to reconcile their understanding of advertising’s efficacy with legal protection of the goodwill bound up in trademarks. As described below, recent research in cognitive psychology indicates that this belief is misplaced and, as a result, the trademark doctrine of the last century is deeply flawed.\(^{260}\)

A. Backlash Against Advertising

After the Progressive era, attacks on advertising and the trademark law doctrine protecting it took two forms. Some challenged trademark doctrine as encouraging harmful monopolies that resulted in a misallocation of resources. Others contended that legal protections needed to be weakened because advertising was eroding personal autonomy. Neither critique, however, managed to crack the doctrinal hold established in the first two decades of the twentieth century.

\(^{258}\) See supra Part II.

\(^{259}\) See infra text accompanying notes 291–297.

\(^{260}\) See infra Part V.
1. Antitrust Arguments

In the 1940s and 1950s, legal commentators began to challenge trademark doctrine, alleging that it led to monopoly—the same criticism that had made judges wary of expanding trademark doctrine in the 1800s. Several articles at this time considered the antitrust implications of advertising. Picking up on this trend, some judges in the post-war period rejected established trademark doctrine to argue in policy terms why many trademarks were undeserving of protection. Judge Jerome Frank, never one to buckle to tradition, challenged the doctrine crafted during the Progressive era in a series of Second Circuit concurring opinions and dissents. Judge Frank contended that for years the courts had been creating "judge-made name-monopolies" without "due regard for the public welfare." Trademark protection and advertising combine, he argued, to create spurious demands and "stubborn habits" in consumers. Trademark protection was unobjectionable if consumers could abandon their favorite brands when a superior product came along. The problem, Frank saw, was that consumers were unable to shake their brand preferences because of the effects of advertising; instead, they were "stubborn." While no other jurist was as vociferous as Frank, others made similar objections to the antitrust implications of twentieth-century trademark law.

2. The Erosion of Autonomy

Others objected to legal protection for advertising because advertising facilitated a consumerist landscape that eroded personal autonomy. From one point of view, the "art" and "science" of advertising excited consumers into a constant state of desire. Advertising men were not professionals; they were "hucksters," utilizing new tools of mass media to hoodwink the citizenry into buying things they did not want or need. The leading proponent of this view was Yale Law School professor Ralph Brown. Brown recognized that advertisers possessed specialized knowledge that could translate into tangible results for the businesses that hired them.

261. See supra text accompanying notes 39-43.
264. LaTouraine Coffee Co., 157 F.2d at 125 (Frank, J., dissenting).
265. Triangle Pubs., 167 F.2d at 980 n.13.
266. Id.
267. In one controversial case, the Seventh Circuit found that the sellers of Sunkist-brand oranges and lemons had no claim against the maker of Sunkist-brand bakery products. Cal. Fruit Growers Exch. v. Sunkist Baking Co., 166 F.2d 971 (7th Cir. 1947). In deciding to deny the citrus producer’s claim, the court held that protection for registered marks should be limited to the goods or services for which they were authorized. Id. at 973-74. The court described the plaintiffs’ attempts to “monopolize the food market by monopoly of the word ‘Sunkist’” as “unconscionable.” Id. at 974.
268. Brown, supra note 240, at 1167.
269. See id. at 1174-75 (citing examples of consumer goods categories where successful product differentiation showed that “it does pay to advertise”).
problem for Brown was that this specialized knowledge was a "black art."²⁷⁰

Whereas earlier advertisements appealed to logic, modern commercials used "threats, cajolery, emotions, personality, persistence, and facts" to manipulate consumers.²⁷¹ Brown believed that consumers no longer had any hope of resisting the persuasive efforts of advertisers as their mental faculties were not up to the task.²⁷² Other legal scholars acknowledged that consumers were out of their depth in the modern economy.²⁷³

Brown's thesis complemented the critiques of nonlegal writers who saw the affluence and consumerism of the post-war environment as a social problem. According to John Kenneth Galbraith in his work The Affluent Society, advertising had erected a false idol before the expanding middle class.²⁷⁴ Millions of Americans were working harder than ever before for a limitless parade of new "conveniences" that in reality did nothing to increase citizen satisfaction.²⁷⁵ Galbraith contended that advertising spurred a "craving for more elegant automobiles, more exotic food, more erotic clothing, more elaborate entertainment—indeed for the entire modern range of sensuous, edifying, and lethal desires."²⁷⁶ Galbraith's critique was not unusual among social critics of the 1950s and 1960s.²⁷⁷

The critics believed that modern advertising threatened personal autonomy. In his 1957 work The Hidden Persuaders, Vance Packard argued that modern advertising violated a sacred threshold.²⁷⁸ "The most serious offense many of the depth manipulators commit," Packard said, "is that they try to invade the privacy of our minds."²⁷⁹ Government officials and public opinion shapers took Packard's critique seriously. President Kennedy credited Packard's work in deciding to create an office of consumer affairs.²⁸⁰ Packard's legacy continued into the 1960s and 1970s as critics became outraged by the use of subliminal messages to sell products. It was not enough that these commercials infected our subconscious. Critics emphasized that the subliminal ads contained sexual images, highlighting the personally violative aspect of these ads.²⁸¹

²⁷⁰. Id. at 1165.
²⁷¹. Id. at 1166.
²⁷². Id. at 1180–83.
²⁷³. Felix Cohen presaged some of Brown's remarks when he criticized the courts for not asking a simple question: "To what extent is the exclusive power to exploit an attractive word, and to alter the quality of the things to which the word is attached, a means of deceiving consumers into purchasing inferior goods?" Cohen, supra note 201, at 817; see also Tom E. Shearer, The National Government and False Advertising, 19 IOWA L. REV. 28, 28 (1933) (contending that "[t]he accepted use of intricate mechanical and electrical devices in present day homes, and the reliance placed upon their proper functioning" along with "the extended use of prepared and canned foods by housewives" created an unhealthy dependence on manufacturers for clues as to product quality).
²⁷⁵. Id.
²⁷⁶. Id. at 135.
²⁷⁷. See HOROWITZ, supra note 142, at 104–05.
²⁷⁸. VANCE PACKARD, THE HIDDEN PERSUADERS 266 (1957).
²⁷⁹. Id.
²⁸¹. See, e.g., WILSON BRYAN KEY, SUBLIMINAL SEDUCTION (1973). The concerns of Brown, Packard, and Galbraith echoed arguments advanced by Samuel Warren and future Supreme Court Justice Louis Brandeis in 1890 when they co-authored an article that famously discussed the right to privacy. See Samuel D. Warren & Louis D. Brandeis, The Right to Privacy, 4 HARV. L. REV. 193 (1890). In that article, Warren and Brandeis bemoaned the intrusive effects of the industrial age, contending that modern technology and commercialism were threatening
B. Durability of the Early Twentieth Century Model of the Consumer

Despite the potency of the monopolist and personal autonomy critiques of advertising, trademark law did not change. Courts refused to grapple with the antitrust implications of trademark protection and a healthy judicial respect for the advertiser’s craft persisted. But even as the courts continued to apply the same advertiser-friendly doctrine, they were loath to recognize arguments for trademark protection divorced from the common law focus on consumer confusion. When state legislatures went a step beyond trademark infringement law by proscribing conduct that reduced a mark’s signaling power without confusing consumers, the courts balked.

