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SHAMING TRADEMARK BULLIES

LEAH CHAN GRINVALD*

In September 2009, Hansen Beverage Company sent Rock Art Brewery a letter demanding that Rock Art cease and desist its use of “VERMONSTER” as a trademark for beer. Hansen is a multi-million dollar beverage corporation and Rock Art Brewery is a small brewing company owned by a husband-and-wife team based in Vermont. Hansen’s gravamen was that Rock Art’s “VERMONSTER” beer allegedly infringed on Hansen’s “MONSTER ENERGY” trademarks. Instead of capitulating, Rock Art Brewery fought back, taking to the virtual streets of the Internet and galvanizing public sentiment against Hansen. The end result was an amicable settlement agreement that allowed Rock Art to continue its use of “VERMONSTER” as it had before.

Rock Art’s success highlights a growing phenomenon in trademark law: the use of shaming by small businesses and individuals to defend themselves against a trademark bully. To date, most scholarly work on curtailng the over-enforcement of trademarks has been focused on legal means, such as developing stronger defenses to infringement. While this is important and meaningful work, focusing on purely legal means may not assist small businesses or individuals who have no access to legal resources in the first instance. The goal of this Article is to complement the work being done by these scholars and suggest that shaming can be an effective, pre-litigation tool to combat trademark bullies. Since shaming is currently not guaranteed to be effective or available to all small businesses and individuals, this Article suggests a number of legal reforms that could be undertaken in order to maximize the availability of shaming, as well as assist in effective shaming.

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INTRODUCTION

In September 2009, Hansen Beverage Company sent Rock Art Brewery a letter demanding that Rock Art cease and desist its use of “VERMONSTER” as a trademark for beer.¹ The letter stated, in part, “To protect [Hansen’s] rights, we must insist that you . . . [i]mmediately cease and desist from any distribution, sale or other use of VERMONSTER in connection with beverages, including the use of any advertising, promotional and point-of-sale materials that include the infringing mark”² Hansen is a multi-million-dollar beverage corporation and Rock Art Brewery is a small brewing company owned by a husband-and-wife team based in Vermont.³ Hansen’s gravamen was that Rock Art’s “VERMONSTER” beer allegedly infringed on Hansen’s “MONSTER ENERGY” trademarks.⁴ Instead of capitulating, Rock Art Brewery fought back, taking to the virtual streets of the Internet and galvanizing public sentiment against Hansen.⁵ Rock Art Brewery’s YouTube video garnered over fifty thousand viewers in the first couple of days of its posting,⁶ and over ten thousand members in the Facebook group, “Vermonters and Craft Beer Drinkers Against Monster.”⁷ The end result was an amicable settlement agreement that allowed Rock Art to continue its use of “VERMONSTER” as it had before.⁸

1. See Letter from Diane Reed, Attorney, Knobbe Martens Olson & Bear LLP, to Christopher J. Day, Law Office of Christopher Day (Sept. 4, 2009).

2. *Id.*

3. See Jack Katzanek, *Hansen Settles Trademark Dispute with Brewer*, THE PRESS-ENTERPRISE, (Oct. 23, 2009, 9:52 AM), http://www.pe.com/business/local/stories/PE_Biz_S_monster23.39559bf.html.

4. See Letter from Diane Reed, *supra* note 1.

5. See *Matt vs. Monster*, GREEN RIVER PICTURES, <http://www.grpvt.com/mattvsmonster> (last visited Apr. 2, 2011); *Save Vermonster, Save Rock Art Brewery*, LOST IN THE BEER AISLE (Oct. 14, 2009), http://www.lostinthebeeraisle.com/2009/10/save_vermonster-save-rock-artbrewery.html; *Vermonters and Craft Beer Drinkers Against Monster*, FACEBOOK, <http://www.facebook.com/group.php?gid=171894902802&ref=nf> (last visited Mar. 12, 2011).

6. *Matt and “The Monster”-Rock Art Brewery vs. Monster Energy Drink*, YOUTUBE, http://www.youtube.com/watch?v=kbG_woqXTeg (last visited Apr. 18, 2011) (follow document statistics).

7. See Adam Ostrow, *Social Media Users Rally Behind Vermont Brewery vs Monster Energy Drink*, MASHABLE (Oct. 16, 2009), <http://mashable.com/2009/10/16/vermonster/>.

8. See Press Release, Hansen Beverage Company and Rock Art Brewery Reach Trademark Agreement (Oct. 22, 2009) (on file with author).

The attack on Rock Art Brewery by a large corporation is not a unique one. Unfortunately for small-business owners and individuals, large corporations have embarked on “cease and desist” campaigns that are intended to “bully” these small businesses and individuals into compliance.⁹ Large corporations send out multitudes of letters demanding small businesses or individuals cease and desist in their use of a trademark that has some resemblance to a large corporation’s trademark(s).¹⁰ On many occasions, these letters appear to be sent out without any analysis of the purported infringement.¹¹ These letters seem intended to simply intimidate the small business or individual into forgoing the use and/or registration of their trademark.¹² The intimidation factor is high, as often the letter is sent by a law firm or the large corporation’s legal department to the small-business owner or individual (who is typically not a lawyer).¹³ The letter is generally written in legalese, citing court cases that may or may not be relevant to the small-business owner or individual.¹⁴ The large corporation’s rights are often vaguely stated, and the “fame” of the corporation’s trademark(s) often overstated.¹⁵ In addition, the letter often claims that

9. See generally DAVID BOLLIER, *BRAND NAME BULLIES: THE QUEST TO OWN AND CONTROL CULTURE* (2005) (documenting various bullying campaigns).

10. See *id.* at 5.

11. See Stacey Knapp, *Balancing the Crucible: The Revolving Conflict Between Fair Use and Corporate Use in the Battle to Control Domain Names*, 1 OKLA. J.L. & TECH. 10, 17–18 (2004), http://www.okjolt.org/index.php?option=com_content&view=article&id+84:1-jl-a-tech-10-2004-&catid=42:special-features&Itemid+65 (discussing Warner Brothers’ tactics in bullying owners of domain names that incorporate any item related to the *Harry Potter* book-series franchise).

12. See K.J. Greene, *Abusive Trademark Litigation and the Incredible Shrinking Confusion Doctrine—Trademark Abuse in the Context of Entertainment Media and Cyberspace*, 27 HARV. J.L. & PUB. POL’Y 609, 632 (2004) (“The ‘effectiveness of lawsuits to silence corporate critics derives in part from the disparity of resources between the plaintiff corporation and the defendant’” (quoting Sarah Mayhew Schlosser, *The High Price of (Criticizing) Coffee: The Chilling Effect of the Federal Trademark Dilution Act on Corporate Parody*, 43 ARIZ. L. REV. 931, 948 (2001))).

13. For example, among small-business owners, only 8.3 percent have attained a professional degree. See Chad Moutray, *Baccalaureate Education and the Employment Decision: Self-Employment and the Class of 1993*, at 30 (Oct. 2008) (Office of Advocacy, U.S. Small Bus. Admin., unnumbered working paper), available at <http://archive.sba.gov/advo/research/rs333tot.pdf>. While a small percentage of small-business owners have a graduate degree, it is likely that not all of these graduate degrees are law degrees.

14. See, e.g., Letter from National Football League, to Ms. Thom, Fleurdy Girl (Jan. 13, 2010).

15. See, e.g., Letter from Diane Reed, *supra* note 1 (“Hansen created, manufactures and distributes the MONSTER ENERGY® line of drinks and supplements under its famous MONSTER and MONSTER ENERGY® mark.” (emphasis added)). Being “famous” in trademark law is a term of art, requiring a high burden of proof.

the small-business owner or individual will have to pay attorney's fees.¹⁶ Finally, an extremely short time-frame for a response by the bullying victim is demanded.¹⁷

This bullying is a serious concern, as it has implications far beyond trademark law and impacts the U.S. economy and the freedom of cultural expression.¹⁸ One of the harms produced by bullying is that economic competition is impaired.¹⁹ In particular, small businesses and individuals are more adversely affected, as these victims do not have the wherewithal to fight legal battles. While changing or ceasing to use the trademark at stake without a battle may seem to be the least expensive option, altering a trademark (especially if it is also the business's name) can be an expensive proposition.²⁰ In addition, it is not merely a change in trademark that the bully demands, but also a cessation of sales of goods bearing the trademark, along with any marketing materials, and, further, the delivery of the remaining products bearing the trademark to the bully (presumably for destruction), along with an accounting of past profits.²¹ For a small business, the destruction of inventory and the payment of a licensing fee may push the business into bankruptcy, which reduces the potential

See 15 U.S.C. § 1125(c)(2)(A) (2006) ("[A] mark is famous if it is widely recognized by the general consuming public of the United States as a designation of source of the goods or services of the mark's owner.").

16. See, e.g., Letter from Diane Reed, *supra* note 1.

17. See *id.* (providing two weeks from date of letter); Letter from National Football League, *supra* note 14 (providing nine days from date of letter).

18. See ROSEMARY J. COOMBE, *THE CULTURAL LIFE OF INTELLECTUAL PROPERTIES: AUTHORSHIP, APPROPRIATION, AND THE LAW* 66 (1998) ("[Trademark law] becomes the ruse by which corporations protect themselves from competition and from uncompensated circulation of their cultural indicators.").

19. For in-depth discussions of other harms arising from trademark bullying, including violations of the First Amendment and harms to consumers, see generally BOLLIER, *supra* note 9, at 188–89, Eric Goldman, *Online Word of Mouth and Its Implications for Trademark Law*, in *TRADEMARK LAW AND THEORY: A HANDBOOK OF CONTEMPORARY RESEARCH* 404 (Graeme B. Dinwoodie & Mark D. Janis eds., 2008) [hereinafter *TRADEMARK LAW AND THEORY*], Greene, *supra* note 12, and William E. Ridgway, *Revitalizing the Doctrine of Trademark Misuse*, 21 *BERKELEY TECH. L.J.* 1547 (2006).

20. See Russell L. Parr, *The Value of Trademarks*, in *TRADEMARKS, COPYRIGHTS, AND UNFAIR COMPETITION FOR THE GENERAL PRACTITIONER* 229, 246 (Am. Law Inst.-Am. Bar Assoc. Comm. on Continuing Prof'l Educ., Course of Study Materials No. C913, 1994) ("[L]arge-scale introduction of a new trademark carries enormous costs."); Peter Robison, *Time Warner, Broadwing, Change Names After Losses*, *IGOR* (Oct. 16, 2003), <http://www.igorinternational.com/press/bloomberg-corporate-business-name.php> ("Changing a corporate name can take a year and cost tens of millions of dollars.").

21. See, e.g., Letter from National Football League, *supra* note 14.

for competition for the bully.²² Even for individuals with no commercial interest at stake, complying with a cease-and-desist letter can still be expensive, as some letters demand payment of attorney's fees even if the recipient agrees to cease in its use of the trademark.²³

Trademark law and the legal system, as both currently operate, work to assist, and perhaps even encourage, the bully's efforts. Trademark litigation is expensive, time consuming, and emotionally draining. Even if victims of bullying are able to access low-cost or free legal assistance, the non-monetary costs may continue to outweigh the benefits of fighting (even where the victim has a strong case).²⁴ In addition, trademark law and the standards for infringement are notoriously malleable, and prior case law provides very little by way of guidelines for attorneys to advise victims on the probability of winning their lawsuits.²⁵ While many scholars and commentators have been focused on curing the deficiencies of trademark law, such as proposing the need for stronger defenses to trademark infringement,²⁶ focusing on such cures (which mainly assist only once a lawsuit has been commenced) will not assist in those numerous cases that never see the

22. Starting a business is a resource-intensive undertaking and many small businesses operate at a very small margin of error, as proprietors often underestimate the amount of capital needed to run the business in the first few years. *See generally* MARY JANE BYRD & LEON C. MEGGINSON, *SMALL BUSINESS MANAGEMENT: AN ENTREPRENEUR'S GUIDE* 13, 25, 181 (6th ed. 2009). Approximately 50 percent of all small businesses fail within the first five years of operation. *See Get Ready*, U.S. SMALL BUSINESS ADMINISTRATION, http://www.sba.gov/smallbusinessplanner/plan/getready/SERV_SBPLANNER_ISENTFORU.html (last visited Nov. 4, 2010) (on file with author; webpage is no longer available). As such, any unexpected expense or cost, such as a loss of inventory and payment of attorney's fees may push the business into bankruptcy.

23. *See, e.g.*, Letter from Diane Reed, *supra* note 1.

24. Non-monetary costs may include the emotional strain of being involved in litigation. For example, when Ford Motor Corporation sued seven individuals to gain control over domain names that included one of Ford's purported trademarks ("FORD," "JAGUAR," etc), the Electronic Frontier Foundation provided free legal assistance. *See EFF Wins a Partial Victory in Ford Case*, EFFECTOR, Jan. 10, 2002, <http://w2.eff.org/effector/HTML/effect15.01.html#II>. Notwithstanding the free legal assistance, two of the defendants decided not to pursue the litigation, citing the emotional strain of the litigation. *See BOLLIER, supra* note 9, at 126.

25. *See infra* Part II.B.1.

26. *See generally* Graeme Dinwoodie, *Developing Defenses in Trademark Law*, 13 LEWIS & CLARK L. REV. 99 (2009) (arguing for courts to adopt stronger affirmative trademark defenses); Michael Grynberg, *Things Are Worse Than We Think: Trademark Defenses in a "Formalist" Age*, 24 BERKELEY TECH. L.J. 897 (2009) (arguing for statutory amendments to encapsulate stronger trademark defenses); William McGeeveran, *Rethinking Trademark Fair Use*, 94 IOWA L. REV. 49 (2008) (arguing for a stronger fair-use defense).

inside of a courtroom.²⁷ Small businesses and individuals need tools to defend themselves against trademark bullies without the need for litigation.

This Article suggests one tool that has been gaining popularity with small businesses and individuals (such as in Rock Art Brewery's case): shaming trademark bullies.²⁸ The goal of this Article is to complement the work being done by scholars on methods of curing trademark law deficiencies. This Article argues that shaming can be used by small businesses and individuals as a litigation alternative to stop the bullying without having to resort to the courts. However, shaming is not guaranteed to be successful or even low-cost. Nonetheless, shaming may be an effective alternative to litigation because the upfront monetary costs are low (relative to litigation), and it is one avenue for small businesses and individuals to obtain low-cost or free legal advice.²⁹ In order to maximize the shaming benefits, this Article identifies three legal reforms that would make shaming more effective: providing protected spaces for shaming, adopting a "groundless threats" cause of action,³⁰ and promoting responsible shaming. Together, these reforms would increase the likelihood of shaming success and work to reduce trademark bullying.

This Article proceeds in five parts. Part I looks at various expansions in trademark law that have contributed to, and perhaps fueled, trademark bullying. In addition, Part I provides a systematic analysis of the current practices of trademark bullies, before turning in Part II to the unique issues facing small businesses and individuals in attempting to mount a defense against a trademark bully. This examination includes a discussion of how legal avenues are insufficient

27. While strong defenses may help in the pre-litigation stage (because strong defenses can convince a bully that their trademark-infringement case is not a strong one), where the bullying victim is a small business or individual, trademark bullies may choose to ignore defense arguments because it is common knowledge that such victims will likely not have the resources to make the same arguments in litigation.

28. Although shaming has been widely written about in the criminal context, see Dan M. Kahan, *What Do Alternative Sanctions Mean?*, 63 U. CHI. L. REV. 591, 631-53 (1996); Dan M. Kahan & Eric A. Posner, *Shaming White-Collar Criminals: A Proposal for Reform of the Federal Sentencing Guidelines*, 42 J.L. & ECON. 365 (1999), it has received only sporadic, descriptive coverage in the intellectual property context. See Mark F. Schultz, *Fear and Norms and Rock & Roll: What Jambands Can Teach Us About Persuading People to Obey Copyright Law*, 21 BERKELEY TECH. L.J. 651, 681-88 (2006) (describing shaming as a sanction in the jamband community); Dotan Oliar & Christopher Sprigman, *There's No Free Laugh (Anymore): The Emergence of Intellectual Property Norms and the Transformation of Stand-Up Comedy*, 94 VA. L. REV. 1787, 1824-25, 1862 (2008) (describing shaming as a sanction for comedians who infringe on other comedians' material).

29. See *infra* Part III.C.1.

30. Cf. Trade Marks Act, 1994, c. 26, §21 (Eng. & Wales).

to assist small businesses and individuals. Part III turns to shaming and the argument that shaming will be effective in the trademark enforcement context. In addition, Part III provides an overview of some of the advantages and disadvantages to shaming. Part IV addresses these disadvantages by proposing legal solutions to make shaming more effective. This Article concludes in Part V.

I. EXPANSIVE TRADEMARK RIGHTS AND BULLYING

It is a truism that trademark rights have been on an expansive track since the early twentieth century.³¹ While the use of the law by bullies to coerce small businesses and individuals into cooperation is not unique to trademark law, there is a sentiment that such bullying has reached levels of concern in the trademark arena.³² Although merely expanding the law to provide stronger protection to trademark owners does not, in and of itself, cause bullying, simultaneous developments have assisted in incentivizing bullying, including increased protection given to strong or famous trademarks and a lack of meaningful developments to assist those accused of trademark infringement.³³ This Part provides a brief and simplified overview of these developments that have expanded the rights of trademark owners and have pushed such owners to abusive tactics in order to capture and maintain their expanded rights.³⁴ In addition, this Part provides an analysis of trademark bullying.

A. Trademark Rights on an Ever-Expansive Track

The basic concept of a trademark as a symbol that identifies the source of a product³⁵ is perhaps the only item that has remained

31. See Lionel Bently, *From Communication to Thing: Historical Aspects of the Conceptualisation of Trade Marks as Property*, in TRADEMARK LAW AND THEORY, *supra* note 19, at 3; Mark P. McKenna, *The Normative Foundations of Trademark Law*, 82 NOTRE DAME L. REV. 1839, 1840 (2007).

32. See, e.g., 156 CONG. REC. S349 (daily ed. Jan. 28, 2010) (statement of Sen. Leahy) (“I have become concerned, however, that large corporations are at times abusing the substantial rights Congress has granted them in their intellectual property to the detriment of small businesses.”).

33. See Deven R. Desai & Sandra L. Rierson, *Confronting the Genericism Conundrum*, 28 CARDOZO L. REV. 1789, 1791 (2007).