The courts’ fealty to the doctrinal innovations of the Progressive Era can be explained by examining the judicial conception of the consumer. Judges believed that the consumer was fickle and emotional but also receptive to new stimuli. Although an advertiser might build up goodwill in a mark, that goodwill was not guaranteed to last forever. As a result, trademark goodwill could be protected by the courts without fear of monopolistic control for advertisers. Dilution law, however, by preventing any weakening of the bond between the consumer and the advertiser, threatened to make the emotional impact of advertising permanent.

1. Consumer Malleability

Since the doctrinal innovations of the 1910s and 1920s, trademark law has been frozen in place. Intent remains unnecessary for infringement and a successful plaintiff does not have to sell the same goods as the defendant. According to

See Stacey L. Dogan & Mark A. Lemley, What the Right of Publicity Can Learn from Trademark Law, 58 STAN. L. REV. 1161, 1168–70 (2006). Warren was particularly concerned with the intrusions of the modern press with its roving photographers ready to preserve the most intimate moment in amber and then distribute it on a heretofore unimagined scale. See id. In the article, Warren explained that the common law must be interpreted to provide a “weapon” to combat “[r]ecent inventions and business methods...[that] have invaded the sacred precincts of private and domestic life.” Warren & Brandeis, supra, at 195, 220. The combination of photography with a more muscular local media threatened to wreck the culture. The article described the day’s tabloid newspapers as intruding upon domestic life and having a “blighting influence” there. Id. at 196. Unless corrected, the newly commercial nature of the news threatened to “invert[ ] the relative importance of things...[by] appealing to that weak side of human nature.” Id. The solution was a new right to privacy that recognized “the right to be let alone.” Id. at 195 (internal quotation marks omitted). Warren and Brandeis located this right in the same source as the right to limited control of one’s personal intellectual creations. See id. at 206. Like Brown and others, Warren and Brandeis were not convinced that consumers could resist modernist temptations. For them, it was better to structure the law to prevent infiltration into personal sanctums than to rely on the willpower of ordinary purchasers.

282. In fact, the 1980s and 1990s witnessed so thorough a repudiation of the antitrust critique of advertising that “advertising has secured a preferred and even privileged status in contemporary antitrust doctrine.” Elizabeth Mensch & Alan Freeman, Efficiency and Image: Advertising as an Antitrust Issue, 1990 DUKE L.J. 321, 322; see also Daniel M. McClure, Trademarks and Competition: The Recent History, LAW & CONTEM. PROBS., Spring 1996, at 13 (describing the influence of the Chicago School on trademark jurisprudence so that “[u]nder current thinking, the goals of antitrust law and trademark protection are perfectly compatible”).

283. See infra text accompanying notes 291–297.

284. See infra text accompanying notes 298–300.

285. 4 McCARTHY, supra note 14, § 23.110.

modern judges, ordinary consumers are still careless,\textsuperscript{287} distracted,\textsuperscript{288} impetuous,\textsuperscript{289} and gullible.\textsuperscript{290} Cognizant of the power of advertising, the judiciary continues to recognize that consumers are susceptible to emotion. In short, judges today apply the same understandings of consumer behavior that they did in the Progressive era.

Although judges in the early twentieth century recognized advertising's power, they believed that this power could be short-lived. As one court explained, "with the aid of successful advertising," ordinary purchasers might embrace a new product "comparatively over night."\textsuperscript{291} In other words, no matter how successful a prior mark holder's advertising campaign, the possibility always existed for a rival to develop a new mark that could win over the mark holder's customers. The courts were clear that although some trademarks did command the emotional loyalty of consumers, there was an unlimited supply of yet-to-be developed trademarks that could steal that emotional loyalty away. As early as 1879, the Supreme Court commented that a vast reservoir of undeveloped yet profitable trademarks was available to all.\textsuperscript{292} Similarly, a federal court of appeals opined that "a man of ordinary intelligence could easily devise a score of valid trademarks in a short period of time."\textsuperscript{293} All that a trademark owner asked for was a "limited monopoly" that preserved "the link between him and his consumer"; "[a]ll the rest of infinity is open to defendant."\textsuperscript{294} If existing trademarks are no barrier to competition and any business can potentially develop a new successful trademark, then it follows that a consumer's perception of an existing trademark is not fixed. Instead, the potential always exists for a worthy competitor to emerge. The same judicial attitude continues today.\textsuperscript{295}

\begin{itemize}
\item \textsuperscript{287} E.g., Munsingwear, Inc., v. Jockey Int'l, Inc., 31 U.S.P.Q.2d (BNA) 1146, 1152 (D. Minn. 1994) (explaining that purchasers of inexpensive goods "do not give much thought to the purchase"); Libbey-Owens-Ford Glass Co. v. Thermoproof Glass Co., 390 F.2d 770, 771 (C.C.P.A. 1968) (faulting Trademark Board for rejecting evidence of actual confusion of an "innocent or a careless buyer").
\item \textsuperscript{288} E.g., Lever Bros. Co. v. Am. Bakeries Co., 693 F.2d 251, 259 (2d Cir. 1982) (explaining that "the bustling, self-service atmosphere of a typical supermarket makes careful examination of products unlikely").
\item \textsuperscript{289} E.g., Frisch's Rests., Inc. v. Elby's Big Boy of Steubenville, Inc., 670 F.2d 642, 648 (6th Cir. 1982) (discussing lack of care in "impulse buying" of fast food items); Ringling Bros.-Barnum & Bailey Combined Shows, Inc. v. B.E. Windows Corp., 937 F. Supp. 204, 212 (S.D.N.Y. 1996) (explaining that the relevant purchasing group does not commit "deliberate, reflective and willful acts"); Stix Prods., Inc. v. United Merchs. & Mfrs., Inc., 295 F. Supp. 479, 494 (S.D.N.Y. 1968) (the ordinary purchaser "at times is hasty, heedless and easily deceived" (internal quotation marks omitted)).
\item \textsuperscript{290} E.g., Fleischmann Distilling Corp. v. Maier Brewing Co., 314 F.2d 149, 156 (9th Cir. 1963) ("The law, however, protects not only the intelligent, the experienced, and the astute. It safeguards from deception also the ignorant, the inexperienced, and the gullible." (quoting Stork Rest., Inc. v. Sahati, 166 F.2d 348, 359 (9th Cir. 1948) (internal quotation marks omitted))). As one scholar wrote in the 1990s, the courts "have shown a willingness to believe in an astonishingly stupid consumer." Rochelle Cooper Dreyfuss, \textit{We Are Symbols and Inhabit Symbols, So Should We Be Paying Rent? Deconstructing the Lanham Act and Rights of Publicity}, 20 COLUM.-VLA J.L. & ARTS 123, 133 (1996); see also Ann Bartow, \textit{Likelihood of Confusion}, 41 SAN DIEGO L. REV. 721, 723 (2004) ("Why, in trademark litigation decisions, do judges so often write about representative members of the public as if we are astonishingly naïve, stunningly gullible, and frankly stupid?"); Robert C. Denicola, \textit{Institutional Publicity Rights: An Analysis of the Merchandising of Famous Trade Symbols}, 62 N.C. L. REV. 605, 608-09 (1984) (complaining that trademark law treats consumers as "presumptive idiots").
\item \textsuperscript{291} Premier-Pabst Corp. v. Elm City Brewing Co., 9 F. Supp. 754, 758 (D. Conn. 1935).
\item \textsuperscript{292} The Trademark Cases, 100 U.S. 82, 94-95 (1879).
\item \textsuperscript{293} Ambrosia Chocolate Co. v. Ambrosia Cake Bakery, Inc., 165 F.2d 693, 697 (4th Cir. 1947).
\item \textsuperscript{294} Tiffany & Co. v. Tiffany Prods., Inc., 264 N.Y.S. 459, 463 (N.Y. Sup. Ct. 1932), aff'd, 188 N.E. 30 (N.Y. 1933).
\item \textsuperscript{295} See Procter & Gamble Co. v. Johnson & Johnson Inc., 485 F. Supp. 1185, 1210 (S.D.N.Y. 1980) ("Distinctive marks are plentiful almost without limit, as long as people possess imaginations to create them.")
\end{itemize}
The metaphors used by the courts to describe the impact of advertising on the mind also suggested that advertising's influence was transitory. The Supreme Court described the goodwill built up in a trademark as a "psychological current," implying that a consumer could leave this current and drift away on another advertising stream at a subsequent time.\textsuperscript{296} Rather than hardwiring a particular consumer response, advertising facilitated mark recall and allowed consumers to conduct comparative analyses while reducing the potential for confusion.\textsuperscript{297} Thus, judges in the Progressive Era and beyond believed that potentially successful trademarks were in limitless supply and could readily break the temporary emotional hold enjoyed by existing trademarks. Consumers remained malleable enough to switch their brand preferences from existing trademarks to new ones.