34. For more in-depth coverage, see generally Robert G. Bone, *Hunting Goodwill: A History of the Concept of Goodwill in Trademark Law*, 86 B.U. L. REV. 547, 548–49 (2006); Glynn S. Lunney, Jr., *Trademark Monopolies*, 48 EMORY L.J. 367, 369 (1999).

35. See JANE C. GINSBURG, JESSICA LITMAN & MARY L. KEVLIN, TRADEMARK AND UNFAIR COMPETITION LAW 43 (4th ed. 2007).

unchanged over the course of two hundred years of trademark law.³⁶ Other basic trademark concepts, such as the scope of a protectable trademark, the rationale underlying protection of a trademark and the significance given to the fame of a trademark, have all significantly evolved.³⁷ This evolution has been towards greater protection of trademark rights, typically to the benefit of wealthy trademark owners who can afford to take advantage of such expanded rights.³⁸ Some have argued that this has incentivized trademark bullying and other destructive efforts by trademark owners.³⁹

1. EXPANSION IN SCOPE OF PROTECTABLE TRADEMARKS

The trademark of the twenty-first century bears little resemblance to the trademark of the late nineteenth century.⁴⁰ Under traditional common law, a name or symbol used in connection with a business was only considered a trademark if it met the indices of a “technical

36. *Compare Canal Co. v. Clark*, 80 U.S. (13 Wall.) 311, 322 (1871) (“The office of a trade-mark is to point out distinctively the origin, or ownership of the article to which it is affixed; or, in other words, to give notice who was the producer.”), *with* Lanham Act, Pub. L. No. 79-489, § 45, 60 Stat. 442, 443 (1946) (codified as amended at 15 U.S.C. § 1127 (2006)) (“The term ‘trade-mark’ includes any word, name, symbol, or device or any combination thereof and used by a manufacturer or merchant to identify his goods and distinguish them from those manufactured or sold by others.”).

37. See McKenna, *supra* note 31, at 1900; Mark A. Lemley, *The Modern Lanham Act and the Death of Common Sense*, 108 YALE L.J. 1687, 1688 (1999).

38. See Rochelle Cooper Dreyfuss, *Expressive Genericity: Trademarks as Language in the Pepsi Generation*, 65 NOTRE DAME L. REV. 397, 399 (1990) (“[T]he changing legal climate has tended to grant trademark owners greater control over their marks . . .”). An aggressive strategy of trademark enforcement is needed in order to reap the benefits of the legal expansions, and therefore, larger businesses with the resources to undertake such a strategy are oftentimes the beneficiaries of such expansions.

39. See Greene, *supra* note 12, at 640 (“The fear that not bringing a suit now might foreclose or damage interests in bringing suit later may lead to unnecessary litigation.”).

40. Currently, almost anything can function as a trademark, so long as it is source identifying. See *Qualitex Co. v. Jacobson Prods. Co., Inc.*, 514 U.S. 159, 162, 163 (1995). By contrast, trademarks consisting of color (as an example) were not protected in the late nineteenth or mid-twentieth centuries. See, e.g., *A. Leschen & Sons Rope Co. v. Broderick & Bascom Rope Co.*, 201 U.S. 166, 171 (1906) (“[A] trade-mark which may be infringed by a streak of any color, however applied, is manifestly too broad.”); *James Heddon’s Sons v. Millsite Steel & Wire Works, Inc.*, 128 F.2d 6, 9 (6th Cir. 1942) (“Color, except in connection with some definite, arbitrary symbol or in association with some characteristics which serve to distinguish the article as made or sold by a particular person is not subject to trademark monopoly.”).

trademark.”⁴¹ If the name or symbol did not meet these indices, it was considered merely a “trade name.”⁴² This categorization was important because it held legal consequences. A technical trademark owner could proceed on an action for trademark infringement, whereas a trade-name owner could only proceed under an action for unfair competition.⁴³ A plaintiff in a suit for trademark infringement did not need to prove any intent to infringe on the defendant’s part; however, a plaintiff in a suit for unfair competition did need to prove such intent.⁴⁴ Since the standard to prove trademark infringement was lower than that of unfair competition, this categorization sometimes meant the difference in the probability of success for a plaintiff. In addition, the potential remedy in a trademark-infringement action was greater than that in an action for unfair competition. Whereas in trademark-infringement suits plaintiffs could be entitled to a blanket injunction if they won their case, in unfair competition suits plaintiffs were not entitled to such broad injunctions.⁴⁵ Typically, if a plaintiff proved a case of unfair competition, the court would narrowly tailor the injunction to preserve the ability of the defendant to utilize the trade name at stake while dispelling any consumer confusion.⁴⁶ As such, it was to the plaintiff’s benefit if he could have his trademark classified as a “technical trademark.”⁴⁷

Around the turn of the twentieth century, this strict categorization began to blur as trade names began to be afforded protection similar to that of a technical trademark if the trade-name owner could prove “secondary meaning.”⁴⁸ “Secondary meaning” referred to the

41. J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 4:4 (4th ed. 2010).

42. Milton Handler & Charles Pickett, *Trade-Marks and Trade Names—An Analysis and Synthesis: I*, 30 COLUM. L. REV. 168, 169 (1930).

43. *See id.* at 168.

44. *See* FRANK I. SCHECHTER, THE HISTORICAL FOUNDATIONS OF THE LAW RELATING TO TRADE-MARKS 161 (1925).

45. *See* Handler & Pickett, *supra* note 42, at 169.

46. *See, e.g., Kellogg Co. v. Nat’l Biscuit Co.*, 305 U.S. 111 (1938).

47. *See* JAMES LOVE HOPKINS, THE LAW OF TRADEMARKS, TRADENAMES AND UNFAIR COMPETITION §4, at 14 (4th ed. 1924) (stating the author’s opinion that trademark rights were “broader and by far . . . more valuable” than trade-name rights).

48. The first mentions of “secondary meaning” appeared in the late nineteenth century and with greater frequency in the early part of the twentieth century. *See, e.g., Elgin Nat’l Watch Co. v. Ill. Watch Case Co.*, 179 U.S. 665, 666 (1900); *R. Guastavino Co. v. Comerma*, 180 F. 920, 921 (S.D.N.Y. 1910); *Pepper v. Labrot*, 8 F. 29, 36 (D. Ky. 1881). The “Ten Year Clause” of the 1905 Act, whereby a trade name that had been in use for ten years prior to the passage of the Act was allowed to be federally registered even though it did not otherwise qualify as a technical trademark, was considered a codification of the secondary meaning rule. *See* HARRY D. NIMS, THE LAW OF UNFAIR COMPETITION AND TRADE-MARKS § 43, at 78 (2d ed. 1917).

association of the trade name by consumers with the source of the product, so that the trade name was deemed to have acquired distinctiveness similar to that of a technical trademark.⁴⁹ By the 1930s, the distinction between technical trademarks and trade names had blurred to such an extent that scholars of the period declared that “in the main the trade name cases tend to approximate the trade-mark decisions and that the supposedly sharp line of demarcation is being obliterated.”⁵⁰

With the passage of the Lanham Act in 1946, the distinction between the two categories and the use of the two terms was officially eliminated.⁵¹ A trademark can now be both one that is inherently distinctive (formerly known as the technical trademark) and one that has acquired distinctiveness (formerly known as a trade name).⁵² One court has stated, “While the terms, words, letters, signs and symbols used by the parties are in part trade-marks and in part tradenames, the precise difference is immaterial as the law protects against the appropriation of either upon the same fundamental principles.”⁵³ The import of the collapse of this distinction is that the broad injunctive relief in trademark-infringement actions (once reserved for a select category of trademarks) is now available to any source identifier that has acquired secondary meaning.⁵⁴ Therefore, users of descriptive terms (such as “fish fry”⁵⁵) or even advertising slogans⁵⁶ claim trademark protection through secondary meaning, which entitles them to claim infringement by a greater number of users of the descriptive term.⁵⁷

This expansion in the category of source identifiers that may qualify for trademark protection is troubling because it not only impacts

49. See *E. Columbia, Inc. v. Waldman*, 181 P.2d 865 (Cal. 1947).

50. Handler & Pickett, *supra* note 42, at 200; see also *Armstrong Paint & Varnish Works v. Nu-Enamel Corp.*, 305 U.S. 315 (1938).

51. Compare 15 U.S.C. § 1052(f) (2006), with Trade-Mark Act of 1905, Pub. L. No. 58-84, § 5(b), 33 Stat. 724, 725–26.

52. See *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 769 (1992).

53. *Standard Oil Co. v. Standard Oil Co.*, 252 F.2d 65, 71 (10th Cir. 1958).

54. See *Qualitex Co. v. Jacobson Prods. Co.*, 514 U.S. 159, 164 (1995).

55. *Zatarains, Inc. v. Oak Grove Smokehouse, Inc.*, 698 F.2d 786, 788 (5th Cir. 1983).

56. For example, Fox News Corporation has registered its slogan, “Fair & Balanced” as a trademark, FAIR & BALANCED Registration No. 2,213,427, and brought a lawsuit to stop the use of the slogan by a third party. See *Fox News Network LLC v. Penguin Grp. (USA) Inc.*, 31 Media L. Rep. (BNA) 2254 (S.D.N.Y. 2003).

57. For example, Zatarains, Inc., claiming that their descriptive trademarks “FISH-FRI” and “CHICK-FRI” had acquired secondary meaning, filed a lawsuit against three out of the four users of the term “fish fry.” See *Zatarains, Inc.*, 698 F.2d at 788.

the ability of businesses to compete, but it also impacts the free expression rights of all entities and individuals.⁵⁸ Additionally, when combined with a corollary development in the standards for trademark infringement, these expansions are alarming, as the breadth of potentially infringing uses balloons to unprecedented proportions.⁵⁹

2. EXPANSION OF ACTIONABLE CONFUSION AND RELATED GOODS

An additional development in trademark law that has expanded the scope of trademark protection has occurred in the standards for trademark infringement: the likelihood of confusion.⁶⁰ This liability standard refers to the probability (not the actuality or possibility) that consumers will be confused by the same or similar trademarks.⁶¹ The core of the standard, confusion, has been around since the inception of trademark law in the United States.⁶² However, traditional trademark law defined confusion narrowly and courts limited plaintiff recovery to situations of direct competition, where consumers of defendant's products overlapped with the plaintiff's consumers.⁶³ With the burgeoning consumer-products market,⁶⁴ this narrow approach to confusion soon gave way to a broader approach. In the case of *Aunt Jemima Mills Co. v. Rigney & Co.*,⁶⁵ the plaintiff, Aunt Jemima Mills

58. See Lisa P. Ramsey, *Descriptive Trademarks and the First Amendment*, 70 TENN. L. REV. 1095, 1162 (2003). Professor Ramsey's article provides an excellent argument of how trademark protection of descriptive trademarks violates the First Amendment. See *id.*

59. See Dreyfuss, *supra* note 38, at 405.

60. See 15 U.S.C. §§ 1114(1)(a), 1125(a)(1) (2006); see also *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 769 (1992); RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 20 cmt. d (1993) ("The term 'likelihood of confusion' has long been used to describe the standard of liability for trademark infringement in actions at common law and under federal and state trademark and unfair competition statutes.").

61. See RICHARD L. KIRKPATRICK, LIKELIHOOD OF CONFUSION IN TRADEMARK LAW § 1:1 (1995); see also *Lois Sportswear, U.S.A., Inc. v. Levi Strauss & Co.*, 799 F.2d 867, 875 (2d Cir. 1986); *Cont'l Motors Corp. v. Cont'l Aviation Corp.*, 375 F.2d 857, 860 & n.8 (5th Cir. 1967); MCCARTHY, *supra* note 41, § 23:3.

62. See, e.g., *Thomson v. Winchester*, 36 Mass. (16 Pick.) 214, 216 (Mass. 1837).

63. See, e.g., *Borden Ice Cream Co. v. Borden's Condensed Milk Co.*, 201 F. 510, 512-13 (7th Cir. 1912). This is perhaps due, in part, to the fact that most trademark owners only utilized their trademark in one product category. See Sara Stadler Nelson, *The Wages of Ubiquity in Trademark Law*, 88 IOWA L. REV. 731, 777 (2003) ("In 1927, the vast majority of trademarks identified only a single good, or, at most, a single class of goods.").

64. See PAMELA WALKER LAIRD, ADVERTISING PROGRESS: AMERICAN BUSINESS AND THE RISE OF CONSUMER MARKETING 31 (1998) (discussing the post-war expansion of consumer products).

65. 247 F. 407 (2d Cir. 1917).

Company, made and sold pancake batter under the trademark "AUNT JEMIMA" and brought suit against the defendant who was using the same trademark on pancake syrup. While the plaintiff did not yet make pancake syrup, the court held that, "Syrup and flour are both food products, and food products commonly used together. Obviously the public, or a large part of it, seeing this trade-mark on a syrup, would conclude that it was made by the complainant."⁶⁶

Later courts held similarly and when the new federal trademark law was passed in 1946, the statute "embraced" this "related goods" doctrine.⁶⁷ Whereas the previous federal trademark statute, the 1905 Act, had required that trademark infringement be limited to unauthorized use "upon or in connection with the sale of merchandise of *substantially the same descriptive properties as those set forth in [plaintiff's] registration*,"⁶⁸ the 1946 Lanham Act only required that the unauthorized use be in connection with goods or services.⁶⁹ Amendments to the Lanham Act in 1962 strengthened the ability of plaintiffs to claim infringement based on not only confusion as to the source of products, but also as to association, sponsorship, or affiliation.⁷⁰ As one court stated, "Under the Lanham Act, as amended, however, Congress adopted an open-ended concept of confusion. Any kind of confusion will now support an action for trademark infringement."⁷¹ With the potential for confusion to reach across unrelated product categories, trademark owners have the ability to allege infringement over trademark use in increasingly larger swathes of life. For example, these expansions in trademark law provide fodder for lawsuits such as the *International House of Pancakes v. International House of Prayer*, where the plaintiff alleged confusion

66. *Id.* at 410.

67. *See* McKenna, *supra* note 31, at 1901.

68. Trade-Mark Act of 1905, Pub. L. No. 58-84, § 16, 33 Stat. 724, 728, *repealed by* Lanham Act, Pub. L. No. 79-459, § 46(a), 60 Stat. 427, 444 (1946) (codified as amended in various sections of 15 U.S.C.) (emphasis added).

69. *See* Lanham Act § 32(1)(a) ("(1) Any person who shall, in commerce, (a) use without the consent of the registrant, any reproduction, counterfeit, copy, or colorable imitation of any registered mark in connection with the sale, offering for sale, or advertising of any goods or services . . . shall be liable to a civil action by the registrant . . .").

70. The amendments in 1962 deleted the requirement that confusion be of "purchasers as to the source of origin of such goods or services." MCCARTHY, *supra* note 41, §5:6; *see also* Act of Oct. 9, 1962, Pub. L. No. 87-772, § 2, 76 Stat. 769, 769.

71. *Armstrong Cork Co. v. World Carpets, Inc.*, 597 F.2d 496, 501 n.6 (5th Cir. 1979).

between the use of “IHOP” for pancakes (plaintiff’s use) and religion (defendant’s use).⁷²

3. THE FAME MONSTER

Bolstering these two developments has been the heightened significance paid by courts and legislatures to “strong” or “famous” trademarks.⁷³ Trademark strength, or fame, refers to the level of consumer recognition for a particular trademark.⁷⁴ The higher the levels of consumer recognition, that is, the more people recognize a trademark, the stronger or more famous the trademark is considered to be.⁷⁵ The benefits of having a strong or famous trademark are manifold, but in particular, a strong or famous trademark receives the benefits of an expanded likelihood-of-confusion infringement standard in two ways. First, trademark strength is one of the factors considered in the likelihood-of-confusion analysis.⁷⁶ The stronger one’s trademark, the more likely it is that the court will determine that there is a likelihood of confusion. As one court has stated, “The stronger the mark, the more likely it is that encroachment on it will produce confusion.”⁷⁷

Second, a strong trademark can claim confusion over an expanded category of products and the various types of confusion, as the ability to claim such protection depends on the strength of the trademark. An owner whose trademark is considered “weak” may acquire rights to enjoin the use or registration of the same or similar trademark, but generally only where such third-party use is within the same category of products as the owner’s trademark is used within.⁷⁸ For example, the owner of “FAMILY CIRCLE,” a trademark for a woman’s magazine, could not enjoin third-party uses of FAMILY CIRCLE for uses with

72. See generally Demand for Jury Trial, *IHOP IP, LLC v. Int’l House of Prayer*, No. CV10-6622-SHO-SHX, 2010 WL 3775268 (C.D. Cal. Sept. 9, 2010).

73. Congress passed the Federal Trademark Dilution Act in 1996, providing federal protection for famous marks from dilution. Federal Trademark Dilution Act of 1995, Pub. L. No. 104-98, § 3, 109 Stat. 985, 985 (1996). Congress amended this act in 2006. Trademark Dilution Revision Act of 2006, Pub. L. No. 109-312, § 2, 120 Stat. 1730, 1730.

74. See *James Burrough, Ltd. v. Sign of the Beefeater, Inc.*, 540 F.2d 266, 276 (7th Cir. 1976).

75. See MCCARTHY, *supra* note 41, § 11:83.

76. See GRAEME B. DINWOODIE & MARK D. JANIS, TRADEMARKS AND UNFAIR COMPETITION: LAW AND POLICY 506–09 (2d ed. 2007).

77. *Champions Golf Club, Inc. v. The Champions Golf Club, Inc.*, 78 F.3d 1111, 1117 (6th Cir. 1996); see also MCCARTHY, *supra* note 41, §11:73.

78. See, e.g., *Brookfield Commc’ns, Inc. v. W. Coast Entm’t Corp.*, 174 F.3d 1036, 1058–59 (9th Cir. 1999).

women's clothing or food.⁷⁹ However, if a trademark owner has acquired an increased level of consumer recognition, an expansion of product categories, along with affiliation and sponsorship confusion, becomes available to the trademark owner.⁸⁰ For example, a "famous" trademark, such as "ARDEN B," a trademark for women's clothing stores, could enjoin not only third-party uses of ARDEN B and other formulations (such as "ARDENBEAUTY") for uses with women's clothing, but uses in other product categories, such as personal-care products.⁸¹

Additionally, famous trademarks are afforded an alternative form of protection against potential dilution.⁸² Dilution is a type of trademark infringement that does not need a likelihood of confusion to be actionable, but rather only a likelihood of dilution through an association between the senior and junior trademarks.⁸³ Federal dilution law protects famous trademarks against the likelihood that the fame of the trademark will be diluted either through "blurring" or "tarnishment."⁸⁴ Although the level of consumer recognition needed to qualify for this protection is quite high,⁸⁵ this has not stopped trademark owners from laying claim to fame and alleging trademark dilution.⁸⁶ This ability to claim fame in pre-litigation settings, such as in cease-and-desist letters, has provided trademark owners with hefty ammunition.⁸⁷ In addition, these benefits that accrue to strong or

79. See *Family Circle, Inc. v. Family Circle Assocs., Inc.*, 332 F.2d 534, 540 (3d Cir. 1964).

80. See *Mobil Oil Corp. v. Pegasus Petroleum Corp.*, 818 F.2d 254, 258 (2d Cir. 1987); *James Burrough, Ltd. v. Sign of the Beefeater, Inc.*, 540 F.2d 266, 276 (7th Cir. 1976) ("A mark that is strong because of its fame or its uniqueness, is more likely to be remembered and more likely to be associated in the public mind with a greater breadth of products or services, than is a mark that is weak . . .").

81. See *Wet Seal Inc. v. FD Mgmt. Inc.*, 82 U.S.P.Q.2d (BNA) 1629, 1641-42 (T.T.A.B. 2007).

82. 15 U.S.C. § 1125(c) (2006).

83. See Clarisa Long, *Dilution*, 106 COLUM. L. REV. 1029, 1030-31 (2006) ("[D]ilution grants trademark holders a remedy for the use of their famous marks by another even when consumers are not confused.").

84. § 1125(c)(1).

85. § 1125(c)(2)(A) ("[A] mark is famous if it is widely recognized by the general consuming public of the United States as a designation of source of the goods or services of the mark's owner.").

86. A quick Lexis database search of trademark-infringement cases filed in federal district courts from 1995 to 2010 shows 2,417 cases alleging dilution as a cause of action (out of 7,773 filed trademark-infringement claims) (Lexis search: US District Court Cases, Combined, "trademark w/1 infringement," and Focus: "dilution").

87. See generally Gerard N. Magliocca, *From Ashes to Fire: Trademark and Copyright in Transition*, 82 N.C. L. REV. 1009, 1033 (2004) (stating that dilution "is now a powerful alternative to the traditional model of trademark protection"). Some

famous trademarks, and the ability to lose such rights, have incentivized trademark owners aspiring to such status and expanded protection to increase their policing efforts.⁸⁸

4. AGGRESSIVE POLICING TO EXPAND OR MAINTAIN TRADEMARK RIGHTS

An owner's trademark rights can be lost or restricted through a failure to control how third parties are using the trademark (or even similar trademarks).⁸⁹ Since the expanded scope of trademark protection is afforded to stronger trademarks,⁹⁰ trademark owners have a burden of either increasing the strength of their trademark, or ensuring that their strong trademark does not lose its strength.⁹¹ In order to do this, trademark owners need to police the extent to which their trademark is used in similar product categories, as well as in other categories, as "[t]rademarks are weak when they are merely one of a similar crowd of marks."⁹² For example, where the owners of the trademark "DOMINO'S" for sugar had not objected to other uses of their trademark, the owners were restricted to exclusive use only in the sugar market.⁹³ The possibility of a loss of trademark strength is cited frequently by trademark owners as the reason for aggressive trademark

public-interest groups, such as Public Knowledge, attempted to rally small businesses and individuals against the passage of the Trademark Dilution Revision Act in 2006, arguing that small businesses "will be severely limited when choosing how to market their products and refer to themselves." *H.R. 683: The Trademark Dilution Revision Act of 2005*, PUBLIC KNOWLEDGE (Feb. 9, 2005). <http://www.publicknowledge.org/issues/tmdilution> (last visited Mar. 17, 2011); see also *Stop the Trademark Dilution Revision Act*, FACEBOOK, <http://www.facebook.com/group.php?gid=2210302309> (last visited Mar. 17, 2011).

88. See, e.g., Benny Evangelista, *Monster Fiercely Protects Its Name: Cable Products Company Sues Those Who Use M-Word*, S.F. CHRON., Nov. 8, 2004, <http://www.sfgate.com/cgi-bin/article.cgi?f=/c/a/2004/11/08/BUG1J9N3C61.DTL>.

89. See § 1127 (defining when a mark is "abandoned").

90. See Julius R. Lunsford, Jr., *Trademark Basics*, 59 TRADEMARK REP. 873, 878 (1969) ("Strong marks are widely protected, as contrasted to weak marks.").

91. See *E.I. DuPont de Nemours & Co. v. Yoshida Int'l, Inc.*, 393 F. Supp. 502, 512 (E.D.N.Y. 1975) ("[S]trength is primarily a question of degree, an amorphous concept with little shape or substance when divorced from the mark's commercial context, including an appraisal of the owner's policing efforts to ensure that whatever distinctiveness or exclusivity has been achieved is not lost through neglect, inattention, or consent to infringing use.").

92. MCCARTHY, *supra* note 41, § 11:91.

93. See *Amstar Corp. v. Domino's Pizza, Inc.*, 615 F.2d 252, 265 (5th Cir. 1980) ("A trademark owner that strongly believed its customers were being deceived would hardly have remained idle for such an extensive period of time.").

enforcement efforts: “We have an obligation to protect our trademark; otherwise we’d lose it.”⁹⁴

In addition, the fear of losing the ability to claim trademark infringement due to the equitable doctrines of acquiescence and laches may also underlie aggressive trademark enforcement strategies.⁹⁵ These equitable doctrines work to estop a trademark owner from claiming trademark infringement due to the past inactivity of the trademark owner.⁹⁶ For example, where the National Federation of the Blind had been aware of the Missouri Federation of the Blind since the latter’s inception, and did not challenge the latter’s use of the term for at least ten years, a court held that the senior holder could not claim trademark infringement from the junior user.⁹⁷ As one commentator has noted, “The fear that not bringing a suit now might foreclose or damage interests in bringing suit later may lead to unnecessary litigation.”⁹⁸

The increased stakes in having a strong mark and the fear of acquiescence or laches provides an incentive (or excuse) to trademark owners to aggressively police their trademarks. Aggressive policing can quite easily cross the line into bullying, “[a]fter all, one person’s policing is another person’s harassment, or worse, abusive trademark litigation.”⁹⁹

B. Trademark Bullying

Trademark owners are incentivized by the developments in trademark law to obtain expanded trademark rights and to keep these rights through aggressive policing. However, some trademark owners cross the line from aggressive, but reasonable, trademark enforcement

94. Evangelista, *supra* note 88 (quoting Noel Lee, President, Monster Cable).

95. See Greene, *supra* note 12, at 640 (“[P]ractitioners no doubt feel doctrinal pressure to protect their clients’ marks aggressively, based on the fear that inaction against potential infringers now could lead to a finding of acquiescence or laches later.”).

96. See, e.g., *Coach House Rest., Inc. v. Coach & Six Rests., Inc.*, 934 F.2d 1551, 1558 (11th Cir. 1991) (discussing laches and acquiescence, “both . . . are capable of estopping a petitioner from asserting dormant rights against a defendant. The difference between acquiescence and laches is that laches denotes passive consent and acquiescence denotes active consent.”); see also *Dial-A-Mattress Operating Corp. v. Mattress Madness, Inc.*, 841 F. Supp. 1339, 1355–56 (E.D.N.Y. 1994) (“A laches or acquiescence defense does not divest the trademark owner of the right to use the mark but may deprive him or her of any remedy for infringing uses by others.”); MCCARTHY, *supra* note 41, § 31:41–43.

97. See *Mo. Fed’n of the Blind v. Nat’l Fed’n of the Blind of Mo., Inc.*, 505 S.W.2d 1, 10 (Mo. Ct. App. 1973).

98. Greene, *supra* note 12, at 640.

99. Desai & Rierson, *supra* note 33, at 1834.

to abusive trademark enforcement.¹⁰⁰ This section will define trademark bullying, and then move on to a discussion of the harms bullying produces.

1. WHAT IS TRADEMARK BULLYING?

This Article defines “trademark bullying” as the enforcement of an unreasonable interpretation by a large corporation of its trademark rights against a small business or individual through the use of intimidation tactics. This definition tracks the standard definition of a bully, which is a person who is “habitually threatening, harsh, or cruel to others weaker or smaller than himself.”¹⁰¹ The reason is that where a large corporation unreasonably interprets its trademark rights and enforces that interpretation against a small business or individual through the use of intimidation tactics, the large corporation is deliberately (or at the very least negligently) intimidating or persecuting a weaker party. While neither unreasonable interpretation of trademark rights nor intimidation tactics are exclusively the domain of large corporations, this Article confines the definition of trademark bullying to when these elements are utilized by large corporations against small businesses or individuals because of the relative vulnerability of this category of potential targets. This vulnerability, or weakness, stems from these victims’ inability to access the same legal tools as large corporations, which is more fully discussed in Part II. There are four elements in this Article’s bullying definition, which are discussed in turn below: (1) unreasonable interpretation of rights, (2) intimidation tactics, (3) the trademark holder is a large corporation, and (4) the accused infringer is a small business or individual.

100. See Cheryl L. Hodgson, *When Enforcement Becomes Bullying*, *WORLD TRADEMARK REV.*, June/July 2010, at 73.

101. WEBSTER’S THIRD INTERNATIONAL DICTIONARY 295 (unabr. ed. 2002) [hereinafter WEBSTER’S].

a. *Unreasonable interpretation of trademark rights*¹⁰²

While trademark owners have a justifiable need to police against unauthorized third-party uses of their trademarks, such policing crosses the line into bullying when large corporations unreasonably interpret their trademark rights. More specifically, an unreasonable interpretation of trademark rights occurs when large corporations do one or more of the following: (1) do not conduct a complete and objective assessment of the third party's trademark and/or use of the trademark, (2) exaggerate the strength of their trademark, or (3) exaggerate the extent to which confusion is likely.

In the first instance, trademark owners engage in unreasonable interpretations of their trademark rights when they conduct a cursory assessment of the infringing nature of the third party's trademark and the use of the trademark by the third party, or do not conduct an assessment at all.¹⁰³ Warner Brothers' policing of third-party uses of "HARRY POTTER" is a prime example of when trademark owners cross the line into bullying through the failure to assess third-party uses of the corporations' trademark. When Warner Brothers purchased the merchandising rights to the *Harry Potter* book-series franchise, it embarked on a cease-and-desist letter campaign to capture all of the websites that had been registered using the term HARRY POTTER.¹⁰⁴ These letters were apparently sent without an assessment of who operated the underlying website (individuals or businesses) or whether the websites were commercial in nature or purely non-commercial (set up by fans of the books and characters).¹⁰⁵ Warner Brothers later discovered, to their chagrin, that many of its letters were sent not only

102. See 156 CONG. REC. S349 (daily ed. Jan. 28, 2010) (statement of Sen. Leahy) ("When a corporation exaggerates the scope of its rights beyond a reasonable interpretation in an attempt to bully a small business out of the market, that is wrong."). The norm that is violated is a legal norm against an unreasonable interpretation of legal rights. Legal and business ethics inform the reasonable interpretation of rights. While it is not illegal to exaggerate the scope of one's rights, there are ethical penalties for lawyers who assist clients in so doing. See, e.g., FED. R. CIV. P. 11 (imposing affirmative duty on attorneys to make a reasonable inquiry into the circumstances of a case and authorizing courts to impose sanctions on attorneys or law firms who violate the rule).

103. Although drawing bright-line rules for when a large corporation conducts a "cursory" assessment of a third party's trademark use may be difficult to do with any real certainty, it is useful to keep the dictionary definition for "cursory" in mind: "rapidly often superficially performed with scant attention to detail." WEBSTER'S, *supra* note 101, at 558.

104. See *Warner Conjures Up Trouble*, NEW MEDIA, Apr. 12, 2001, at 34.

105. See *id.*

to children (one letter recipient was fourteen years old) but that these websites were fan-based and not for commercial purposes.¹⁰⁶

Next, trademark owners may cross the line into bullying through an exaggeration of the strength of its trademark and the corresponding scope of protection. While trademark law has provided an expansion of rights to owners of strong trademarks, not all trademarks qualify for such rights.¹⁰⁷ Even where trademark owners have registered trademarks, this registration does not confer trademark strength.¹⁰⁸ But in the pre-litigation enforcement stage, the assessment of the strength of one's trademark and its corresponding scope of protection is privately conducted, which means that the trademark owner can feel free to claim strength where there is none. As there are few bright-line rules in trademark law, this self-assessment is prone to subjectivity.¹⁰⁹ Trademark owners cross the line into bullying when they take advantage of this subjectivity and contend that their trademark is worthy of strong protection without the evidence to support high levels of consumer recognition.¹¹⁰ Another form of bullying comes when a trademark owner attempts to control all uses of a descriptive or generic term that the owner has registered as a trademark. For example, Entrepreneur Media has been on a decade-long campaign to eradicate all uses of the term "ENTREPRENEUR" with respect to print and online media focusing on starting and operating small businesses, even though the term "entrepreneur" with respect to start-up businesses is decidedly descriptive, and perhaps even generic.¹¹¹

In addition, an assessment of the third party's actions is needed in order to assess whether there is a likelihood of confusion between the third party's use of a trademark and the trademark owner.¹¹² Similar to the self-assessment of the strength of one's trademark, this assessment

106. See Elizabeth Weise, *'Potter' Is Still the Muggles' Domain*, USA TODAY, Feb. 6, 2002, <http://www.usatoday.com/tech/columnist/2001-04-24-weise.htm>.

107. See *supra* Part I.A.3.

108. See Amy Zipkin, *Entrepreneurs Must Choose Their Words with Care*, N.Y. TIMES, Oct. 7, 2004, http://www.nytimes.com/2004/10/07/business/07sbiz.html?_r=2&pagewanted=all&position= (quoting Professor Roger Schechter).

109. See Ann Bartow, *Likelihood of Confusion*, 41 SAN DIEGO L. REV. 721, 738 & n.49 (2004).

110. See Evangelista, *supra* note 88.

111. See Zipkin, *supra* note 108.

112. A likelihood-of-confusion analysis is typically conducted by courts using a multi-factor test. While the specific number of factors vary from circuit to circuit, see Barton Beebe, *An Empirical Study of the Multifactor Tests for Trademark Infringement*, 94 CALIF. L. REV. 1581, 1582-84 (2006), all of the various tests include factors that examine defendant's use of the trademark. See DINWOODIE & JANIS, *supra* note 76, at 506-08.

of likelihood of confusion is also quite subjective¹¹³ and can be prone to exaggeration or incomplete analyses. Bullying occurs when trademark owners exaggerate the likelihood that a third party's trademark use would cause confusion with their own, especially where the allegation of confusion is based on an incomplete assessment of the third-party use.¹¹⁴ For example, three out of the five domain-name owners that Ford Motor Corporation filed a lawsuit against for trademark infringement were simply "hobbyists."¹¹⁵ One of the domain-name owners, the owner of "jaguarcenter.com," hosted a website about the wild cats and not cars.¹¹⁶ In addition, trademark owners need to remember that the likelihood-of-confusion standard is based on a multi-factor analysis.¹¹⁷ While there is some evidence that in conducting this multi-factor analysis courts tend to favor some factors over others,¹¹⁸ trademark owners are not necessarily paying close attention to these factors, nor are they always analyzing third-party usage under all factors.¹¹⁹ For example, where there is a large geographical distance between a trademark owner and the third party, this may be strong evidence that there is no likelihood of confusion.¹²⁰

b. Intimidation tactics

The second element of trademark bullying is the intimidation tactics used by bullies in enforcing their trademark rights.¹²¹ Intimidation tactics are not unique to trademark law, and other areas of the law, such as contract law, recognize that intimidation tactics utilized by stronger parties against weaker parties are contrary to public policy

113. See Bartow, *supra* note 109, at 745.

114. See Ridgway, *supra* note 19, at 1549.

115. See *EFF Wins a Partial Victory in Ford Case*, *supra* note 24.

116. See *Ford Motor Co. v. Greatdomains.com, Inc.*, 177 F. Supp. 2d 635, 644 (E.D. Mich. 2001).

117. See KIRKPATRICK, *supra* note 61, at 1-5.

118. See Beebe, *supra* note 112, at 1586.

119. One way to protect against these allegations is to keep records of the trademark-infringement assessment and legal analysis.

120. See, e.g., *What-A-Burger of Va., Inc. v. Whataburger, Inc.*, 357 F.3d 441, 450-51 (4th Cir. 2004).

121. There is a recognized legal norm against utilizing intimidation tactics that have the effect of forcing or coercing weaker parties into agreeing to something that they would not have otherwise agreed. For example, in contract law, doctrines of unconscionability, duress, and undue influence protect weaker parties against various sorts of intimidation tactics. See generally *Williams v. Walker-Thomas Furniture Co.*, 350 F.2d 445, 447-49 (D.C. Cir. 1965) (unconscionability); *Totem Marine Tug & Barge, Inc. v. Alyeska Pipeline Serv. Co.*, 584 P.2d 15 (Alaska 1978) (economic duress); *Odorizzi v. Bloomfield Sch. Dist.*, 54 Cal. Rptr. 533, 539-41 (Dist. Ct. App. 2d 1966) (undue influence).

and should be deterred.¹²² For example, in an action for contract enforcement, a defendant can argue that the contract should be voided based on defects at the time of contract formation, such as duress and undue persuasion.¹²³ If a court voids the contract due to one of these intimidation tactics, the plaintiff has no further recourse against the defendant.¹²⁴ Similar intimidation tactics are utilized by trademark bullies; these include a combination of undue economic pressure and coercive persuasion.

(I) UNDUE ECONOMIC PRESSURE

Small businesses and individuals are often in precarious economic situations, as will be discussed in more detail below. This economic frailty is generally not the fault of the trademark bully; however, the bully takes advantage of the precarious situation of small businesses and individuals. Bullying occurs when the trademark owner provides no alternative other than to comply with the demands of the trademark owner.¹²⁵ Typically the trademark owner couches the trademark dispute in very stark terms, offering the target the choice to cease using the trademark or fight through litigation.¹²⁶ Other options, such as a co-existence agreement, a licensing arrangement, or mediation, may not be

122. See generally Clare Dalton, *An Essay in the Deconstruction of Contract Doctrine*, 94 YALE L.J. 997, 1024 (1985); Arthur Allen Leff, *Unconscionability and the Code—The Emperor's New Clause*, 115 U. PA. L. REV. 485, 487 (1967).