One reason for the durability of this model of the consumer is a perceived connection between democracy and the American standard of living. Once judges decided that an infinite supply of potential marks existed and that consumers possessed the cognitive ability to break their attraction to a particular brand name, the antitrust concerns of Frank and others lost their force. The prevailing view in the legal community was that advertising, rather than creating permanent inefficiencies, was instead a necessary ingredient in democratic self-expression.\textsuperscript{298} "A trade-mark is not a monopoly, but on the contrary, a symbol of individuality and individuality is democracy," argued trademark scholar Rudolph Callmann.\textsuperscript{299} Callmann believed that all trademarks included "rights of personality" that could be used to prevent competitive actions that threatened to dilute the power of the mark.\textsuperscript{300}

Along similar lines, Edward Rogers, perhaps the leading trademark practitioner of the early twentieth century, maintained that trademarks were essential to a democratic society because they allowed businesses to distinguish themselves from each other and state-controlled enterprises.\textsuperscript{301} More importantly, trademarks facilitated individual expression through decisions to purchase. By selecting which companies and brands to reward with their business, individual consumers could distinguish themselves from the collective.\textsuperscript{302} Rogers and Callmann's arguments echoed the preference of the Progressives for social reform based on personal rehabilitation instead of collective action.\textsuperscript{303}

aff'd, 636 F.2d 1203 (2d Cir. 1980); Stephen L. Carter, The Trouble with Trademark, 99 YALE L.J. 759, 760 (1990) (faulting modern courts for following "[t]he traditional economic justification for trademark law [which] rests on the premise that the set of available marks is virtually infinite").

\textsuperscript{296} Mishawaka Rubber & Woolen Mfg. Co. v. S.S. Kresge Co., 316 U.S. 203, 208 (1942) ("The creation of a market through an established symbol implies that people float on a psychological current engendered by the various advertising devices which give a trade-mark its potency.").


\textsuperscript{298} Cf. Deering, supra note 256, at 26-27 (suggesting that most in the legal field did not share Professor Brown's thoughts on the destructive potential of advertising).

\textsuperscript{299} Rudolf Callmann, Unfair Competition Without Competition?, 95 U.PA. L. REV. 443, 464 n.105 (1947) (citing Edward Rogers, Freedom and Trade-Marks, 34 TRADEMARK REP. 55 (1944)).

\textsuperscript{300} Id. at 466.

\textsuperscript{301} See Rogers, supra note 299, at 58.

\textsuperscript{302} See id.

\textsuperscript{303} See ROSS, supra note 188, at 14; HOFSTADTER, supra note 147, at 215. For example, to address the needs of the urban immigrant poor, reformers like Jane Addams created settlement houses that were private, voluntary, and reflected a suspicion of government bureaucracy. JOHN WHITECLAY CHAMBERS II, THE TYRANNY
At a time when an isolated America sought to contrast itself with the fascism and communism that were overtaking other parts of the world, the United States' rising commercialism and embrace of the benefits of modern life provided a convenient badge of distinction. As one study of household budgets at the time commented, America's commercial culture had shielded it from the "violence, poverty and spiritually bankrupt hatreds that are wrecking Europe." Attacks on advertising as somehow causing permanent impressions in consumers seemed to challenge American economic success which was seen as being intertwined with American political principles. Advertising's proven ability to sell wartime bonds reinforced the link between democratic participation and consumer culture. Advertisers promulgated their craft as a way to acculturate immigrants and to palliate worker unrest during the Red Scare by uniting them in the same consumer goals.

Legal commentators charged that the refusal of some courts to enforce trademark rights was not only bad for the economy, but downright communistic. Judge Frank was said to have suffered from "monopoly phobia." By attempting to weaken the standard for trademark infringement, a few renegade judges were supplanting the decisions of businessmen in favor of state control of the economy. As one academic remarked in criticizing the courts' failure to protect trademark rights more robustly:

Except in times of war or national emergency, American industrialists and businessmen should have the final say in managerial decisions concerning what to produce, how to market and at what price to sell.... In these days, it is much more necessary than ever that we should be constantly alert to preserve such a conception of our legal system and economy.

Another commentator asked, "Is it not contradictory to seek protection for business against the evils of monopoly, and by doing so, in effect, to communize by court decision their means for maintaining their own identity in commerce?" Other commentators emphasized that advertising reflected respect for the ability of the individual to make her own choices. It could be used in a gentle way to steer
social policy, to persuade instead of coerce. But these critics believed that the social
harmony fostered by advertising only existed because it rested on a foundation of
personal choice.

Thus, the legal establishment adopted a positive view of advertising in the early
1900s that it maintained throughout the century. Advertising undeniably worked.
It stimulated new demands in consumers and often achieved success through
emotional, irrational appeals. But at the same time, it left the field of competition
open. Citizens had the individual right to pick and choose which trademarks they
found more appealing. Businesses had the ability to adopt new brands from an
unlimited pool of potential marks that could triumph over even the most established
and successful commercial ventures. Under this view, advertising’s influence was
benign and promoted democratic values. This conception of advertising allowed the
courts to reconcile their belief in personal autonomy with use of the legal system
to protect advertising’s influence on the public.

2. Dilution

The judiciary’s embrace of advertising had its limits, however. Although
trademarks were protected against confusing uses by competitors, the courts reacted
with disdain when advertisers and businesses promulgated a new theory of
protection for advertising: dilution. The proposed dilution cause of action would
protect mark owners from the “gradual whittling away or dispersion of the identity
and hold upon the public mind of the mark.”313 Consumer confusion was
unnecessary under the dilution theory. The owner of Blue Goose oranges, for
example, could use a dilution claim to enjoin another company from selling Blue
Goose fountain pens by demonstrating a lessening of the capacity of the Blue Goose
mark to identify oranges.314 Such a claim would succeed even if consumers were
unlikely to believe that the fountain pen maker was affiliated with the company that
sold oranges.315 The real harm was that the original Blue Goose brand would lose
“its arresting uniqueness and hence its selling power.”316 Instead of focusing on
transmission of reliable information from seller to buyer, dilution law explicitly
safeguarded the “psychological hold” successful advertising had on the public.317

Beginning in 1947, state legislatures began to pass dilution statutes. By the mid-
1990s, such statutes existed in twenty-five states.318 Despite the legislatures’
willingness to pass these laws, courts were loath to enforce them. Massa-
chusetts's dilution statute was the nation's first and the first court to interpret it was so skeptical of the legislation that it took the unusual step of hearing testimony by an attorney on the statute's legislative history. Often courts denied dilution claims simply because "the plaintiff failed to prove likelihood of confusion, notwithstanding the clear language of the statutes eliminating confusion as an element of the dilution cause of action." Other courts read the dilution statutes to include unwritten requirements that would resemble existing common law causes of action. Many courts justified their pro-defendant rulings by voicing fears that the dilution cause of action would allow trademark owners to obtain a monopoly over language and choke off competition.

Why did twentieth century judges embrace plaintiff-friendly theories of infringement yet reject a cause of action for dilution? Part of the reason for the discrepancy lies in the different origins of the two claims. The infringement claim has deep common law roots, while dilution is a statutory creation of the twentieth century. Different origins, however, cannot fully explain why judges boldly refused to apply the plain language of state anti-dilution laws. The real reason for the courts' intransigence stems from a particular judicial conception of the consumer.

As described above in Part III, the courts came to accept advertising's value at the beginning of the century. They believed that advertising was beneficial to modern society and adjusted the rules of trademark doctrine accordingly. The courts awarded advertisers with enhanced legal protections because they thought that advertising provided worthwhile information to the public and fueled the distribution of modern conveniences to consumers.

But courts also believed that consumers were capable of shrugging off one emotional appeal for another. Even as the courts accepted a watered-down "reasonable purchaser" standard, they continued to believe that consumers could break free of advertising's spell in the face of better products, declining brand quality, or more compelling advertising. As one court described it, "the public

---

319. See Nelson, supra note 16, at 763 ("With a few exceptions, courts refused to enforce the plain language of the dilution statutes." (footnote omitted)); McClure, supra note 39, at 345 (describing the resistance of courts to dilution statutes); see also Allied Maint. Corp. v. Allied Mech. Trades, Inc., 369 N.E.2d 1162, 1165 (N.Y. 1977) (describing the "absence of judicial enthusiasm for the anti-dilution statutes").


322. See Walter J. Demberg, The Problem of Trademark Dilution and the Antidilution Statutes, 44 CAL. L. REV. 439, 451 (1956); George E. Middleton, Some Reflections on Dilution, 42 TRADEMARK REP. 175, 187 (1952) ("So far as I know no case has turned on dilution alone.").

323. E.g., Anti-Defamation League of B'Nai B'Rith v. Arab Anti-Defamation League, 340 N.Y.S.2d 532, 548 n.7 (N.Y. Sup. Ct. 1972) (urging caution in applying dilution law and stating that "'[t]here is always the danger that we may be merely granting a monopoly, based upon the notion that by advertising one can obtain some 'property' in a name'" (quoting S.C. Johnson & Son Inc. v. Johnson, 116 F.2d 427, 429 (2d Cir. 1940))).

324. See David S. Welkowitz, Reexamining Trademark Dilution, 44 VAND. L. REV. 531, 532 (1991) (describing the dilution doctrine as a departure from the "possible confusion of consumers" analysis, which is considered the "linchpin" of traditional trademark analysis).
mind...is susceptible to confusion not through the blunt, forthwith acts of honest competition, but rather by kindred associations and suggestions...indirect and subtle. Consumers would still respond to “honest competition” to switch their brand preferences; they only needed to be protected from sneaky attempts to use the plaintiff’s mark to sell a rival product.

Dilution, in contrast, seemed to target competitive actions that ethically and openly sought to dislodge the hold that a particular brand name had on the public mind. It threatened to prevent consumers from ever shrugging off a habitual emotional appeal. Unlike actions for trademark infringement, an action for trademark dilution did not require the potential for accidental purchase of an unintended brand by the consumer. Instead, dilution merely required some action by the defendant that weakened the bond between the consumer and the plaintiff. Any weakening of the bond between consumer and producer became actionable under a dilution regime, even if there was no potential for confusion. This proved too much for most courts. As Sara Stadler has written, “To judges comfortable with traditional trademark infringement, dilution was a radical remedy.” Dilution seemed to create full property rights for trademark owners, something the early twentieth-century courts had partially embraced but never fully accepted. As a result, judges brazenly misinterpreted dilution statutes to neutralize what they perceived as anti-competitive effects. Some courts held that dilution claims were precluded when the parties were market competitors, reasoning that dilution laws should not be allowed to alter the traditional likelihood of confusion playing field. Other courts cited the dilution doctrine’s unprecedented breadth as justification for permitting liability only in situations where there was a likelihood of confusion. Both approaches represented strategies to strangle dilution in its cradle before it could emerge as a powerful new weapon to protect advertising interests. Although judges accepted that consumers behaved somewhat irrationally, they did not believe that advertising’s emotional appeal could leave a permanent mark. In contrast, dilution threatened to use the law to make the emotional impact of advertising last forever.

328. See Loughran v. Quaker City Chocolate & Confectionery Co., 286 F. 694, 697 (E.D. Pa. 1923) (“[T]rade-marks excite two deeply seated feelings. One is the feeling of anyone who has originated anything of his right to claim an exclusive property in it and to the trade growing out of it. The other is hatred of monopoly.”), aff'd, 296 F. 822 (3d Cir. 1924).
330. E.g., Esquire, Inc. v. Esquire Slipper Mfg. Co., 139 F. Supp. 228, 232-33 (D. Mass. 1956) (stating that dilution requires “at least some likely confusion” because although “[m]anufactured words may have special individual meaning...I will not hold that a single or solitary word in common use can be entirely appropriated from the public domain so that other users have no right” (internal quotation marks omitted)), vacated, 177 F.2d 177 (1st Cir. 1949) (stating the limitations on the breadth of the dilution doctrine set forth in Food Fair Stores v. Food Fair, 177 F.2d 177 (1st Cir. 1949)).
331. See supra text accompanying notes 291-297.
V. SUGGESTIONS FOR REDUCING THE LEGAL PREMIUM ON ADVERTISING VALUE

The trademark doctrine adopted at the turn of the century reflected a belief in the ability of consumers to change their taste for a product. Even as the courts came to recognize the power of the new "science" of advertising to create desire, they still believed that the consumer could shake off her loyalty to a single brand. The courts gave consumers too much credit. Recent research in cognitive psychology demonstrates that the phenomenon of affective reasoning guides much of consumer behavior. Given the way our minds work, advertising's hold can be nearly permanent. As a result, laws privileging the goodwill created by advertising can have anticompetitive effects.