123. See, e.g., *Totem Marine Tug & Barge*, 584 P.2d at 22; *Odorizzi*, 54 Cal. Rptr. at 539.

124. See, e.g., *Capps v. Ga. Pac. Corp.*, 453 P.2d 935 (1969) (holding that where the defendant exploited the plaintiff's desperation, the contract was rescinded with no cause of action for defendant to recover against the plaintiff).

125. While some bullies offer monetary assistance to the small-business owner or individual to cover the costs of changing the trademark, this monetary assistance generally comes only after the small business or individual has capitulated. See Lou Carlozo, *McDonald's Ends 'McFight' with Collegiate Charity Concert Promoter*, WALLETPOP (Jul. 12, 2010), <http://www.walletpop.com/blog/2010/07/12/mcdonalds-ends-mcfight-with-collegiate-charity-concert-promot/> [hereinafter *McDonald's Ends 'McFight'*]. In addition, even where the small-business owner has not agreed to change its trademark, the offer of monetary assistance comes after the bullying has already occurred. See *Monster Companies Settle Name Differences*, National Public Radio (Jan. 7, 2009).

126. See Letter from Robert W. Payne, Attorney, LaRiviere, Grubman & Payne, to Michael Shkolnik, dated Jun. 7, 2002 (on file with author) ("Monster Cable vigorously protects its exclusive rights and wishes to resolve this matter promptly and in a satisfactory manner. We have otherwise been directed immediately to file suit in federal court to contest your use of 'monster.biz' for trademark dilution and infringement. The complaint is prepared, and we will file it next week if we do not receive an acceptable response from you by [date].").

mentioned in the cease-and-desist letter.¹²⁷ Litigating necessitates sufficient financial resources to see the lawsuit through until the final appeal.¹²⁸ Financially, many small businesses and individuals have little resources to fight a legal battle against large corporations with deep financial pockets. As Matt Nadeau of Rock Art Brewery explained:

The way the system is set up, I'm being explained by these trademark lawyers, is that this will enter the court system and this \$1 billion corporation will be allowed to fight this in the courts with dollars. If I win the first round, they can appeal. And if I win the second round, they can appeal. And all the time, this starts at \$65,000 for each court case and goes and goes and goes. And at some point obviously, a small little Vermont brewery is not going to be able to afford this anymore. And what happens at that point when you're involved in this legal battle and can no longer afford to represent yourself, you lose by default. The court system says you default lose. What happens then? I have to change the name of the beer and move on if there's any brewery left.¹²⁹

A trademark owner's threat that it will sue the small business or individual if they do not comply with its demands is often enough economic pressure to force the small business or individual into compliance. Additionally, bullying occurs (when coupled with an unreasonable interpretation of rights) when trademark owners include demands for attorney's fees in their cease-and-desist letters—even if the recipient complies—or claims that attorney's fees and costs will be awarded when the litigation against the small business or individual is

127. One letter out of over two hundred seventy letters from the ChillingEffects.org database of trademark cease-and-desist letters mentions arbitration as an option. See Letter from Cornell Univ., to Welzie, *available at* <http://www.chillingeffects.org/documenting/notice.cgi?NoticeID=661>. Letters from eBay mention actions taken in arbitration at the World Intellectual Property Organization. See Letter from eBay, Inc., to John Salmon (Aug. 27, 2003), *available at* <http://chillingeffects.org/domain/notice.cgi?NoticeID=809>; Letter from eBay, Inc., to W. Applications (Aug. 26, 2003), *available at* <http://chillingeffects.org/domain/notice.cgi?NoticeID=812>; Letter from eBay Legal Dep't, to Automatt Ventures (Jul. 30, 2002), *available at* <http://chillingeffects.org/udrp/notice.cgi?NoticeID=368>; Letter from eBay, Inc., to Joan Dumas (Jul. 22, 2002), *available at* <http://chillingeffects.org/domain/notice.cgi?NoticeID=394>; Letter from eBay Legal Dep't, to Valley Trading Post.com (Feb. 19, 2005), *available at* <http://chillingeffects.org/acpa/notice.cgi?NoticeID=1686>.

128. See Rebecca Callahan, *Arbitration v. Litigation: The Right to Appeal and Other Misperceptions Fueling the Preference for a Judicial Forum* 7–8 (Bepress, Legal Series, Paper No. 1248, 2006).

129. *Matt vs. Monster*, *supra* note 5, at 1:47.

found in favor of the large corporation (and the letter is often couched in terms that lead the recipient to conclude that the only outcome is that the large corporation will win).¹³⁰ The small business or individual has no way of knowing that attorney's fees are awarded only in rare instances of trademark infringement.¹³¹

(II) COERCIVE PERSUASION

While trademark owners have an obligation to put third parties on notice about their trademark rights, the manner in which such notice is couched can be coercively persuasive. Coercive persuasion occurs when one party takes “unfair advantage of another’s weakness of mind; or . . . a grossly oppressive and unfair advantage of another’s necessities or distress.”¹³² The majority of cease-and-desist letters include a variety of aspects that unfairly take advantage of small businesses’ or individuals’ lack of legal knowledge.¹³³ The cease-and-desist letter is typically written by a lawyer (either the corporation’s in-house lawyer or an outside law firm) and written in legalese.¹³⁴ The letter will sometimes cite to court cases, which may or may not be relevant to the small business or individual (not that the victim would have reason to know that).¹³⁵ Not only do these letters take unfair advantage of the recipients’ lack of legal knowledge, there is also an element of emotional coercion. This type of letter from a lawyer, received by a non-lawyer, often brings emotional distress, which many

130. A survey of over two hundred seventy cease-and-desist letters in the ChillingEffects.org database reveals that approximately 20 percent of the letters include either a demand for payment of attorney’s fees, or claim that attorney’s fees will be awarded when the sender wins the litigation. See CHILLING EFFECTS, <http://chillingeffects.org/index.cgi> (last visited Apr. 3, 2011).

131. Although the Lanham Act provides for a recovery of attorney’s fees in trademark-infringement cases, such award is only for “exceptional cases.” See 15 U.S.C. §1117(a) (2006).

132. *Odorizzi v. Bloomfield Sch. Dist.*, 54 Cal. Rptr. 533, 539 (Dist. Ct. App. 2d 1966) (quoting CAL. CIV. CODE § 1575 (West 1970)).

133. For example, it appears that only one letter in the ChillingEffects.org database cites to a case and attached a copy. See Letter from eBay Legal Department to Joan Dumas, *supra* note 127.

134. See, e.g., *supra* note 127. Approximately 188 letters out of over 270 trademark-related cease-and-desist letters were written by lawyers. See CHILLING EFFECTS, *supra* note 130.

135. See, e.g., Letter from National Football League, *supra* note 14 (citing to *La. State Univ. Bd. of Supervisors v. Smack Apparel Co.*, 438 F. Supp. 2d 653 (E.D. La. 2006), *aff’d*, 550 F.3d 465 (5th Cir. 2008); *Tex. Tech Univ. v. Spiegelberg*, 461 F. Supp. 2d 510 (N.D. Tex. 2006)); Letter from Church of Scientology, to Tanya Durni, <http://www.buffaloscienceologyinfo.com> (Apr. 1, 2005), available at <http://chillingeffects.org/domain/notice.cgi?NoticeID=2060> (citing to eleven cases).

recipients of cease-and-desist letters cite upon receipt.¹³⁶ In addition, many large corporations demand an extremely short time-frame for a response by the small business.¹³⁷ This takes further advantage of the recipients' lack of legal knowledge, as the short time frame does not provide enough time for the small business to properly consult an attorney.¹³⁸

c. Trademark holder is a large corporation and accused infringer is a small business or individual

The third and fourth elements of trademark bullying are focused on the parties involved in the bullying. "Large entities or corporations" and "small businesses or individuals" are defined in terms of financial strength, and this Article is focused on assisting those small businesses and individuals with few or no financial resources to defend against trademark bullying.¹³⁹ The reason for this is that an entity or individual's financial resources is likely to be a factor in whether the entity or individual maintains a legal budget and the size of such budget.¹⁴⁰ And whether an entity or individual maintains a legal budget (as well as the size) is a major factor in whether that entity or individual will be able to access the legal resources needed to defend itself against trademark-infringement allegations.¹⁴¹ An inability to access legal resources is what makes the targeted small businesses and individuals "weaker" than the large corporations. In exploiting this weakness, large

136. For example, Nadeau stated that when he received the cease-and-desist letter from Hansen Beverage Company's lawyer, "I'm just beside myself, you know." See *Matt vs. Monster*, *supra* note 5. Lauren Thom of Fleurty Girl described that the letter from the National Football League's lawyer "scared the bejesus out of me." See Melinda Delatte, 'Who Dat' Shirts CAN Be Sold: NFL Clarifies Saints Gear Position, THE HUFFINGTON POST (Feb. 1, 2010, 8:47 PM), http://www.huffingtonpost.com/2010/02/01/who-dat-shirts-can-be-sol_n_445291.html.

137. A significant number of letters demand a response between ten and fifteen days from the date of the letter, with some letters demanding a response in as short as one or two days. See CHILLING EFFECTS, *supra* note 127.

138. See Ridgway, *supra* note 19, at 1548 ("[R]eady access to a lawyer is a barrier the internet has failed to eliminate.").

139. The Small Business Administration generally defines a small business as any entity with five hundred or fewer employees and annual revenues of under \$7 million (although the specific figures may differ based on industry). See *Summary of Size Standards by Industry*, U.S. SMALL BUSINESS ADMINISTRATION, <http://sba.gov/content/summary-size-standards-industry> (last visited Mar. 9, 2011). However, this Article is not proposing a bright-line standard to determine the exact moment when bullying becomes harassment.

140. See ALTMAN WEIL, 2010 CHIEF LEGAL OFFICER SURVEY 18–19 (2010).

141. Some small businesses or individuals may have insurance, which may cover the costs for certain claims, such as advertising. But the decision to purchase insurance is often determined by financial resources.

corporations are violating a widely held norm against bullying. While there are instances of large corporations attempting to intimidate small businesses or individuals with high levels of financial resources,¹⁴² this does not violate the norm against bullying. These targets are not weaker than the large corporations, as they have sufficient resources to access the legal system and properly defend themselves against these attacks.¹⁴³ And although this behavior may have similar deleterious effects on competition and freedom of expression,¹⁴⁴ this behavior is better termed harassment and not bullying.

2. SOCIETAL HARMS PRODUCED BY BULLYING

Abusive enforcement of rights, whether in the trademark arena or elsewhere, is harmful to society as a whole.¹⁴⁵ Specifically, in the trademark arena, one of the main harms produced by abusive enforcement of trademark rights is a reduction in competition.¹⁴⁶ Free competition among businesses is the bedrock upon which American capitalism has been thought to rest, and the government has been devoted to regulating anti-competitive behavior since 1890.¹⁴⁷ However, the majority of trademark bullying will not fall within the purview of antitrust law, as a trademark is unlikely to generate market power,¹⁴⁸ which is the main requirement for an antitrust cause of action.¹⁴⁹

142. See, e.g., *MasterCard Int'l Inc. v. Nader 2000 Primary Comm. Inc.*, 70 U.S.P.Q.2d (BNA) 1046 (S.D.N.Y. 2004); *Fox News Network LLC v. Penguin Grp. (USA) Inc.*, 31 Media L. Rep. (BNA) 2254 (S.D.N.Y. 2003).

143. See *MasterCard Int'l Inc.*, 70 U.S.P.Q.2d (BNA) 1046; *Fox News Network LLC*, 31 Media L. Rep. (BNA) 2254.

144. For example, Judge Chin in *Fox News Network LLC* declared that Fox News was "trying to undermine the First Amendment." *Still Frowning, Fox News Drops Franken Suit*, WASH. POST, Aug. 26, 2003, at C07; see also *Fox News Network LLC*, 31 Media L. Rep. (BNA) 2254.

145. See, e.g., Richard A. Posner, *The Cost of Rights: Implications for Central and Eastern Europe—And for the United States*, 32 TULSA L.J. 1, 2 (1996) ("The enforcement of legal rights consumes real resources, including . . . indirect costs to the extent that rights are enforceable against socially productive activities, or impose socially burdensome duties, or protect socially harmful activities.").

146. See COOMBE, *supra* note 18, at 66 ("Protecting consumers from potential confusion becomes the ruse by which corporations protect themselves from competition . . .").

147. See 1 HERBERT HOVENKAMP ET AL., *IP AND ANTITRUST: AN ANALYSIS OF ANTITRUST PRINCIPLES APPLIED TO INTELLECTUAL PROPERTY LAW* § 1.2 (2d ed. 2010).

148. See *Clorox Co. v. Sterling Winthrop, Inc.*, 117 F.3d 50, 56 (2d Cir. 1997).

149. See HOVENKAMP ET AL., *supra* note 147, § 4.1 ("An important goal of antitrust policy is minimizing the amount of market power in the economy . . .").

Perhaps due to this, there have been only rare instances where antitrust claims are brought for trademark misuse.¹⁵⁰

This allows large corporations to bypass anticompetitive regulation and achieve the desired end result: reduced competition for their products. The reduction in competition comes in two ways. The first is from a reduction in the number of products bearing the same trademark as the large corporation—or even the level of use by third parties of the trademark. This reduction can come through efforts to stop the use of a trademark or similar variations by third parties in a broad range of product categories, in domain names, or even the use of descriptive trademarks in advertising or on product packaging.¹⁵¹ If there is only one corporation utilizing a particular trademark, the trademark becomes stronger, meaning it is more recognizable to consumers.¹⁵² Greater recognition with consumers typically translates into an increased likelihood that consumers will purchase the large corporation's products, rather than a competitor's products with a lesser recognized trademark.¹⁵³ The second form of reduced competition comes from the cessation of sales of a certain product by the small businesses or individuals. As discussed above, even though the small business or individual complies with the bully's demands, compliance may push the victim into bankruptcy. Complete compliance with a bully's demands may mean the destruction of inventory bearing the infringing trademark, payment of licensing fees for past sales¹⁵⁴ and even payment of attorney's fees.¹⁵⁵ In addition, altering a business's trademark can be expensive, with some small-business owners paying costs of \$50,000.¹⁵⁶ The financial failure of the victim reduces the number of products that compete with the large corporation's products.¹⁵⁷

150. See *id.* § 3.5.

151. See *Am. Online, Inc. v. AT&T Corp.*, 243 F.3d 812 (4th Cir. 2001); Ramsey, *supra* note 58, at 1147–48.

152. See MCCARTHY, *supra* note 41, § 11:85.

153. See RONALD D. MICHMAN, EDWARD M. MAZZE & ALAN J. GRECO, *LIFESTYLE MARKETING: REACHING THE NEW AMERICAN CONSUMER* 66–67 (2003) (“Inexperienced consumers will purchase the most familiar brand and therefore brand recognition is desired by manufacturers.”); see also *James Burrough Ltd. v. Sign of the Beefeater, Inc.*, 540 F.2d 266, 276 (7th Cir. 1976).

154. See Letter from National Football League, *supra* note 14.

155. See Letter from Diane Reed, *supra* note 1.

156. See Parr, *supra* note 20, at 248–49; Robison, *supra* note 20. This is especially true where the small business's product is a parody of the trademark bully's product. See, e.g., *Louis Vuitton Malletier S.A. v. Haute Diggity Dog, LLC*, 507 F.3d 252 (4th Cir. 2007).

157. See COOMBE, *supra* note 18, at 65–66.

Other societal harms that bullying causes are “assault[s] on cultural expression and free speech.”¹⁵⁸ Perhaps the most harmful bullying targets individuals who are utilizing a trademark to parody, criticize, or comment on a trademark owner.¹⁵⁹ Expressions of criticism and parodies provide invaluable commentary on cultural phenomena, such as well-known trademarks.¹⁶⁰ For example, various parodies utilizing “Barbie” (either the doll or the trademarked name) such as the 1997 song produced by Aqua, “Barbie Girl,”¹⁶¹ provide insightful commentary on American culture and the “ideal” woman. In holding that Aqua had a right to use “Barbie” in its song, the Ninth Circuit upheld Aqua’s First Amendment right to such commentary, stating: “The song pokes fun at Barbie and the values that Aqua contends she represents.”¹⁶² In addition, some trademarks transcend their source-identifying functions and become cultural property in their own right,¹⁶³ even entering our language. As Judge Kozinski has asked, “How else do you say that something’s ‘the Rolls Royce of its class’? What else is a quick fix, but a Band-Aid?”¹⁶⁴ Actions taken by large corporations against individuals utilizing trademarks in this manner harms this mode of cultural expression because threats of litigation through cease-and-desist letters are often enough to eradicate the commentary.¹⁶⁵

In sum, trademark bullying of small businesses and individuals is a serious cause for concern, as has been recently noted by members of Congress.¹⁶⁶ In the Trademark Technical and Conforming Act, passed in early 2010, Congress commissioned a study to be undertaken by the Intellectual Property Enforcement Coordinator to examine this very

158. BOLLIER, *supra* note 9, at 129; *see also* Desai & Rierison, *supra* note 33, at 1839. For excellent scholarly treatment of these issues, *see generally* Ramsey, *supra* note 58.

159. *See* Ridgway, *supra* note 19, at 1549.

160. *See* Alex Kozinski, Essay, *Trademarks Unplugged*, 68 N.Y.U. L. REV. 960, 972–73 (1993); Malla Pollack, *Your Image Is My Image: When Advertising Dedicates Trademarks to the Public Domain—With an Example from the Trademark Counterfeiting Act of 1984*, 14 CARDOZO L. REV. 1391, 1393 (1993). In addition, critical reviews of products provide invaluable purchasing aids to consumers. *See* Goldman, *supra* note 19, at 413.

161. *See Mattel, Inc. v. MCA Records, Inc.*, 296 F.3d 894, 909 (9th Cir. 2002).

162. *See id.* at 901.

163. *See* Dreyfuss, *supra* note 38, at 397; Kozinski, *supra* note 160, at 961; Jessica Litman, *Breakfast with Batman: The Public Interest in the Advertising Age*, 108 YALE L.J. 1717, 1728 (1999).

164. *See Mattel, Inc.*, 296 F.3d at 900.

165. *See* Desai & Rierison, *supra* note 33, at 1839.