A. Trademarks and Affective Decision Making

Human beings form an attitude about every stimulus they happen upon; "there is no such thing as a neutral first encounter."332 This occurs regardless of whether there is any rational basis for making a judgment about the stimulus. Even for languages we do not recognize or for completely made up words, there is "a crude affective evaluation of everything."333 "Affect" refers to a feeling, usually unconscious, that a stimulus is either positive or negative.334 Often the judgments human beings make are based on "affective tags" that were generated involuntarily and then locked away in our memory, only to be retrieved unconsciously for a subsequent decision.335 Affective decisions are based on visceral reactions, not conscious comparisons.

It has recently been revealed that affective reasoning can lead to complex, goal-directed behaviors like a decision to purchase.336 Human beings constantly create affective tags and later retrieve those tags from memory without realizing it. New research demonstrates that perceived stimuli activate our memory without conscious awareness or attention.337 Also unbeknownst to us, perceived stimuli constantly influence our judgments and feelings.338 Once an affective response generates a behavioral goal in the consumer mind, the goal will direct information processing

333. Id. at 430-31.
335. David M. Sanbonmatsu & Russel H. Fazio, The Role of Attitudes in Memory-Based Decision Making, 59 J. PERSONALITY & SOCIAL PSYCHOLOGY 614, 614 (1990) ("Even when necessity dictates that a judgment be memory based, the judgment can stem primarily from a summary construct available in memory....").
336. See John A. Bargh, The Automaticity of Everyday Life, in THE AUTOMATICITY OF EVERYDAY LIFE 1, 47 (Robert S. Wyer, Jr. ed., 1997) (stating that the recent research demonstrates that "behavioral and cognitive goals can be directly activated by the environment without conscious choice or awareness of the activation"); Melissa J. Ferguson & John A. Bargh, How Social Perception Can Automatically Influence Behavior, 8 TRENDS IN COGNITIVE SCIENCES 33, 34 (2004) ("Until recently, it has been largely assumed that although judgments and feelings can be shaped by factors outside of people's awareness, complex social behavior is determined by people's conscious and deliberately made choices.").
337. Ferguson & Bargh, supra note 336, at 33. In the past, most psychologists failed to recognize affect's role in human decision making. Slovic et al., supra note 334, at 397.
338. Ferguson & Bargh, supra note 336, at 34.
and social behavior.\textsuperscript{339} One likely behavioral outcome is the purchase of a trademarked good that has a positive affective tag.

At one point it was theorized that affective decision making only occurred when it was not in the person's rational self-interest to spend the time and effort necessary for cognitive decision making.\textsuperscript{340} Psychologists believed that humans are "cognitive misers" that expend the mental energy and time needed for rational, conscious decision making only when necessary.\textsuperscript{341} At all other times, humans rely on quicker, easier affective reasoning to make decisions.\textsuperscript{342} Under this theory, a relatively unimportant purchase, like buying a candy bar at a supermarket checkout, would utilize our affective reasoning system while more costly and important decisions like buying a new car or expensive stereo system would receive a full-blown cognitive evaluation.

The evidence now shows, however, that these two modes of decision making proceed on parallel tracks.\textsuperscript{343} Even when buying a new car, every consumer has an initial, involuntary affective response that shapes the cognitive voluntary decision-making process. Thus, affective reasoning impacts not only the impulse buy in the checkout line but also the expensive purchases that conventional wisdom assumes are made strictly through conscious, rational thought.\textsuperscript{344}

Although trademark doctrine has not caught up with the evidence regarding affective decision making,\textsuperscript{345} advertisers are fully aware of the process and how to exploit it.\textsuperscript{346} In earlier years, advertisers focused on how prospective purchasers store information.\textsuperscript{347} A skillful commercial would make a brand name more easily retrievable from memory. Now, however, advertisements are targeted to influence a consumer's initial affective decision-making process.\textsuperscript{348} Television advertising is

\begin{itemize}
  \item \textsuperscript{339} Bargh, supra note 336, at 47.
  \item \textsuperscript{340} See Slovic et al., supra note 334, at 397 ("Although affect has long played a role in many behavioral theories, it has rarely been recognized as an important component of human judgment and decision making.").
  \item \textsuperscript{341} Jon Hanson & David Yosifon, The Situational Character: A Critical Realist Perspective on the Human Animal, 93 GEO. L.J. 1, 23 n.72 (2004) (describing the influence of the cognitive miser model in psychology); see also Jerry Kang, Trojan Horses of Race, 118 HARV. L. REV. 1489, 1498, 1499 n.43 (2005) (discussing the impact of the cognitive miser schema on race relations).
  \item \textsuperscript{342} Thomas Gilovich & Dale Griffin, Introduction—Heuristics and Biases: Then and Now, in HEURISTICS AND BIASES: THE PSYCHOLOGY OF INTUITIVE JUDGMENT, supra note 334, at 1, 4–5.
  \item \textsuperscript{343} See Daniel Kahneman & Shane Frederick, Representativeness Revisited: Attribute Substitution in Intuitive Judgment, in HEURISTICS AND BIASES: THE PSYCHOLOGY OF INTUITIVE JUDGMENT, supra note 334, at 49–81.
  \item \textsuperscript{344} Shane Frederick, Automated Choice Heuristics, in HEURISTICS AND BIASES: THE PSYCHOLOGY OF INTUITIVE JUDGMENT, supra note 334, at 548, 554.
  \item \textsuperscript{345} See Laura R. Bradford, Parody and Perception: Using Cognitive Research to Expand Fair Use in Copyright, 46 B.C. L. REV. 705, 710 (2005) (stating that "the cognitive components of certain forms of intellectual property such as copyright, trademark, or rights of publicity have received little to no academic attention").
  \item \textsuperscript{346} See GERALD ZALTMAN, HOW CONSUMERS THINK 9 (2003); see also Stuart Elliot, Colts and Bears and Kevin Federline, N.Y. TIMES, Feb. 2, 2007, at C1 (reporting that one marketing research firm teamed up with the Ahmanson Lovelace Brain Mapping Center at the University of California Los Angeles to gather brain scan images of viewers as they watch Super Bowl commercials to measure their emotional reactions); Annette Schafer, BUY THIS, SCI. AM. MIND, June 2005, at 72, 72–75 (2005) (discussing the research of neuroscientists involving neural responses to product advertising).
  \item \textsuperscript{347} See, e.g., POFFENBERGER, supra note 214, at 476–512 (discussing methods of strengthening consumer memory of advertisements).
  \item \textsuperscript{348} Erika L. Rosenberg, Mindfulness and Consumerism, in PSYCHOLOGY AND CONSUMER CULTURE, supra note 213, at 107, 107 (discussing how advertising capitalizes on consumers' automatic and unexamined behavior).
\end{itemize}
particularly good at embedding in a consumer’s subconscious memory a hidden affective tag for a particular trademark. For example, pharmaceutical commercials are often purposely opaque. They offer no information as to the actual medical symptoms the drug is supposed to remedy. The point of such commercials is to generate a positive affective tag for the pharmaceutical brand. Subsequently, when the brand is mentioned in a pharmacy, doctor’s office, or another commercial, the positive affective evaluation of the brand will be triggered and result in a sale.