166. *See* 156 CONG. REC. S349 (daily ed. Jan. 28, 2010) (statement of Sen. Leahy).

issue.¹⁶⁷ The legislation calls for a report studying “the extent to which small businesses may be harmed by litigation tactics by corporations attempting to enforce trademark rights beyond a reasonable interpretation of the scope of the rights granted to the trademark owner.”¹⁶⁸ While the commissioned study is focused in particular on small businesses, bullying of individuals should also be included as well, since trademark bullying brings the very real potential of the bankruptcy of both small businesses and individuals (as will be discussed in more detail below). With the current economic environment, actions that are taken by entities that impede an economic recovery should be closely scrutinized.

II. FIGHTING BACK: PROBLEMS FACING SMALL BUSINESSES AND INDIVIDUALS

As previously acknowledged, unreasonable interpretation of rights coupled with intimidation tactics can occur among entities and individuals of all sizes.¹⁶⁹ However, this rises to the level of bullying only when undertaken by large entities and directed at small businesses and individuals because of their relative vulnerability vis-à-vis the large entities. This vulnerability or weakness stems from an inability to access or afford legal tools. The question becomes one of how to overcome bullying for this category of individuals. Part of the answer to this question lies in the social-movement literature, which shows that litigation is but one tool in the arsenal of effecting change.¹⁷⁰ In addition, litigation may not even be the best tool, as there are some actors who cannot or should not litigate.¹⁷¹ Other tools that actors may

167. Trademark Technical and Conforming Amendment Act of 2010, Pub. L. No. 111-146, § 4, 124 Stat. 66, 69-70.

168. *Id.*

169. See *infra* Part II.B.1. Some commentators do not restrict their definition of bullying to large corporations. See Hodgson, *supra* note 100, at 73 (“[B]ully status is not limited to large companies.”).

170. See THE SOCIAL MOVEMENTS READER: CASES AND CONCEPTS 252 (Jeff Goodwin & James M. Jasper eds., 2d ed. 2009) (describing “repertoires of protest” to include sit-ins, marches, demonstrations, vigils, and petitions); Thomas L. Gais & Jack L. Walker, Jr., *Pathways to Influence in American Politics*, in MOBILIZING INTEREST GROUPS IN AMERICA: PATRONS, PROFESSIONS, AND SOCIAL MOVEMENTS 103, 109 (Jack L. Walker, Jr. ed., 1991) [hereinafter MOBILIZING INTEREST GROUPS] (listing litigation as among eight different tactics to influencing political change).

171. See Kim Lane Scheppele & Jack L. Walker, Jr., *The Litigation Strategies of Interest Groups*, in MOBILIZING INTEREST GROUPS, *supra* note 170, at 162, 171 (“Organizations need the resources of money, ability to turn control of policy over to lawyers, and a long time-horizon to use the courts. These are crucial resources any organization must have to find the courts attractive as a place to achieve policy

utilize include direct action protests, lobbying, and shaming.¹⁷² In the trademark context, this Article argues that shaming is an especially powerful tool for small businesses and individuals, as this group cannot, and should not, litigate.¹⁷³ This Part explores why small businesses and individuals cannot and should not litigate trademark disputes and then turns in Part III to this Article's proposed shaming solution.

*A. Why Small Businesses and Individuals Cannot Litigate
Trademark Disputes*

Upon receipt of a cease-and-desist letter, a rationally minded corporation with unlimited monetary resources would not capitulate immediately, even if its internal analysis of the infringement claim indicated that it had a low likelihood of winning any potential lawsuit. Instead, the rational corporation would likely call the bluff of the threatening company because the rational corporation knows that only 3 percent of all threats of litigation end up in court.¹⁷⁴ If the rational corporation does become embroiled in litigation, it will have the resources to defend itself in the litigation or pay for a settlement with the suing trademark owner. However, small businesses and individuals have neither the infrastructure of large corporations to analyze trademark-infringement claims for validity nor the monetary resources to bluff out would-be bullies.

1. LACK OF INFRASTRUCTURE

In the United States, approximately 78 percent of the twenty-seven million small businesses are owned and managed by a single individual without additional employees.¹⁷⁵ This means that the small business is

goals. . . . [L]itigation remains one of the least popular forms of advocacy pursued by interest groups.”).

172. See Gais & Walker, *supra* note 170, at 109.

173. This Article is not intended to provide legal advice of any sort. In arguing that certain small businesses and individuals should not litigate trademark-infringement lawsuits, this Article is providing a theoretical opinion of the author and is not recommending, encouraging, or suggesting that any entity or individual forego litigation or not defend itself in a lawsuit without first seeking the advice of competent counsel.

174. See STEPHEN C. YEAZELL, *CIVIL PROCEDURE* 265 (7th ed. 2008); see also Kenneth L. Port, *Trademark Extortion: The End of Trademark Law*, 65 WASH. & LEE L. REV. 585, 589 (2008).

175. 2007 Survey of Business Owners, U.S. CENSUS BUREAU (July 13, 2010), <http://factfinder.census.gov/> (follow “Data Census” hyperlink; then follow “Economic

in a similar situation as an individual who receives a cease-and-desist letter. When an individual or small business receives the letter, the proprietor of the small business or the individual is the one who will need to handle all aspects of the issue: the analysis, response, and strategy planning. Unlike a large corporation with a staff of in-house lawyers who may be able to conduct a trademark-infringement analysis, the small-business owner or individual will likely not be capable of conducting a proper analysis on her own, as she is not likely to be a lawyer.¹⁷⁶ Even if the owner or individual is a lawyer (or perhaps has family or friends that are lawyers), it is likely that trademark law is not her area of expertise.¹⁷⁷

In addition, litigation is a time-consuming process, even for a large corporation with a staff of in-house lawyers. From claim analysis to strategy planning, to pre-trial meetings, discovery, and trial, litigation of a trademark-infringement claim may take up to a year to complete, at best.¹⁷⁸ Since it is likely that the small-business owner is both the manager and sole employee of the business, it is unlikely that the owner will have the time to focus on any issues unrelated to the day-to-day workings of the business.¹⁷⁹ Similarly, an individual who has received a cease-and-desist letter is likely to have a full-time job that is unrelated to her trademark use, as many individuals who are targets of cease-and-desist letters are targeted due to domain-name ownership, blogs, fan-based usage, or other non-commercial uses.¹⁸⁰ Further, litigation, and even threats of litigation, brings emotional costs as well, especially for small-business owners and individuals, as threats of litigation may be perceived as a personal attack. Lauren Thom, the recipient of a cease-and-desist letter from the National Football League for selling t-shirts,

Census" hyperlink; then follow "2007 Survey of Business Owners" hyperlink; then select data set "SB0700CSPRE01").

176. See Moutray, *supra* note 13, at 30.

177. Unlike patent attorneys who are admitted to practice before the U.S. Patent & Trademark Office (PTO), trademark attorneys need no special qualification or admittance in order to prosecute or litigate trademark matters. Therefore, it is difficult to estimate the number of trademark attorneys in the United States; however, there are approximately 2,218 U.S.-based attorneys who are members of the International Trademark Association, the largest trademark organization. See INT'L TRADEMARK ASSOC., MEMBERSHIP DIRECTORY (2010) (on file with author).

178. See Julie A. Katz, *The Long and Winding Road: Successful Trademark Litigation in the United States*, INTELLECTUAL ASSET MANAGEMENT MAGAZINE, at 44, 45 (Brands in the Boardroom 2009: Key Branding Issues for Senior Executives Supp. 2009).

179. 2007 Survey of Business Owners, *supra* note 175.

180. See McGeeveran, *supra* note 26, at 58; Ridgway, *supra* note 19, at 1549.

described that her cease-and-desist letter “scared the bejesus out of me.”¹⁸¹

2. LACK OF MONETARY RESOURCES

Without the internal capacity for an analysis of the trademark-infringement claim, the small business or individual will need outside legal assistance. Unlike large corporations with large legal budgets and multiple outside law firms on retainer, small-business owners and individuals generally operate on a very tight budget.¹⁸² Most small businesses are undercapitalized,¹⁸³ which means that it is likely that the owner has not properly funded the business to begin with.¹⁸⁴ To compound the undercapitalization problem, many small businesses poorly estimate their future earnings and do not manage their cash flow well.¹⁸⁵ Further, it would be unlikely that the small-business owner will have adequately budgeted for any potential litigation, as many small businesses conduct inadequate risk assessments.¹⁸⁶ The same is true for individuals. The median American income in 2009 was \$49,777.¹⁸⁷ Many Americans operate on a budget that only includes expenses that can be covered by a monthly paycheck, supplemented by credit cards.¹⁸⁸ In addition, the majority of Americans have fairly low savings rates.¹⁸⁹ Therefore, it is likely that when a cease-and-desist letter arrives, the small-business owner and the individual will not be able to afford any type of legal assistance and will likely capitulate.¹⁹⁰ While

181. Delatte, *supra* note 136.

182. Income for the average American household fell 4.8 percent between 2000 and 2009. See Conor Dougherty & Sara Murray, *Lost Decade for Family Income*, WALL ST. J., Sept. 17, 2010, <http://online.wsj.com/article/SB10001424052748703440604575495670714069694.htm>.

183. See David K. Randall, *In Pictures: Five Common Financial Mistakes Small Businesses Make*, FORBES, slide 2 (Apr. 30, 2009), http://www.forbes.com/2009/04/30/moneybuilder-start-business-personal-finance-starting_slide_2.html.

184. Properly funding a new small business is crucial as the small business will need to draw upon the start-up funds in the beginning days of the business, when it is trying to attract customers.

185. See Randall, *supra* note 183, at slide 5.

186. See *id.* at slide 6.

187. See Dougherty & Murray, *supra* note 182.

188. See NAT'L PAYROLL WK., 2010 “GETTING PAID IN AMERICA” SURVEY RESULTS 1 (2010).

189. See Sharon A. DeVaney & Sophia T. Chiremba, *Comparing the Retirement Savings of the Baby Boomers and Other Cohorts*, BUREAU OF LABOR STATISTICS, tbl.3 (Mar. 16, 2005), <http://www.bls.gov/opub/cwc/tables/cm20050114ar01t3.htm>.

190. As discussed earlier, in order to mount a successful defense, sufficient monetary resources are needed in order to see the case through to the last appeal.

many cease-and-desist letters are sent without the sender's intention of litigating, the victim has no access to that information.¹⁹¹ In particular, where the sender has built up a reputation for litigating, or includes in the cease-and-desist letter examples of other compliance, the likelihood of bluffing out the large corporation appears minimal to a small business or individual.¹⁹²

*B. Why Small Businesses and Individuals Should Not Litigate
Trademark Disputes*¹⁹³

Even in the event that the small business or individual is able to access legal assistance (either through cash-flow reserves, insurance coverage, or pro bono assistance¹⁹⁴), the small business or individual should not litigate trademark disputes. The likely legal advice to the small business or individual will reflect this.¹⁹⁵ This is due to several features of trademark law, which work against this category of victims. First, previously litigated trademark cases do not provide well-founded precedent for future predictions of success. Second, statutory defenses in trademark law are grossly underdeveloped, leaving the small business or individual with few clear grounds to claim that its

191. See Ridgway, *supra* note 19, at 1567 ("Because trademark holders possess, on average, better information about the scope and validity of their rights, they can sometimes successfully bluff a defendant, despite having a weak lawsuit.").

192. For example, eBay's letters to domain-name holders similar to eBay contain the following language, "We have filed several successful federal court actions in the United States against companies and individuals employing the famous eBay trademark in their domain names, as well as more than six proceedings before the United Nation's World Intellectual Property Organization's arbitration panel. eBay prevailed in each case and the domain names at issue were all ordered to be transferred to eBay." See, e.g., Letter from eBay Legal Dep't to Valley Trading Post.com, *supra* note 127.

193. See *supra* note 173 and accompanying text.

194. There are various nonprofit entities around the United States devoted to providing legal assistance for intellectual property issues, such as the Volunteer Lawyers for the Arts organizations. See, e.g., VOLUNTEER LAWYERS AND ACCOUNTANTS FOR THE ARTS ST. LOUIS, <http://www.vlaa.org> (last visited Mar. 11, 2011). In addition, some law schools have established intellectual property clinics that are intended to assist nonprofit organizations. See, e.g., *Intellectual Property and Nonprofit Organizations Clinic*, WASHINGTON UNIVERSITY LAW, <http://law.wustl.edu/ClinicalEd/pages.aspx?id=6835> (last visited Mar. 13, 2011). However, barriers still exist to receiving legal assistance through these organizations, including the capacity of the organization and whether the small business or individual meets the criteria of the organization.

195. For example, in Rock Art Brewery's dispute with Hansen Beverage Corporation, Nadeau was advised by one attorney to change the trademark. See *Matt vs. Monster*, *supra* note 5, at 2:38.

trademark use is appropriate.¹⁹⁶ Finally, the recipient of a cease-and-desist letter has few, if any, tools for a legal counterattack.¹⁹⁷ Therefore, it will be unlikely that a competent trademark attorney will be able to confidently advise a small-business owner or individual that the matter could be resolved without the need for litigation.¹⁹⁸

1. LACK OF PRECEDENTIAL VALUE OF PREVIOUSLY LITIGATED TRADEMARK CASES

Trademark-infringement cases are extremely fact-specific.¹⁹⁹ Likelihood of confusion, the test for trademark infringement, is considered an issue of fact at the trial level.²⁰⁰ The implication stemming from this fact-intensive litigation is that it is hard to determine with very real certainty how future courts will use prior cases. Since each litigated case heavily depends on the facts and circumstances of the specific situation of the plaintiff and the defendant, it is highly unlikely that what one court considered non-infringement will be applicable in future cases, even with the same or slightly varying facts.²⁰¹ In addition, on appeal, while many courts will review the lower court's decision applying a more deferential standard of review, the "clearly erroneous" standard, there are three high-volume circuits that apply the "de novo" standard and review the evidence afresh.²⁰² The possibility for a reversal of a lower-court decision is high under a de novo review standard.²⁰³ A high possibility of reversal adds

196. See Dinwoodie, *supra* note 26, at 124.

197. See Ridgway, *supra* note 19, at 1548.

198. See Dinwoodie, *supra* note 26, at 142.

199. See *Resorts of Pinehurst, Inc. v. Pinehurst Nat'l. Corp.*, 148 F.3d 417, 422 (4th Cir. 1998) ("The likelihood of confusion is a factual issue dependent on the circumstances of each case."); see also *Sunmark, Inc. v. Ocean Spray Cranberries, Inc.*, 64 F.3d 1055, 1060 (7th Cir. 1995) ("Likelihood of confusion in a trademark case is a factual issue . . .").

200. See MCCARTHY, *supra* note 41, § 23:67.

201. Cf. Goldman, *supra* note 19, at 415–16, 424 ("Assessing consumer confusion about product source is an inherently inexact process.").

202. See MCCARTHY, *supra* note 41, § 23:67 (citing the Second, Sixth, and Federal Circuits). More specifically, these courts will review the district court's findings of fact for each likelihood-of-confusion factor under the clearly erroneous standard, but then apply the de novo standard to the weighing of the factors. See *Arrow Fastener Co., Inc. v. Stanley Works*, 59 F.3d 384, 391 (2d Cir. 1995) ("We review the district court's treatment of each *Polaroid* factor under a clearly erroneous standard. . . . Whether the plaintiff proved a likelihood of confusion is a legal question, and we review the court's weighing of those factors and its ultimate conclusion under a *de novo* standard.").

203. For example, in 2009 the Second and Sixth Circuit courts of appeals issued decisions in a total of nine cases reviewing district court findings related to

to the lack of ability to glean guidelines from the case law. This provides the trademark attorney with little firm guidance to advise her client. With little value in precedential cases (along with a lack of statutory defenses, as discussed next), an attorney's legal advice will be crafted from prior experience, along with her knowledge of the large corporation.²⁰⁴

In addition, in crafting her legal advice, the attorney will likely take into account the financial resources and other personal characteristics of her client. This will mean that even if the attorney believes that her client has a fairly strong case, the attorney may still advise her client to comply with the cease-and-desist letter's demands in order not to incur litigation costs or other non-financial tolls.²⁰⁵ As discussed above, litigation costs do not end with the first trial.²⁰⁶ Even if the small business were to win at trial, the large corporation could appeal, adding to the costs.²⁰⁷ One attorney advised Nadeau of Rock Art Brewery the following: "They will drag this out until you can't afford it. . . . you got two boys, you got a wife, you got a business, you got employees, you got to think about that. My recommendation, if you can't afford it, just change the name and move on."²⁰⁸ Another small-business owner, Stacy Crummett, stated: "Of course, because they're a million-dollar beast [referring to the sender of her cease-and-desist letter], we have no choice. We would fold just in fighting them."²⁰⁹

trademark infringement. See *Starbucks Corp. v. Wolfe's Borough Coffee, Inc.*, 588 F.3d 97 (2d Cir. 2009); *Sly Magazine, LLC v. Weider Publ'ns L.L.C.*, 346 Fed. App'x 721 (2d Cir. 2009); *Hensley Mfg. v. ProPride, Inc.*, 579 F.3d 603 (6th Cir. 2009); *Dessert Beauty, Inc. v. Fox*, 329 Fed. App'x 333 (2d Cir. 2009); *Zino Davidoff SA v. CVS Corp.*, 571 F.3d 238 (2d Cir. 2009); *Rescuecom Corp. v. Google Inc.*, 562 F.3d 123 (2d Cir. 2009); *Citizens Banking Corp. v. Citizens Fin. Group, Inc.*, 320 Fed. App'x 341 (6th Cir. 2009); *Kerr Corp. v. Freeman Mfg. & Supply Co.*, No. 08-3330, 2009 U.S. App. LEXIS 6342 (6th Cir. Mar. 23, 2009); *Rush Indus. v. Garnier LLC*, 309 Fed. App'x 431 (2d Cir. 2009). Of these nine cases, three reversed the district courts' opinions. See *Wolfe's Borough Coffee, Inc.*, 588 F.3d at 102; *Rescuecom Corp.*, 562 F.3d at 124; *Kerr Corp.*, 2009 U.S. App. LEXIS 6342, at *1. While this is a small sample size, it does show a reversal rate of 30 percent.

204. Some large corporations may desire a reputation for being a "bully." See Hodgson, *supra* note 100, at 76.

205. See *Matt vs. Monster*, *supra* note 5, at 2:38 (advice given to Nadeau); *Bio: Food Chain Barbie and the Fight for Free Speech*, FORSYTHE ARTSURDISM, <http://creativecommons.org/bio/foodchain.cfm> (last visited Mar. 11, 2011) [hereinafter *Bio: Food Chain Barbie*] ("A long list of attorneys suggested that I just give up, since I hadn't made any money anyway.").

206. See Callahan, *supra* note 128, at 7.

207. See *Matt vs. Monster*, *supra* note 5, at 1:41.

208. See *id.* at 3:00.

209. Alice Joy, *Firm Says Stop Using Hollister Name on Jeans*, THE GILROY DISPATCH, Sept. 14, 2007, <http://www.gilroydispatch.com/printer/article.asp?c=225171> [hereinafter Joy, *Hollister Name*] (quoting Stacey Crummett).

2. LACK OF DEFENSES TO TRADEMARK INFRINGEMENT

To compound the lack of guidance from previously litigated trademark cases, there is a significant gap in statutory and common law defenses in trademark law.²¹⁰ There are approximately three or four recognized defenses in trademark law, including fair use (classic and nominative), trademark use, and First Amendment arguments.²¹¹ However, some commentators have argued that these are not even affirmative defenses as such.²¹² This means that instead of acting as a “screening mechanism” to weed out infringement claims based on typically legally sanctioned trademark uses such as news reporting, commentary, and artistic works,²¹³ under the current defense jurisprudence, courts still need to conduct a likelihood-of-confusion analysis.²¹⁴ The defenses, therefore, appear to be available to defendants only after they have proven there is no likelihood of confusion anyway.²¹⁵ The implication from the lack of “autonomous defenses” in trademark law is that defendants must continue to go through the lengthy and costly litigation process in order to vindicate their trademark use.²¹⁶

In addition, other statutes that trademark-infringement defendants could use to defend their trademark use, such as anti-Strategic Lawsuit Against Public Participation (“SLAPP”) laws, do not really provide any reliable assistance. Anti-SLAPP laws have been applied in the trademark-infringement context, as the use of a trademark can qualify as an “act in furtherance of a person’s right of petition or free speech.”²¹⁷ However, even though states that have enacted this law did so in order “to promptly expose and dismiss meritless and harassing claims seeking to chill protected expression,”²¹⁸ most trademark-related anti-SLAPP motions are denied.²¹⁹ As with trademark-specific defenses,

210. See Grynberg, *supra* note 26, at 902 (“Trademark defenses . . . enjoy an uneasy status in federal law.”).

211. See Dinwoodie, *supra* note 26, at 117–19; McGeeveran, *supra* note 26, at 77–109 (identifying and critiquing five doctrines used to evaluate expressive uses).

212. See Dinwoodie, *supra* note 26, at 110.

213. See McGeeveran, *supra* note 26, at 62.

214. See, e.g., Dinwoodie, *supra* note 26, at 111, 131; McGeeveran, *supra* note 26, at 110.

215. See McGeeveran, *supra* note 26, at 86.

216. See Dinwoodie, *supra* note 26, at 141–42.

217. See, e.g., CAL. CIV. PROC. CODE § 425.16(e) (West 2004 & Supp. 2011).

218. *Bosley Med. Inst., Inc. v. Kremer*, 403 F.3d 672, 682 (9th Cir. 2005).

219. See, e.g., *Mindys Cosmetics, Inc. v. Dakar*, 611 F.3d 590, 594 (9th Cir. 2010) (denying motion); *Bosley*, 403 F.3d at 674 (denying motion).

the effect of this is that defendants will typically need to continue with the lawsuit.

Although many commentators have recognized the need for more robust defenses in trademark law, courts and Congress have been slow to act.²²⁰ The last time the Supreme Court granted certiorari in a trademark case involving a trademark defense was in 2004, and its ruling arguably failed to clarify the applicable standards.²²¹ In addition, some commentators argue that courts will not develop robust defenses without Congressional authorization, such as through amendments to the Lanham Act.²²² Without robust defenses, small-business owners and individuals are easy prey for trademark bullies seeking to increase the strength and exclusivity of their trademarks.²²³

3. LACK OF CONSEQUENCES FOR ABUSE OF TRADEMARK RIGHTS

One of the ways a trademark bully always maintains an upper hand in a trademark dispute with a small business or individual is that the bully can decide not to pursue its claim of infringement if its target puts up an initial fight.²²⁴ A trademark bully has this option because unlike other areas of intellectual property law, such as copyright law, a trademark bully faces no consequences for abusing her trademark rights.²²⁵ For example, in copyright law, courts have recognized a doctrine of “copyright misuse,” which a defendant may plead against a plaintiff in copyright infringement cases.²²⁶ Copyright misuse occurs in cases where “a copyright owner [uses] an infringement suit to obtain

220. See McGeveran, *supra* note 26, at 53–54.

221. *KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc.*, 543 U.S. 111 (2004); see Graeme W. Austin, *Tolerating Confusion About Confusion: Trademark Policies and Fair Use*, 50 ARIZ. L. REV. 157, 182–89 (2008).

222. See generally Grynberg, *supra* note 26.

223. See generally Port, *supra* note 174 (discussing the problem of trademark “extortion”).

224. See, e.g., Steve Stecklow, *The Scariest Monster of All Sues for Trademark Infringement*, WALL ST. J., Apr. 4, 2009, <http://online.wsj.com/article/SB123869022704882969.html>.

225. See Brett Frischmann & Dan Moylan, *The Evolving Common Law Doctrine of Copyright Misuse: A Unified Theory and Its Application to Software*, 15 BERKELEY TECH. L.J. 865 (2000). But cf. Mark A. Lemley, Comment, *The Economic Irrationality of the Patent Misuse Doctrine*, 78 CALIF. L. REV. 1599 (1990) (arguing that the patent misuse doctrine is economically irrational and should be abolished); Note, *Is the Patent Misuse Doctrine Obsolete?*, 110 HARV. L. REV. 1922 (1997) (examining doubts about the continuing vitality of patent misuse doctrine).

226. See *Assessment Techs. of WI, LLC v. WIREDATA, Inc.*, 350 F.3d 640, 647 (7th Cir. 2003); *Lasercomb Am., Inc. v. Reynolds*, 911 F.2d 970, 972–77 (4th Cir. 1990); *Int’l Motor Contest Ass’n v. Staley*, 434 F. Supp. 2d 650, 666 (N.D. Iowa 2006).

property protection . . . that copyright law clearly does not confer, hoping to force a settlement or even achieve an outright victory over an opponent that may lack the resources or the legal sophistication to resist effectively.”²²⁷ Where a court has found that a plaintiff has misused its copyright in a particular instance, the court has disallowed the plaintiff’s infringement suit until the misuse is “purged.”²²⁸ While the defense of copyright misuse has been applied when plaintiff’s actions rise to the level of anti-competitive behavior, courts have recognized that the defense could be applied when plaintiff’s actions amount to behavior that violates the public policy of copyright.²²⁹

However, in trademark-infringement suits, defendants are rarely granted a trademark-misuse defense.²³⁰ In the few cases that have recognized a defense of trademark misuse, the defense has been limited to antitrust claims and is typically brought up when a franchisor abuses its relationship with its franchisee.²³¹ Outside of the antitrust claim arena, “courts occasionally exercise discretion to withhold injunctive relief, but have declined to recognize misuse as an independent doctrine.”²³² In addition, although trademark plaintiffs can face an abuse-of-process cause of action from defendants, this is rarely successful.²³³ Further, no court has recognized an affirmative cause of action for trademark misuse.²³⁴

The lack of an affirmative action or defense for trademark misuse creates “one-way liability”²³⁵ in favor of large trademark owners. Large trademark owners, especially those with big legal budgets, are allowed to send cease-and-desist letters with impunity to small businesses or individuals, as without a defense or affirmative cause of action for trademark misuse, there are little to no costs associated with the

227. *Assessment Techs.*, 350 F.3d at 647.

228. *See Lasercomb*, 911 F.2d at 979 & n.22.

229. *See Assessment Techs.*, 350 F.3d at 647.

230. *See Ridgway*, *supra* note 19, at 1554.

231. *See U.S. Jaycees v. Cedar Rapids Jaycees*, 794 F.2d 379 (8th Cir. 1986).

232. *See Ridgway*, *supra* note 19, at 1557.

233. For example, a search of the Lexis database shows 26 trademark-infringement cases from 2009 through 2010 contained allegations of “abuse of process” (out of 1,960 cases). In none of the cases did the court find in favor of the party alleging abuse of process. Lexis search conducted on April 4, 2011 (date range: Jan. 1, 2009 to Dec. 29, 2010, Search terms “trademark w/1 infringement,” Focus: “abuse of process”).

234. *See, e.g., Ford Motor Co. v. Obsolete Ford Parts, Inc.*, 318 F. Supp. 2d 516, 521 (E.D. Mich. 2004); *Dunn Computer Corp. v. Loudcloud, Inc.*, 133 F. Supp. 2d 823, 830–31 (E.D. Va. 2001).

235. *See Ridgway*, *supra* note 19, at 1549.

sending of the letter.²³⁶ As discussed above, when a cease-and-desist letter is sent by a large corporation to a small business or individual, it is highly likely that a small business or individual will comply with the demands in the letter, as this type of victim lacks the wherewithal to fight the large corporation.²³⁷ In fact, some trademark owners may desire to obtain a reputation for bullying, as it allows such trademark owners to cite to past “successes” of compliance.²³⁸ This then raises the probability that future cease-and-desist letter recipients will comply with the owner’s demands. For example, the *Village Voice* consistently cites to its past successes of compliance when sending new letters. When the *Village Voice* sent a cease-and-desist letter to the *Cape Cod Voice*, its letter stated, “We hope to resolve this matter amicably, and, if you respond promptly, are willing to work with you in an effort to minimize any disruption to your company’s business. Our previous experience with the Bloomington Voice, Dayton Voice and Tacoma Voice newspapers . . . indicates that we can accomplish this goal.”²³⁹

Taken altogether, the lack of precedential value of previously litigated trademark cases, the lack of defenses to trademark infringement, and the lack of consequences for an abuse of trademark rights lead to the conclusion that small businesses and individuals should not litigate trademark disputes.²⁴⁰ Even where small businesses and individuals can access the legal system, these features of trademark law work against this category of victims. Because litigation is not a viable tool for small businesses and individuals, these victims are left without legal tools that would force trademark bullies to fairly negotiate settlements. It is clear that small businesses and individuals need litigation alternatives with which to defend themselves against trademark bullies. The next Part suggests that shaming trademark bullies may provide one effective alternative.

236. See *id.* at 1569 (“[U]nlike in a full-scale lawsuit, the marginal cost of enforcement—in essence, one Google search and a cease-and-desist letter—is nearly negligible.”).

237. See *supra* Part II.A.

238. See Hodgson, *supra* note 100, at 76 (“A reputation as a bully can actually be seen as a positive for less socially conscious trademark owners – they can not only potentially monopolize the word as a mark, but also gain fame by becoming infamous.”).

239. Alexander Zaitchik, *The Village Bully One Voice Under God?*, N.Y. PRESS (Apr. 29, 2003), <http://www.nypress.com/print-article-7433-print.html> (quoting cease-and-desist letter).

240. To reiterate, this is not intended as legal advice.

III. SHAMING TRADEMARK BULLIES

Shaming as a sanction is not a new concept and has been around since biblical times.²⁴¹ More recently, shaming has been incorporated (or commentators have argued for incorporation) in a variety of settings, such as shaming criminals, tax evaders, low-performing corporations, and polluting corporations.²⁴² In each setting, shaming is seen to be able to both punish the offender as well as deter similar behavior in the future.²⁴³ A common thread in the current scholarship on shaming is that the government is generally in the best position to shame the offender, with few commentators arguing that shaming be conducted by private individuals.²⁴⁴ This Article steps in to suggest just this: that shaming should be used by small businesses and individuals to punish trademark bullies and deter future trademark bullying. This Part discusses shaming, including the conditions for successful shaming, an explanation of why shaming of trademark bullies has the potential to be effective, in addition to the advantages and disadvantages of shaming.

241. See Brief of the National Jewish Commission on Law and Public Affairs ("COLPA") and the International Association of Jewish Lawyers and Jurists (American Section) ("IAJLJ") as Amici Curiae Supporting Petitioner, *Bryan v. Moore*, 528 U.S. 1133 (2000) (No. 99-6723), 1999 U.S. S. Ct. Briefs LEXIS 364, at *3-4, *8.

242. See Sandeep Gopalan, *Shame Sanctions and Excessive CEO Pay*, 32 DEL. J. CORP. L. 757, 759 (2007) (overpaid chief executive officers); Kahan & Posner, *supra* note 28, at 383 (criminals); Bradley C. Karkkainen, *Information as Environmental Regulation: TRI and Performance Benchmarking, Precursor to a New Paradigm?*, 89 GEO. L.J. 257, 296-98 (2001) (environmental polluters); Michael S. Kirsch, *Alternative Sanctions and the Federal Tax Law: Symbols, Shaming, and Social Norm Management as a Substitute for Effective Tax Policy*, 89 IOWA L. REV. 863, 865-66 (2004) (tax evaders); David A. Skeel, Jr., *Shaming in Corporate Law*, 149 U. PA. L. REV. 1811, 1812 (2001) (low-performing corporations).

243. See Kahan, *supra* note 28, at 630-49.

244. See, e.g., Kahan & Posner, *supra* note 28, at 383-87 (arguing for shaming to be included in the Federal Sentencing Guidelines); Skeel, *supra* note 242, at 1860-62 (providing a descriptive account of shaming undertaken by private entities, but arguing that shaming can be made less costly with governmental assistance). One of the few instances of an advocate for shaming by private activists is Thomas Friedman. See THOMAS L. FRIEDMAN, *THE LEXUS AND THE OLIVE TREE: UNDERSTANDING GLOBALIZATION* 207 (2000) (arguing for private activism to 'compel' companies to behave better). There are some commentators who argue against shaming by private activists, citing concerns of "vigilantism" and "lynch justice." See e.g., James Q. Whitman, *What Is Wrong with Inflicting Shame Sanctions?*, 107 YALE L.J. 1055, 1059, 1085 (1998).

A. Shaming and the Conditions for Success

Shaming is a method of publicizing someone's wrongful behavior, where such behavior is perceived to have violated a social norm.²⁴⁵ "Shaming is the process by which citizens publicly and self-consciously draw attention to the bad dispositions or actions of an offender, as a way of punishing him for having those dispositions or engaging in those actions."²⁴⁶ From "scarlet letters,"²⁴⁷ to special t-shirts,²⁴⁸ to personal signs,²⁴⁹ the message regarding the wrongful behavior is communicated to the relevant community in which the target of the shaming resides.²⁵⁰ While shaming was perhaps more common in the colonial days of the United States,²⁵¹ in the past decade, judicially imposed shaming sanctions have been on the rise for non-violent criminal offenders and corporations alike.²⁵² In addition, advocates for shaming as a legal alternative or as a complement to traditional civil and criminal sanctions such as fines or imprisonment have been increasingly more vocal in the past two decades.²⁵³

Shaming can be effective as a punishment and as a deterrent for future behavior (both for the target as well as other individuals contemplating similar behavior): "The sting comes from the expectation that because one has developed a reputation as a bad and unreliable person, one will lose future opportunities which have significant value."²⁵⁴ The future opportunities that may be lost to the target of the shaming may be monetary or non-monetary. For example, when human-rights activists shamed sports-apparel manufacturer Nike for its employment of children in Southeast Asia and other human-rights

245. See ERIC POSNER, *LAW & SOCIAL NORMS* 76 (2000).

246. Kahan & Posner, *supra* note 28, at 368.

247. See generally NATHANIEL HAWTHORNE, *THE SCARLET LETTER AND OTHER TALES OF THE PURITANS* (Harry Levin ed., Houghton Mifflin Co. 1961) (1850).

248. See *People v. Hackler*, 16 Cal. Rptr. 2d 681, 682 (Ct. App. 1993) (appealing an order requiring defendant to wear a t-shirt that stated "My record plus two six-packs equals four years," on the front, and "I am on felony probation for theft" on the back of the t-shirt).

249. See, e.g., *United States v. Gementera*, 379 F.3d 596, 598 (9th Cir. 2004).

250. See Skeel, *supra* note 242, at 1820 ("[A] shaming sanction [is] a public statement made or ordered by an enforcer, directed at the offender, and addressed to the relevant community as a whole.").

251. See Paul Ziel, *Eighteenth Century Public Humiliation Penalties in Twenty-First Century America: The "Shameful" Return of "Scarlet Letter" Punishments in U.S. v. Gementera*, 19 BYU J. PUB. L. 499, 500 (2005).

252. See Skeel, *supra* note 242, at 1811 ("Shaming is in."); Whitman, *supra* note 244, at 1056–58.

253. See *supra* note 242.

254. POSNER, *supra* note 245, at 89.

violations, Nike developed a reputation as a poor corporate citizen.²⁵⁵ Consumers of Nike stopped purchasing Nike shoes, which led to a current loss in revenue, and also a future loss in revenue as potential consumers were deterred from purchasing Nike products.²⁵⁶

Three parties are involved in a shaming situation. First, the shamer is the one who undertakes the shaming. The shamer can be an individual, a group of individuals, corporate entities, or government-sponsored entities such as judges. In the Nike example above, the shamers were individual activists shaming a large corporation, Nike. The second party in a shaming situation is the target of the shaming, or the Nikes of the world. The target is the individual or entity who has transgressed a social norm, and the shaming punishes the target for such transgression. The final party, and in some respects the most important party of the shaming situation, is the community of the shamer and the target.²⁵⁷ In the case of corporate targets, such as Nike, the community is made up of the consumers of Nike. The community is an essential party to the shaming, as the shaming cannot be effective if the community does not respond by shunning the target.

However, in order for shaming to be successful, at least four conditions are needed.²⁵⁸ The first is that the target is vulnerable to shaming.²⁵⁹ If the target possesses some special characteristics, or engages in interactions where reputation is not needed, shaming may not be effective.²⁶⁰ It is not necessary that the target actually feel any “shameful” emotion in order for the shaming to be effective.²⁶¹ More critical to successful shaming is that the community to which the shaming is directed understands that the target has violated a norm and reduces the level of reputation in which the target was previously held.²⁶² Therefore, the second condition for successful shaming is that

255. See Ryan P. Toftoy, *Now Playing: Corporate Codes of Conduct in the Global Theater. Is Nike Just Doing It?*, 15 ARIZ. J. INT'L & COMP. L. 905, 923–24 (1998).