By developing a positive affective tag, the drug manufacturer may also be able to thwart a future suggestion that the patient move from the prescribed drug to an over-the-counter remedy.

Reliance on affect often makes sense. In a complex and fast-paced world, the ease and speed of affective decision making can be important. Oftentimes, our subconscious succeeds in making the best decision possible. The problem with affective reasoning is that it also has several flaws that are difficult if not impossible for most consumers to overcome. These flaws are particularly susceptible to exploitation in the commercial environment.

First, research shows that a person’s initial categorization of a stimulus is crucial. Once a mark is initially categorized as positive or negative, that valence is very difficult to change. People will seek further feedback from a stimulus characterized as positive but will rigidly avoid a stimulus initially characterized as negative. This creates a dramatic learning asymmetry as most consumers will only interact with stimuli that they have already deemed positive in a hasty, subconscious determination.

Our refusal to countenance unfamiliar stimuli or stimuli that we initially tag as negative results in existing trademarks retaining their power while shutting out competitors. Increases in brand-name variety cause consumers more cognitive

349. Sarah C. Haan, Note, The “Persuasion Route” of the Law: Advertising and Legal Persuasion, 100 COLUM. L. REV. 1281, 1303 (2000); see also Tim Kasser et al., Materialistic Values: Their Causes and Consequences, in PSYCHOLOGY AND CONSUMER CULTURE, supra note 213, at 11, 17 (stating that studies consistently show a positive correlation between television watching and materialism).

350. See Thompson v. W. States Med. Ctr., 535 U.S. 357, 383–84 (2002) (Breyer, J., dissenting) (“[T]here is considerable evidence that consumer oriented advertising will create strong consumer-driven demand for a particular drug....And there is strong evidence that doctors will often respond affirmatively to a patient’s request for a specific drug that the patient has seen advertised....In these circumstances, Congress could reasonably conclude that doctors will respond affirmatively to a patient’s request for a compounded drug even if the doctor would not normally prescribe it.”); see also Michael S. Wilkes et al., Direct-To-Consumer Prescription Drug Advertising: Trends, Impact, and Implications, 19 HEALTH AFF. 110, 114 (2000) (describing one subset of pharmaceutical advertisements that “provide the name of the drug and other minimal information but say nothing about the drug’s use, effectiveness, or safety”); Keely N. Reeves, Comment, Direct-to-Consumer Broadcast Advertising: Empowering the Consumer or Manipulating a Vulnerable Population?, 53 FOOD & DRUG L.J. 661 (1998) (discussing the deleterious effects of “reminder advertisements” for pharmaceuticals).

351. See Walt Sandulli et al., Winning Strategies in DTC, 32 MED. MKTG. & MEDIA 41, 44 (1997).


354. Russell H. Fazio et al., Attitude Formation Through Exploration: Valence Asymmetries, 87 J. PERSONALITY & SOC. PSYCH. 293, 307–09 (2004) (discussing how avoidance behavior prevents false beliefs from being detected); see also Frederick, supra note 344, at 554 (“[J]udgments may be anchored on one’s initial affective evaluation even when attempts are made to supplement this with more analytic evaluations.”).

355. See Fazio et al., supra note 354, at 307.

356. See id. at 307–09.
effort, resulting in unfavorable affective ratings. As a result, rather than introduce new trademarks, businesses increasingly rely on offshoots of existing brands. Examples include sales of clothes bearing the Coca-Cola brand and the launch of a record label using the trademark for Doc Martens footwear. Seventy percent of all new products rely on existing brand names. Established trademark holders know they can short-circuit rigorous conscious analysis by consumers if they tap into the affective tags that have been carefully created through years of advertising a particular mark.

Second, mere familiarity with an object or symbol can create a positive valence for that object. Not surprisingly, consumers are more likely to select a product for consideration when they are already familiar with the brand name attached. Studies show that the more a claim about a product is repeated, the more likely a consumer is to believe that it is true. Repetition alters a consumer's learning networks so that the affective tag for a particular mark gains strength and is more readily triggered. Thus, merely by exposing consumers to a mark repeatedly, advertisers can increase the consumers' positive affective response to that mark. The decision to purchase a particular trademarked good is likely to follow. Our preference for the familiar may help explain why so many of the top brands from the first days of modern advertising are still the leading sellers today.

Finally, affective decision making is particularly susceptible to contextual cues. Of course, it is no secret to even the most unaware consumer that

357. Vincent-Wayne Mitchell & Gianfranco Walsh, Gender Differences in German Consumer Decision-making Styles, 3 J. CONSUMER BEHAV. 331, 338 (2004); see also Vincent-Wayne Mitchell et al., Towards a Conceptual Model of Consumer Confusion, 32 ADVANCES IN CONSUMER RES. 143, 148 (2005) (describing product loyalty as a strategic reaction to an overload of stimuli).
361. Slovic et al., supra note 334, at 400; Frederick, supra note 344, at 553.
363. Haan, supra note 349, at 1300–01; see also Rosenberg, supra note 348, at 112 ("Consumer research shows that we prefer products or styles that we have seen more often, regardless of whether we have prior practical experience with the product.").
365. See Rosenberg, supra note 348, at 112.
367. See Wayne D. Hoyer & Deborah J. MacInnis, Consumer Behavior 159 (3d ed. 2003). Examples include Ford and General Motors for automobiles; Goodyear, Firestone, B.F. Goodrich, and Uniroyal for tires; Coca-Cola for soft drinks; and Ivory for soap. See Pope, supra note 106, at 255–56; The Top 100 Brands, BUS. WK., Aug. 1, 2005, at 90, 90–94 ("Lists of large corporations in the late Progressive Era show striking similarities to the Fortune 500 today, once allowance for mergers and name changes has been made.").
368. See Frederick, supra note 344, at 551.
advertisers try to influence their decisions by surrounding their brands with attractive images. Producers of alcoholic beverages pair their brands with depictions of icy trout streams and NFL cheerleaders even though these images will not be present when the actual beer is consumed. Consumers know that these contextual factors will be absent when they enjoy the advertised product. Nevertheless, this contextual conditioning structures our product preferences. 369