256. See NAOMI KLEIN, *NO LOGO* 376–78 (2002) (documenting the losses Nike suffered for its human-rights violations).

257. See Skeel, *supra* note 242, at 1824.

258. See Kahan & Posner, *supra* note 28, at 373–74.

259. See POSNER, *supra* note 245, at 28.

260. See Kahan & Posner, *supra* note 28, at 372.

261. See Kahan, *supra* note 28, at 636–37.

262. See *id.* at 594. Although Professor Kahan has since recanted his reliance on shaming penalties in the criminal context, see Dan M. Kahan, *What's Really Wrong with Shaming Sanctions*, 84 TEX. L. REV. 2075 (2006) [hereinafter Kahan, *What's Really Wrong*], he does not recant shaming per se, but rather argues that shaming does not convey the same level of expressive quality as imprisonment. See Chad Flanders, *Shame and the Meanings of Punishment*, 54 CLEV. ST. L. REV. 609, 609 n.* (2006)

the community shares in the norms that the target has transgressed. If the community does not share a particular norm, the shaming will likely fall on deaf ears.

Related to the shared norms within a community is the third condition to successful shaming, which is an overlapping community that consists of consumers (in the case of corporate targets or in the case of individual shamers, followers) of both the target and the shamer. This is needed because the shaming of a target involves the reduction of the target's reputation in the eyes of the community and the potential for a boycott of the target. But one of the ways the community is most effectively activated to boycott the corporate target is if members were previously consumers or followers of the target and the shamer. In the Nike example above, the community included members who were both concerned with human rights (followers of the human-rights activities) and consumers of Nike products. The final condition for successful shaming is the credibility of the shamer.²⁶³ But the shamer may not be in the best position to be believed, "[the community] might believe, for example, that the person who unsuccessfully tries to shame someone else is a competitor with the target of his shaming and wants to eliminate his rival—whether it is for a business opportunity or for something else."²⁶⁴

Of these conditions, some commentators have argued that in the corporate context, the credibility of the shamer may be an important limitation in a shaming situation.²⁶⁵ In particular, these commentators view the shamer's information and her motivations as critical for inducing the community to engage in the shaming of the target.²⁶⁶ The reason is that if the shamer does not have the full information on the target's behavior, she may be shaming a target that is not "shameful."²⁶⁷ In addition, if the shamer's motive for shaming the target stems from self-interest (for example, personal gain) the community may carry out inappropriate shaming.²⁶⁸ While these are important considerations, the strength of the shamer's community membership is arguably a condition precedent to the credibility of the shamer. The reason is that the power to shame rests in the community²⁶⁹ and if the shamer does not have a strong community

("Despite what the title of his article could be taken to imply, Kahan does not repudiate shaming sanctions so much as he despairs of their political feasibility.").

263. See Kahan & Posner, *supra* note 28, at 374.

264. *Id.*

265. See Skeel, *supra* note 242, at 1824–26.

266. See *id.*

267. See *id.*

268. See *id.* at 1826.

269. *Id.*

membership, her shaming will not be successful even if her information is accurate and her motives pure. The situation of Rag City Blues, a small business operating in Hollister, California, is a good example of this. The proprietor of Rag City Blues attempted to utilize the term "HOLLISTER" in connection with its trademark "RAG CITY BLUES" on its blue jeans.²⁷⁰ Abercrombie & Fitch, the monolithic corporation that owns the Hollister brand, objected.²⁷¹ Although the proprietor of Rag City Blues was able to obtain support from her local council people and other small businesses in Hollister, California, her attempts at shaming Abercrombie & Fitch did not work.²⁷² One of the potential reasons for the unsuccessful shaming is the lack of a strong membership in the consumer community. At the time of the attempted shaming, Rag City Blues had just been restarted, with little time to foster its community membership.²⁷³

B. Why Does Shaming Trademark Bullies Have the Potential to Be Effective?

When corporate entities are shamed, there are two potential parties that may be shamed: the individual managers of the corporate entity and the entity itself.²⁷⁴ While individual managers, such as the general counsel of the corporation, may bear the responsibility for carrying out the bullying, it is sufficient for the purposes of the shamer that only the corporate entity is shamed.²⁷⁵ In addition, it may promote more

270. See U.S. Trademark Application Serial No. 78,910,647 (filed June 17, 2006).

271. See Joy, *Hollister Name*, *supra* note 209.

272. Although the local council and Crummett sent protest letters to the U.S. PTO, see Anthony Ha, *City Backs Dispute of 'Hollister' Trademark*, HOLLISTER FREE LANCE (Oct. 6, 2007), <http://hollisterfreelance.com/printer/article.asp?c=226838>, Abercrombie maintains its position with respect to HOLLISTER. See Hugo Martin, *Hollister, Calif., Is at Odds with Abercrombie over Name*, L.A. TIMES, Apr. 24, 2009, <http://articles.latimes.com/2009/apr/24/business/fi-hollister24>.

273. Crummett, the proprietor of Rag City Blues, purchased the brand in 2006, with her attempted shaming taking place in 2007. See Doug Buchanan, *Hollister, California, Takes Issue with Abercrombie's Trademark*, COLUMBUS BUS. FIRST, Oct. 12, 2007, at A4 (citing Crummett's purchase of the brand in 2006). Three news stories appeared highlighting the dispute, and Crummett and her local council people sent protest letters to the U.S. PTO in October 2007. See *id.*; Joy, *Hollister Name*, *supra* note 209; Alice Joy, *Property of Hollister Co.*, HOLLISTER FREE LANCE, Sept. 13, 2007, <http://www.freelancenews.com/printer/article.asp?c=225082>.

274. See Skeel, *supra* note 242, at 1829.

275. Although there are academic debates about the efficacy of treating corporate entities akin to individuals, the law has generally done so. As such, while there are merits in the academic debate, this Article follows the law's path in this

responsible shaming to encourage the position that only the corporate entity be shamed. Shaming of trademark bullies can be successful, when, as this Article argues, all four conditions for effective shaming in trademark bullying situations are met.

1. COMMUNITY

An existing community is easily identified with respect to bullies in the consumer-products market. As the consumer-products market has increasingly grown since the turn of the nineteenth century,²⁷⁶ providers of consumer products have become more and more aware of the necessity of a loyal customer base through creating a consumer community.²⁷⁷ Marketing campaigns to create such a community began in the mid-nineteenth century with promotional programs that offered premiums to loyal customers (such as lithographed pictures).²⁷⁸ Other forms of loyalty programs, such as buyer reward programs, began to grow in the late twentieth century.²⁷⁹ With the advent of social media in the twenty-first century, consumer-product providers have been able to solidify these communities even further by creating forums for instant feedback between the community and the provider.²⁸⁰ For example, 1.5 million businesses maintain “Fan Pages” on Facebook, and over twenty million Facebook users become “fans” of commercial “Fan Page[s]” each day.²⁸¹

instance and treats both the entity and individual the same. *See, e.g., Citizens United v. Fed. Election Comm’n*, 130 S. Ct. 876, 899–900 (2010).

276. *See generally* LAIRD, *supra* note 64, at 31; JAMES D. NORRIS, *ADVERTISING AND THE TRANSFORMATION OF AMERICAN SOCIETY, 1865–1920*, at 12–13 (1990).

277. *See* Anat Toder-Alon, Frédéric F. Brunel & Wendy L. Schneier Siegal, *Ritual Behavior and Community Change: Exploring the Social-Psychological Roles of Net Rituals in the Developmental Processes of Online Consumption Communities*, in *ONLINE CONSUMER PSYCHOLOGY: UNDERSTANDING AND INFLUENCING CONSUMER BEHAVIOR IN THE VIRTUAL WORLD* 7, 8 (Curtis P. Haugtvedt, Karen A. Machleit & Richard F. Yalch eds., 2005).

278. *See* Laird, *supra* note 64, at 54 (discussing B.T. Babbit’s promotional program); STANLEY M. ULANOFF, *ADVERTISING IN AMERICA: AN INTRODUCTION TO PERSUASIVE COMMUNICATION* 426–33 (1977) (describing Babbit’s promotional program as the first use of “premiums” and detailing the various types of premiums, such as sweepstakes and contests).

279. *See* STEPHAN A. BUTSCHER, *CUSTOMER LOYALTY PROGRAMMES AND CLUBS* 20–21 (2002) (describing frequent flyer programs and other loyalty programs which began to gain traction in the 1990s).

280. *See* Toder-Alon, Brunel & Siegal, *supra* note 277, at 7–8. *See generally* LON SAFKO, *THE SOCIAL MEDIA BIBLE: TACTICS, TOOLS, AND STRATEGIES FOR BUSINESS SUCCESS* (2d ed. 2010).

281. *See* SAFKO, *supra* note 280, at 27.

Whether the community that consists of the bully also encompasses the bully's target depends in part on the products of the bully and the victim, or the reason for the targeting of the victim. Some trademark bullying cases arise where the bully is attempting to gain exclusivity in its trademark in a particular market.²⁸² In these instances, the community of the bully and the victim are likely to overlap. Entrepreneur Media's attempt to bully all other media-related users of the term "ENTREPRENEUR" in relation to early stage businesses is a good example of this.²⁸³ Other trademark bullies attempt to bully small businesses who sell related products that the bully may wish to sell at some point in the future.²⁸⁴ In this situation, it is also likely that the community includes both the bully and the victim. For example, Hansen Beverage Corporation's bullying of Rock Art Brewery. Although Hansen does not yet sell alcoholic products,²⁸⁵ it has the intention of entering the market at some point in the future.²⁸⁶ Finally, some trademark bullies are attempting to control criticism of its brand, and will target small businesses or individuals that run "gripe sites" or parody the bully's trademark.²⁸⁷ The reason that trademark bullies target critics or parodists is because the bullies fear that the messages of the critics and parodists are reaching their consumer community and are perhaps helping to shrink that community.²⁸⁸

2. SHARED NORMS

The consumer community must share in the norms against trademark bullying, or otherwise, the bully will not have done anything

282. See, e.g., Michael Barbaro & Julie Creswell, *With a Trademark in Its Pocket, Levi's Turns to Suing Its Rivals*, N.Y. TIMES, Jan. 29, 2007, at A1 (describing Levi's trademark-infringement lawsuits as a strategy to regain its competitive edge in the blue jeans market).

283. See Zipkin, *supra* note 108.

284. See, e.g., John Curran, *Monster-Maker to Vt. Brewer: No 'Vermmonster' Beer*, ABC NEWS, Oct. 12, 2009, <http://abcnews.go.com/print?id=8810200> (describing Hansen's plans to enter the alcoholic beverage market).

285. See HANSEN BEVERAGE COMPANY, PRODUCTS, <http://www.hansens.com/products/> (last visited Mar. 21, 2011).

286. See Curran, *supra* note 284. Hansen had filed an application to register a mark for alcohol. See U.S. Trademark Application Serial No. 78,534,122 (filed Dec. 16, 2004) (application for "MONSTER MALT LIQUOR" abandoned July 20, 2009).

287. See BOLLIER, *supra* note 9, at 83-109.

288. See *id.* at 84 ("Unflattering social criticism can do nasty things to a valuable brand."); Goldman, *supra* note 19, at 408 ("Editorial content about goods and services, such as product reviews, plays a crucial role in shaping consumer brand perceptions. For example, good product reviews can boost sales, while bad reviews can sink them.").

wrong in the eyes of the community.²⁸⁹ With respect to the social norm against bullying, this is a widely held norm and is not unique to any particular community.²⁹⁰ For example, the Oprah Show recently aired a show highlighting the dangers of bullying and maintains a webpage within her oprah.com website for information on how to handle bullies.²⁹¹ In addition, other nationally televised, culturally mainstream shows have featured anti-bullying messages, such as America's Next Top Model.²⁹² As such, where there is perceived bullying, the community has spoken out against the violation of the norm, as can be seen in the General Mills and My Dough Girl situation. General Mills, the \$23 billion owner of the "PILLSBURY DOUGH BOY" trademark, sent a cease-and-desist letter in May 2010 to Tami Cromar, the small-business owner of "MY DOUGH GIRL."²⁹³ Cromar's business has made and sold cookies in Salt Lake City since 2008 and was started by Cromar's use of her retirement fund.²⁹⁴ Upon learning of the General Mills' request to Cromar, fans of her business started a Facebook page entitled, "my dough girl v. pillsbury corporation," which garnered over 2,000 fans in just over eight weeks.²⁹⁵

Whether consumer communities share the legal norm against an unreasonable interpretation of trademark rights is less straightforward. For example, in the My Dough Girl case, it is unclear whether the consumer community was simply reacting to the "David v. Goliath" aspect of the case and the economic duress or coercive persuasion by General Mills, or also reacting to the unreasonable interpretation by

289. See Kahan, *supra* note 28, at 636.

290. See Edward Lee, *Is Facebook a Friend or Bully?*, THE HUFFINGTON POST (Aug. 27, 2010), http://www.huffingtonpost.com/edward-lee/is-facebook-a-friend-or-b_b_696110.html ("[I]f there's one lesson that is true both in trademark and in life: no one likes a bully.").

291. See HOW TO HANDLE BULLIES, Oprah Radio (Jan. 1, 2008), *available at* <http://www.oprah.com/relationships/How-to-Handle-Bullies>; *The Oprah Show: Bullied to Death: Two Devastated Moms Speak Out* (Harpo television broadcast May 6, 2009), *available at* http://www.oprah.com/showinfo/Bullied-to-Death-Two-Devastated-Moms-Speak-Out_1.

292. See Rebecca Ford, *America's Next Top Model: Turning Bullying into Beauty*, REALITY TV MAGAZINE (Sept. 15, 2010, 8:59 AM), <http://realitytvmagazine.sheknows.com/2010/09/15/americas-next-top-model-turning-bullying-into-beauty/>.

293. See Jennifer Stagg, *Major Corporation Threatens Local Cookie Company with Lawsuit*, KSL.COM (Aug. 2, 2010, 5:00 PM), <http://www.ksl.com/index.php?sid=11825672>.

294. See Steve Karnowski, *Pillsbury Batters Dough Girl into Name Change*, MSNBC.COM (Aug. 10, 2010, 4:53 PM), http://www.msnbc.msn.com/id/38646774/ns/business-us_business/.

295. See *My Dough Girl vs. Pillsbury Corporation*, FACEBOOK, <http://www.facebook.com/my.dough.girl.vs.pillsburycorporation>.

General Mills of their rights in the “PILLSBURY DOUGH BOY” trademark.²⁹⁶ However, it would appear from consumer-community comments that members are not just reacting to the violation of the norm against bullying, but also to the violation of the legal norm. Like judges, members of the community base their judgments of whether there is a likelihood of confusion on visceral reaction.²⁹⁷ Examples of community members discussing the likelihood of confusion are widespread, even if the specific legal terms are not utilized.²⁹⁸ For example, in the My Dough Girl case, one community member’s Facebook comments hint at the differences in both the use of “MY DOUGH GIRL,” as well as the differences in the marketing channels (both factors in the likelihood-of-confusion analysis): “Just picked up my weekly fix at My Dough Girl . . . and she is mine, not Pillsbury’s! Can’t believe that there is any problem with the brand naming . . . the dough girl is an attractive pin-up girl of the 2010s for Pete’s Sake!”²⁹⁹

3. LARGE CORPORATIONS ARE VULNERABLE TO SHAMING

For any business reputation is the key to success.³⁰⁰ Reputation, also referred to in trademark law as goodwill, ensures that former customers will make repeat purchases, and it also ensures that potential

296. See Karnowski, *supra* note 294.

297. See Bartow, *supra* note 109, at 745.

298. See Jesse Fruhwirth, *My Dough Girl in Trademark Trouble with Pillsbury*, SALT LAKE CITY WEEKLY.NET (July 6, 2010), <http://www.cityweekly.net/utah/print-article-11641-print.html> (quoting Tami Cromar, owner of My Dough Girl: “It’s impossible for consumers to confuse [my] brand with the Pillsbury brand.”); Sergej Karssen, Comment to *My Dough Girl vs. Pillsbury Corporation*, FACEBOOK (Aug. 20, 2010, 12:35 PM), http://www.facebook.com/my.dough.girl.vs.pillsburycorporation?v=app_2373072738&ref=search#!/my.dough.girl.vs.pillsburycorporation?v=wall&ref=search (“What a load of nonsense. Absolutely nothing makes me think of the PB brand when I see the logo or brand name.”); Brett N Kelly Johnson, Comment to *Vermonters and Craft Beer Drinkers Against Monster: Response from Mark Hall, President of Monster Beverage*, FACEBOOK (Oct. 17, 2009, 2:03 PM), <http://www.facebook.com/topic.php?uid=171894902802&topic=15684> (“The basis of the lawyers’ action was that Vermonster was too close to Monster and could confuse consumers. That’s pretty shaky ground to me, but of course I’m not a lawyer either.”).

299. Linda de Azevedo, Comment to *My Dough Girl vs. Pillsbury Corporation*, FACEBOOK (July 13, 2010, 6:29 PM), <http://ko-kr.connect.facebook.com/posted.php?id=127153330644835&start=70&hash=07314382cfd3087ed1859b53cf448def>.

300. See CHARLES J. FOMBRUN & CEES B.M. VAN RIEL, *FAME & FORTUNE: HOW SUCCESSFUL COMPANIES BUILD WINNING REPUTATIONS* 2–3 (2004) (explaining that reputations are used by people to decide what to purchase and which businesses to invest in).

customers turn into current customers.³⁰¹ One of the impetuses behind a business's development of a consumer community is to cultivate and maintain their reputation with their consumers.³⁰² While a business's reputation traditionally rested on the quality of the good or service it sold, in recent years, the extent to which the business is a good "corporate citizen" can also affect its reputation and its sales.³⁰³ As discussed above, the norm against bullying is a widespread one and consumers (for the most part) do not condone such behavior. Therefore, when a large corporation is shamed for bullying efforts, the consumer community will likely sanction such behavior. Such sanctions may take the form of boycotts, demonstrations, and/or public criticism, all of which will impact the bully's present and future sales.³⁰⁴ This was seen in the Vermonster dispute, where several businesses boycotted Hansen, refusing to sell MONSTER ENERGY drinks at their stores.³⁰⁵ In addition, consumers took to the pages of Facebook and publicly criticized Hansen for its behavior.³⁰⁶

Large corporations are vulnerable to the reputational harms that come with such sanctioning, as can be seen in quick resolutions to trademark disputes by shamed large corporations, as well as attempts by shamed large corporations to repair their reputations with their consumer communities. For example, where McDonald's Corporation attempted to bully Lauren McClusky from using her "MCFEST" trademark as a trademark for her charity benefit concerts,³⁰⁷ shaming of McDonald's encouraged McDonald's to quickly settle the dispute with McClusky.³⁰⁸ Even though McDonald's is notorious for litigating such

301. See MCCARTHY, *supra* note 41, § 2:18.

302. See DAVID AAKER, *MANAGING BRAND EQUITY* 52-53 (1991).

303. See KLEIN, *supra* note 256, at 376-78; Hodgson, *supra* note 100, at 73, 76.

304. See KLEIN, *supra* note 256, at 376-78.

305. See Curran, *supra* note 284; *A Monster Win for Rock Art*, WCAX.COM (Oct. 21, 2009), <http://www.wcax.com/global/story.asp?s=11362590>.