The important point to remember is that it does not matter whether the consumer perceives the contextual cues presented by advertisers or not. Even a cue that is not consciously processed will still shape purchasing decisions. For example, many commercials rely on a phenomenon called neoteny, a term sometimes used to refer to people's attraction to baby animals and infants. 370 “People perceive messages transmitted by a baby faced person as more sincere because they see babies as innocent and honest.” 371 Yet we are not aware of this when we see the talking infant, nor are we aware that this phenomenon is shaping the affective tag we are placing on the trademark being promoted on our TV screen. 372 Our susceptibility to contextual cues and their ability to influence the generation of affect tags often result in suboptimal outcomes. 373

These affective decision making techniques are often difficult if not impossible to bypass. Consumers may be able to overcome the initial affective response triggered by advertising, but only if they are willing to expend a great deal of cognitive effort. 374 In addition, the information necessary to make an informed decision must be readily available and the individual consumer must be equipped with the processing ability and time to decipher the information. 375 These conditions are rarely all met, particularly when a consumer's exposure to product information is limited to print or television advertising and the shopping experience is conducted hastily and with minimal practical information available. 376 Instead, the more likely scenario is that once a stimulus has been tagged with an affective value, later contrary information about the actual meaning or significance of the stimulus will be insufficient to significantly alter the initial affective response. 377

Thus, a consumer's initial affective response to something is shaped by factors that are not apparent to the consumer. Merely through repeated exposure to the trademark at issue and by surrounding the trademark with positive contextual cues that we perceive only subconsciously, advertisers can generate high affective

369. See Rosenberg, supra note 348, at 112; Slovic et al., supra note 334, at 417.
370. ZALTMAN, supra note 346, at 54; see also Barry Bogin, Evolutionary Hypotheses for Human Childhood, 104 AM. J. PHYSICAL ANTHROPOLOGY 63, 67 (1997).
371. ZALTMAN, supra note 346, at 54.
372. Id.
373. Slovic et al., supra note 334, at 419 (“Utility predicted or expected at the time of decision often differs greatly from the quality and intensity of the hedonic experience that actually occurs.”).
374. Mitchell et al., supra note 357, at 147.
375. Id. at 144, 147; see also ZAICHKOWSKY, supra note 360, at 132 (stating that research shows “fairly conclusively” that most consumers are unable to process the information in product disclaimers, at least under normal environmental circumstances).
376. See generally Paul Henry, Is the Internet Empowering Consumers to Make Better Decisions, or Strengthening Marketers' Potential to Persuade?, in ONLINE CONSUMER PSYCHOLOGY 345 (Curtis P. Haugvedt et al. eds, 2005) (discussing how the informational resources of the Internet will not create more informed purchasing decisions because consumers are already suffering from informational overload).
377. Slovic et al., supra note 334, at 400–01.
responses to their brands. These affective tags, which are stored in our memory and subconsciously retrieved when it comes time to make a purchasing decision, are extremely difficult to change. It is attractive to think that affective decision making simply means trusting our gut, something that usually works in making choices in our daily lives. But the difference in the world of advertising is that it is not the random chance of the outside world that is influencing our affective measurements. Instead of a level playing field, consumers face a playing field filled with extraneous contextual factors carefully calibrated by advertisers.378

B. Implications

The phenomenon of affective reasoning has several implications for the trademark rules crafted at the beginning of the twentieth century. The doctrine introduced in trademark law's formative era and remaining in effect today is premised on the belief that consumers are fully capable of changing their initial brand preferences. A full revision of trademark law in line with the recent research on affective decision making is beyond the scope of this Article. The psychological research does show, however, that courts and elected officials should grapple with the current legal regime and decide if obeisance to the same doctrinal rules makes sense given these new understandings of human cognition.379

One implication relates to the belief that advertising benefits society economically and politically. In trademark law's formative era, judges accepted advertising as necessary to deal with the changes unleashed by the industrial age.380 Advertising was beneficial because it created a market for the production surpluses generated by new technology. It was also necessary to promote individuality in an impersonal new world. Protection for advertising was justified because the consumer culture promoted social cohesion while at the same time allowing citizens to individually “vote” for which advertisers they would reward with their business. This conception of advertising lives on in modern case law. Sometimes it is explicit. As one court of appeal stated, “Opinions are not only the lifestyle of democracy, they are the brag in advertising that has made for the wide...
dissemination of products that otherwise would never have reached the households of our citizens." 381 More often, the courts’ belief in the social benefits of advertising is implied by the manipulation of doctrine. If advertising is good medicine for society, then it makes sense to lessen the standard for actionable confusion so that even the most gullible consumer can benefit from advertising. A low threshold for confusion ensures that all consumers receive the advertiser’s message. Courts today equate “the standard of care to be exercised by the ordinary prudent purchaser...to that of the least sophisticated consumer.” 382 At the same time, advertisers can rely on precedents holding that evidence of confusion among less than fifteen percent of consumers is probative of infringement. 383 Current trademark doctrine’s penchant for evaluating consumer confusion at the lowest common denominator is a far cry from the “careful inspection” requirement of the late 1800s. 384

But this view of advertising as good medicine begins to collapse if the emotional hold of advertising cannot be resisted. A message disseminated by powerful economic interests is the opposite of democratic individualism if the individual is powerless to reject the message. Moreover, if we remain attached to advertising even in face of new information about new products, then advertising is fundamentally anticompetitive as it serves as a barrier to market entry. Of course, we do not find ourselves blindly obeying every advertised command we see. Some resistance is possible, but the evidence on affective decision making suggests that resistance is more difficult than previously thought.

If advertising does become so fixed in the consumer’s mind that it leads to suboptimal outcomes, then it may make sense to reevaluate the definition of the typical consumer. By holding the ordinary consumer to a higher standard, courts can begin to redress the imbalance that has developed between advertiser rights and the public interest. Potential adjustments to the consumer confusion standard include requiring a higher percentage of confused consumers for admissible survey evidence and revising the definition of confusion to consider consumers in the aggregate instead of focusing on the most easily confused consumer.

Another implication of affective decision making relates to the courts’ willingness to grant legal protection to advertising simply because the plaintiff-advertiser spent money on it. As advertising’s social value became more apparent, it became easier for courts to recognize trademark rights in stronger, less relative terms. Soon, the courts began citing the advertiser’s investment in a brand to justify a finding of infringement. 385 When judges started to conceptualize advertising rights in a manner akin to rights in real property, the old requirements that the defendant intend to infringe and that both products at issue be of the same descriptive

383. E.g., Exxon Corp. v. Tex. Motor Exchange, Inc., 628 F.2d 500, 507 (5th Cir. 1980) (holding that a 15-percent confusion rate constituted strong evidence of confusion); Grotian, Helfferich, Schulz, Th. Steinweg Nachf. v. Steinway & Sons, 365 F. Supp. 707, 716 (S.D.N.Y. 1973) (holding that a survey showing that 8.5 percent of the people interviewed confused the names Steinway and Grotian-Steinweg was strong evidence of confusion), aff’d, 523 F.2d 1331 (2d Cir. 1975).
384. See supra Part II.
385. See supra text accompanying notes 132–135.
properties were abandoned. It made little sense to enforce these requirements when courts were using the language of traditional rights in real property to describe trademark infringement. Stealing was stealing, whether the infringer meant to do it or not.

Modern courts continue to justify infringement awards by citing the plaintiff's investment in its mark. For example, the Federal Circuit recently overturned a decision that a pet food manufacturer's use of the mark "Fido Lay" was unlikely to be confused with the mark "Frito-Lay." The Federal Circuit faulted the court below for not according proper weight to the fame of the "Frito-Lay" mark in assessing the likelihood of confusion. According to the Federal Circuit, Frito Lay's massive advertising budget and dominant role in the American snack food market—ninety percent of American households purchase at least one "Frito-Lay" brand snack each year—were important evidence suggesting probable confusion. This evidence caused the Federal Circuit to reject the argument that the differences in the products at issue—human snack food and pet food—made confusion unlikely. Instead, the court held that the fame of a mark is "a dominant factor in the likelihood of confusion analysis" regardless of the nature of the goods sold by the defendant.

The problem with this reasoning is that just because a mark becomes strong through the advertiser's expenditure of time, money, and energy does not mean that advertisers should automatically be rewarded with legal privileges. A trademark's value is not inherent, but rather entirely dependent on whether or not a court decides to award legal protection. There should be a good reason for awarding legal rights. In some situations, it makes little sense to prevent "free riding" by allowing the trademark owner to internalize all of the benefits of its advertising expenditures. In many other areas of the law, courts happily permit free riding by defining legal rights narrowly to match a specific policy goal. For example, my neighbor may have an architecturally stunning home whose mere proximity increases my property values, but no court would award my neighbor a legal right to that increase. Today's property rights rhetoric is dangerous because it encourages a reflexive awarding of rights based on advertising investment instead of a careful examination of the costs and benefits of trademark protection. By describing advertiser rights in absolutist terms, courts can ignore the balancing of interests that was encouraged when trademark doctrine found its home in a tort law regime that required judges to

386. E.g., Bd. of Supervisors of the La. State Univ. v. Smack Apparel Co., 438 F. Supp. 2d 653, 660 (E.D. La. 2006) ("Clearly, '[t]hose who invest time, money and energy in the development of good will and a favorable reputation [should] be allowed to reap the advantages of their investment.'" (quoting Truck Equipment Serv. Co. v. Fruehauf Corp., 536 F.2d 1210, 1215 (8th Cir. 1976) (alterations in original)); see also Lemley, supra note 39, at 1697 ("Courts seem to be replacing the traditional rationale for trademark law with a conception of trademarks as property rights, in which trademark 'owners' are given strong rights over the marks without much regard for the social costs of such rights.").


388. Id. at 1326–27.

389. Id. at 1328.

390. See Lemley, supra note 14, at 1046–50; see also Wendy J. Gordon, On Owning Information: Intellectual Property and the Restitutionary Impulse, 78 VA. L. REV. 149, 167 (1992) ("A culture could not exist if all free riding were prohibited within it.").

measure the defendant’s behavior against recognized standards of commercial reasonableness.

Modern trademark doctrine assumes that by protecting advertiser rights, the public interest will be protected as well. According to the neoclassicists, it is acceptable to privilege advertising expenditures because advertising reduces consumer search costs while at the same time allowing the consumer to switch to another brand if given a compelling reason. The evidence on affective decision making shows, however, that advertising locks in consumer preference to a higher degree than previously expected. If the affective tags generated by advertising cause the consumer to persist in choosing a suboptimal brand, then the search cost justification for trademark law loses some of its potency. While advertising expenditures may be probative of consumer recognition of the plaintiff’s mark, the temptation exists for courts to quote advertising budgets as evidence of a business investment that should be protected from all comers. Given the recent research demonstrating the staying power of advertising, courts should limit their reliance on proof of a trademark holder’s advertising investment.

VI. CONCLUSION

At the beginning of the twentieth century, the law of advertising underwent a fundamental shift. Where the courts had once been hostile to efforts to protect the goodwill advertisers built up in their trademarks, suddenly the law was reconfigured to protect advertiser investment. Belief in advertising’s efficacy and its benign cultural influence led to this judicial about face. At the same time, Progressive Era attacks on an out of touch and scientifically ignorant judiciary pressured the courts into making doctrinal revisions that privileged the advertiser’s craft. Courts rationalized that strong protection for advertiser rights redounded to the benefit of the consuming public.

The legal doctrine introduced in the Progressive Era has remained in place for nearly a century. Believing that consumers were easily persuaded yet also able to change their minds, the courts shrugged off subsequent critiques of trademark law’s anti-competitive effects and advertising’s threat to weaken consumer autonomy. In the courts’ view, advertising fostered change, it did not prevent it. Judges did not, however, believe that the impression left by advertising in the consumer mind should be protected from all outside forces. When state legislatures passed laws that protected the goodwill built up in a mark regardless of consumer confusion, the courts rebelled and refused to enforce the dilution laws as enacted. Dilution threatened to fix the effects of advertising in the human mind, a thought that was anathema to most jurists. Recent research in cognitive psychology demonstrates that, even without legal protection, advertising does leave impressions in the human mind that can be extremely difficult to shake.

392. Since trademark law’s formative era, evidence of the amounts spent on advertising have served as a proxy for secondary meaning. 2 MCCARTHY, supra note 14, § 15.51. But there are other means to demonstrate secondary meaning besides advertising expenditures. See Jerre B. Swann, An Interdisciplinary Approach to Brand Strength, 96 TRADEMARK REP. 943, 973–74 (2006) (explaining that cognitive psychologists possess a “rich array of tools to describe brand strength beyond dry summaries of advertising, sales, and years of use”).
In the Victorian Era, before trademark law’s formative period in the early 1900s, there was a certain amount of faith in the ability of individuals to manage their materialist desires.\(^{393}\) Purchasers bore some responsibility for detecting deceptive marketing practices. Trademark law decisions of the time read a reasonable person standard into the law that required consumers to exercise discretion and judgment.\(^{394}\)

Over time, the Victorian faith in individual mastery of money weakened. When consumption became not just necessary but virtuous, it no longer made sense to encourage self-reliance among consumers. Instead, consumers needed advertising to stimulate their material desires and courts lowered the standard for actionable confusion. If commercial culture was to be promoted, it needed to be promoted to all consumers, regardless of their skill in detecting deception.

But without doctrinal rules that encourage consumer self-reliance, advertising’s hold on the public mind will only grow stronger and stronger. Consumers need protection from confusion, but they also need the freedom to break free from affective responses to appealing trademarks. Perhaps a return to the Victorian view of advertising is needed. As it stands now, trademark law doctrine creates a vicious cycle. As consumers become more dependent on advertising, they are more likely to be confused. But when a court detects confusion, it awards senior advertisers greater intellectual property rights. This only results in more advertising, less competition, and more consumer dependence. Consumers should be protected from duplicitous advertising, but they should also be encouraged to engage in the sort of non-affective cognitive analysis that can break the bonds of brand loyalty, bonds forged by repetitive advertising surrounded by appealing contextual cues. At its core, the law of advertising must concern itself with correcting abuses while fostering a fair and healthy marketplace. Confronting the historical reasons for trademark law’s current doctrinal framework is a step in the right direction.

393. See Calder, supra note 154, at 88.
394. See supra text accompanying notes 56–67.