306. See Jason, Comment to *Vermonsters and Craft Beer Drinkers Against Monster: Response from Mark Hall, President of Monster Beverage*, FACEBOOK (Oct. 17, 2009, 12:42 PM), <http://www.facebook.com/topic.php?uid=171894902802&topic=15684> ("I feel strongly that what you have done so far is wrong and that if something were to happen to Matt and his brewery that I would be very upset with your company. With the talk about this being a way to get into the malt beverage market and the fact that the two are not really similar, I am skeptical to believe your intentions in this are legitimate and ethical.").

307. See Lou Carlozo, *Teen's Charity Name Draws the McIre of McDonald's*, WALLETPOP (Jan. 17, 2010, 12:00 PM), <http://www.walletpop.com/blog/2010/01/17/teens-charity-name-draws-the-mcire-of-mcdonalds/> [hereinafter *Charity Name Draw McIre*].

308. See Carlozo, *McDonald's Ends 'McFight,'* *supra* note 125.

types of trademark disputes to their final conclusion,³⁰⁹ McDonald's eventually agreed to pay McClusky approximately \$40,000 to change the concert name.³¹⁰ Another example of shaming affecting a large corporation is in the Vermonster dispute, where the proprietor of the targeted small business was able to shame its bully, Hansen Beverage Corporation, into settling. During the shaming, the president of Hansen engaged in a one-on-one conversation with its consumers on Facebook in order to repair its reputation.³¹¹

4. SMALL BUSINESSES AND INDIVIDUALS ARE CREDIBLE SHAMERS

The last condition for successful shaming is that the shamer be credible within the community.³¹² Where individuals are utilizing the bully's trademark (or a trademark similar to the bully's trademark) for non-commercial uses (such as a fan website, parody, or critical commentary), such individuals will likely be credible shamers. With no commercial interests at stake, such individuals have no ulterior monetary interest in shaming the trademark bully.³¹³ For example, in the McFest case, McClusky was using "MCFEST" as a trademark for her charity benefit concerts, not to make a profit, and so was a credible shamer of McDonalds.³¹⁴ In addition, where individuals are attempting to comment on the large corporation's brand through either parody or critical commentary, bullying efforts may be viewed by the community as an attempt to halt freedom of expression.³¹⁵ For example, Mattel Corporation attempted to bully artist Tom Forsythe from using Barbie dolls in his artwork by filing a lawsuit against him.³¹⁶ Forsythe had created the "Food Chain Barbie" photography series, which depicted naked Barbie dolls in various kitchen and food-oriented situations.³¹⁷ The Ninth Circuit district and appellate courts ruled in favor of Forsythe, with the decision of the Ninth Circuit Court of Appeals stating: "[T]he public interest in free and artistic expression greatly

309. See BOLLIER, *supra* note 9, at 6–7 ("The McDonald's Corporation has long been legendary for its proprietary zeal.").

310. Carlozo, *McDonald's Ends 'McFight,'* *supra* note 125.

311. Jason, *supra* note 306.

312. See Kahan & Posner, *supra* note 28, at 374.

313. See Skeel, *supra* note 242, at 1825–26.

314. See Carlozo, *Charity Name Draw McIre,* *supra* note 307.

315. See BOLLIER, *supra* note 9, at 83.

316. See *Id.* at 89; *Bio: Food Chain Barbie*, *supra* note 205.

317. See *Art: Food Chain Barbie*, *Supergloss, Edition of 20*, TOM FORSYTHE ARTSURDISM, <http://creativecommons.org/Results.cfm?category=12> (last visited Mar. 11, 2011).

outweighs its interest in potential consumer confusion about Mattel's sponsorship of Forsythe's works."³¹⁸

Where individuals or small businesses utilize their trademark for commercial purposes, they may run into a credibility hurdle.³¹⁹ Especially in situations where the small business or the individual is in a form of competition with the large corporation, members of the community or the large corporation may accuse the small business or individual of attempting to shame the large corporation in order to gain free publicity.³²⁰ These allegations were made in the Rock Art Brewery dispute, where Mark Hall, the President of Hansen, accused Nadeau of attempting a "cheap publicity" stunt.³²¹ However, the small business can ward off credibility concerns by explaining the reasons for their shaming of the large corporation. Nadeau did just that, responding to Hall's accusations in a point-for-point posting on Facebook.³²²

In addition, as discussed above, if the shamer has a strong community presence, allegations of ulterior motives for shaming will likely not matter, as the Rock Art Brewery's example shows. The reason is that individuals and small businesses are generally assumed to be honest and morally righteous.³²³ Further, these individuals and small businesses are usually a strong part of their consumer community and typically are known personally, unlike a faceless large corporation. For example, the proprietor of Fleurty Girl, the small business that was attacked by the NFL for selling t-shirts allegedly infringing on the NFL's trademarks, is a member of the New Orleans community.³²⁴ The Fleurty Girl business is run from a reclaimed house in New Orleans that was damaged by Hurricane Katrina and is part of the dynamic

318. *Mattel Inc. v. Walking Mountain Prods.*, 353 F.3d 792, 807 (9th Cir. 2003). In addition, the district court awarded attorney's fees to Forsythe. *See Mattel Inc. v. Walking Mountain Prods.*, No. CV99-8543RSW-RZX, 2004 WL 1454100, at *2 (C.D. Cal. June 21, 2004).

319. *See* Kahan & Posner, *supra* note 28, at 374.

320. *See, e.g.*, Jason, *supra* note 306 ("It seems to me Matt's motivation is not so much to defend his rights, but to get cheap publicity under the guise of being attacked by corporate America.").

321. *Id.*

322. *See* Matt Nadeau, Comment to *Vermonters and Craft Beer Drinkers Against Monster: Matt's Response to Jason and Mark*, FACEBOOK, (Oct. 17, 2009, 10:02 PM), <http://www.facebook.com/topic.php?uid=171894902802&topic=15684#!/topic.php?uid=171894902802&topic=15694>.

323. *See* DollarDays International, *Survey Suggests Small Business Retailers Sell Products That Meet Their Moral Code*, BABY SHOP MAGAZINE, <http://www.babyshopmagazine.com/fall03/moralcode.htm> (last visited Apr. 3, 2011).

324. *See Fleurty Girl Info*, FLEURTY GIRL, <http://fleurtygirl.net/info.html> (last visited Apr. 3, 2011).

economic reconstruction of the city.³²⁵ In addition, self-sufficiency has been the bedrock of the United States, as epitomized by Benjamin Franklin.³²⁶ Therefore, entrepreneurship, as opposed to “corporate America,” may be viewed as the morally correct approach to business, since the entrepreneur is in many cases simply seeking to make a self-sustaining wage for herself and her family. This is in contrast to the large corporation (even if the corporation once started out as an entrepreneurial enterprise) that is viewed as an impersonal entity without any form of morality, simply seeking ever-larger profits at any cost.³²⁷

In sum, where all of the conditions are met (community, shared norms, targets are vulnerable to shaming, and the shamers are credible), shaming of trademark bullies has the potential to be successful in both punishing the bully and deterring future behavior. The punishment of the trademark bully comes from the community-imposed sanctions. The losses the bully faces can be monetary and non-monetary: immediate sales may be lost due to consumer boycotts, or the bully’s reputation as a whole may be diminished by its actions. In addition, the shaming has the potential to deter the bully from future bullying, as well as possibly other large corporations who would bully. For example, Monster Cable, a once-notorious trademark bully, has apparently ceased in its attempt to build a famous trademark.³²⁸ This decision came after its chief executive officer learned that the company’s attempted bullying of Monster Mini Golf would push the small business into bankruptcy.³²⁹

C. Advantages and Disadvantages of Shaming

There are a number of benefits to shaming as a way to fight back against trademark bullies, the foremost of which is that it provides small businesses and individuals with an effective litigation alternative. However, there are also a number of disadvantages to shaming,

325. See Mike Pesca, *The Saints or the NFL: Who Owns the Phrase ‘Who Dar’?*, National Public Radio (Feb. 1, 2010), available at <http://www.npr.org/templates/story/story.php?storyId=123229110>.

326. See WALTER ISAACSON, BENJAMIN FRANKLIN: AN AMERICAN LIFE 103, 227, 266 (2003).

327. See generally William Quigley, *Catholic Social Thought and the Amoralism of Large Corporations: Time to Abolish Corporate Personhood*, 5 LOY. J. PUB. INT. L. 109 (2004).

328. *Monster Companies Settle Name Differences*, National Public Radio (Jan. 7, 2009), available at <http://www.npr.org/templates/transcript/transcript.php?storyId=99080053>.

329. *Id.*

including the reality that shaming of trademark bullies will not work in every instance. This Section discusses both the advantages and disadvantages in turn.

1. ADVANTAGES OF SHAMING

As noted earlier, small businesses and individuals cannot, or should not, litigate trademark disputes with trademark bullies due to their inability to access legal tools and the nature of trademark law and litigation. Due to this, many small businesses and individuals are left without tools with which to defend themselves against a bullying attack. The advantage of shaming is that it provides an effective alternative to litigation for small businesses and individuals to defend themselves. In particular, shaming has the potential to solicit potential providers of low-cost legal assistance (for those victims who cannot access legal tools), as well as provide low-cost methods to effectively resist a trademark bully's demands (for those victims who should not litigate).

First, shaming has the potential to assist small businesses and individuals in soliciting providers of low-cost legal assistance for those victims who cannot otherwise access legal tools. It is likely that some of the small businesses and individuals who are victims of bullying could qualify for low-cost legal assistance through services such as Legal Services.³³⁰ However, it is also likely that these organizations will not have the trademark experience needed to assist in defending a trademark-infringement case.³³¹ And while these organizations may work with the local bar and have the ability to refer the victim's case to a pro bono trademark attorney, the time it takes to obtain such pro bono assistance may be longer than what the bully has demanded in its cease-and-desist letter (if such assistance can be obtained at all).³³² The benefit to shaming, if undertaken by the victim as soon as the cease-and-desist letter is received, is that there is a potential for soliciting low-cost legal assistance within the time frame demanded in the letter. The reason is that the local legal community will be alerted to the bullying at the same time other community members are alerted to it. This means that those community members with trademark expertise

330. Many free legal-services organizations use the Federal Poverty Guidelines to determine those individuals who qualify for free or low-cost legal assistance. *See, e.g.*, LEGAL AID SOCIETY OF SAN DIEGO, INC., <http://www.lasds.org/> (last visited Mar. 22, 2011).

331. *See, e.g.*, *What We Do*, LEGAL SERVICES OF EASTERN MISSOURI, http://www.lsem.org/WhatWeDo_2.aspx (last visited Feb. 14, 2011).

332. Approximately 15 percent of the letters in the ChillingEffects database demanded a response within the week of the date of the letter. *See* CHILLING EFFECTS, *supra* note 127.

(or the ability to refer to pro bono trademark lawyers) will likely be able to offer their assistance within the time-frame demanded in the cease-and-desist letter, or perhaps just shortly after. For example, in Fleurty Girl's situation, a local attorney offered to represent the small business for free within a few days of Thom's shaming of the NFL.³³³

Second, shaming has the potential to provide an effective, low-cost litigation alternative to resisting a trademark bully.³³⁴ Not too unlike the stocks during the Colonial era, shaming in the twenty-first century takes place in the crowded square of cyberspace through social media and the Internet. Communication through the Internet and social media is an inexpensive method to alert the community to the bullying. A good majority of the targeted small businesses and individuals will likely already have access to the Internet.³³⁵ Of these small businesses and individuals, it is likely that a high percentage of those connected to the Internet will have a personal website, a blog, an email account and/or some form of social-media account, such as Facebook, Twitter, MySpace, Blogger.com, etc.³³⁶ The shamer can reach a large audience simply through "tweeting"³³⁷ about receiving the cease-and-desist letter, in addition to posting the letter online for the whole community to see and judge for themselves.³³⁸ Therefore, there should be no additional monetary cost to the bullying victim to publicize the bullying.

In addition, community members who feel similarly about the bullying can just as quickly and inexpensively "spread the word" about the bullying by "retweeting" or "liking" a Facebook post.³³⁹ This helps

333. Alan Sayre, *Super (Bowl) Fight Heats Up over Who Owns 'Who Dat,'* USA TODAY (Jan. 29, 2010, 10:19 PM), http://www.usatoday.com/money/industries/retail/2010-01-29-who-dat-trademark_N.htm.

334. Skeel, *supra* note 242, at 1843.

335. See COLUMBIA TELECOMMS. CORP., THE IMPACT OF BROADBAND SPEED AND PRICE ON SMALL BUSINESS 32 (2010); U.S. DEPARTMENT OF COMMERCE, EXPLORING THE DIGITAL NATION: HOME BROADBAND INTERNET ADOPTION IN THE UNITED STATES 5 (2010).

336. See SAFKO, *supra* note 280, at 27; see also JOEL COMM, TWITTER POWER 2.0: HOW TO DOMINATE YOUR MARKET ONE TWEET AT A TIME, at xv (2010); MARILYN ROSS & SUE COLLIER, THE COMPLETE GUIDE TO SELF-PUBLISHING: EVERYTHING YOU NEED TO KNOW TO WRITE, PUBLISH, PROMOTE, AND SELL YOUR OWN BOOK 398-99 (Scott Francis ed., 5th ed. 2010).

337. *The Twitter Glossary*, TWITTER, <http://support.twitter.com/groups/31-twitter-basics/topics/104-welcome-to-twitter-support/articles/166337-the-twitter-glossary#t> (last visited Mar. 12, 2011) ("Tweet (verb) Tweet, Tweeting, Tweeted. The act of posting a message, often called a 'Tweet', on Twitter.").

338. See, e.g., Christopher Boudy, Sr., *NFL Says 'NoDat' to New Orleans Shop Owner*, NEW ORLEANS TECH (Jan. 22, 2010), <http://neworleanstech.net/2010/01/nfl-says-nodat-to-new-orleans-shop-owner/>.

339. See *The Twitter Glossary*, *supra* note 337 ("Retweet (verb) To retweet, retweeting, retweeted. The act of forwarding another user's Tweet to all of your

to insure that more community members know about the bullying and sanction the bully. Further, shaming through social-media outlets will likely cause traditional media outlets, such as newspapers and television stations, to provide broader coverage of the victim's issue.³⁴⁰ While in previous years, obtaining traditional media coverage would require some monetary expenditure, such as holding press conferences or issuing a press release, more and more traditional media outlets appear to be looking to social media for issues to discuss in their news coverage.³⁴¹ As such, there is likely to be no additional costs with obtaining traditional media coverage.

2. DISADVANTAGES/OBJECTIONS TO SHAMING

Unfortunately, shaming is not a silver bullet to the problem of trademark bullying, as there are a number of downsides to shaming. This Section will discuss three of the primary disadvantages/objections to shaming trademark bullies, specifically that shaming may be unsuccessful, the potential for unwarranted or overzealous shaming, and that shaming may be too costly to undertake.

One of the primary disadvantages is that shaming will not always be successful. As discussed above, there are at least four conditions that need to be met for a successful shaming and not every situation will meet each of the conditions. The court of public opinion can be fickle, and, for example, if the small business or individual is not credible for any number of reasons,³⁴² the community may not galvanize on the shamer's behalf. In addition, if the small business or individual does

followers."); *Help Center*, FACEBOOK, <http://www.facebook.com/#!/help/?page=773> (last visited Mar. 12, 2011) ("‘Like’ is a way to give positive feedback or connect with things you care about on Facebook.").

340. See SAFKO, *supra* note 280, at 269 (noting how Twitter is changing the reporting of news events; tweeter from the US Airways Flight 1549 crash conducted an interview on MSNBC).

341. For example, Thom's tweets about her business's battle with the NFL on January 22, 2010 led to local radio interviews on January 23 and January 24, along with articles in local and national newspapers, such as the *Times-Picayune* and the *Wall Street Journal*. See *Fleurty Girl*, TWITTER, <http://twitter.com/FleurtyGirl/> (tweets on file with author); Jennifer Levitz, *Who Dat Owns ‘Who Dat’? Dat’s Us, Sez da NFL*, WALL ST. J., Jan. 29, 2010, <http://online.wsj.com/article/SB10001424052748703389004575033504283711006.htm>; Jaquetta White, *NFL Says It Has Exclusive Rights to ‘Who Dat,’* TIMES-PICAYUNE (Jan. 29, 2010, 12:39 PM), http://www.nola.com/saints/index.ssf/2010/01/post_140.html.

342. See *supra* discussion in Part III.B.4. In addition, shaming may lack the "expressive overdetermination" that Professor Kahan argues is needed in order for a sanction to be successful. Kahan, *What’s Really Wrong*, *supra* note 262, at 2085–86. Shaming in general may "connote objectionable forms of social stratification and potentially suffocating impositions of communal norms." *Id.* at 2087.

not properly publicize the bullying situation, the information will not disperse to a large segment of the community. The attempt by Rag City Blues to shame Abercrombie & Fitch is a good example of this. Although the proprietor attempted to shame Abercrombie & Fitch through a letter-writing campaign to the U.S. PTO, these letters were not publicized.³⁴³ In addition, the proprietor did not utilize social media in any respect, nor did she post the cease-and-desist letter. Although there were three local news articles written about the dispute (two in Hollister, California, where Rag City Blues is located and one in Columbus, Ohio, where Abercrombie & Fitch is headquartered), no other media outlet picked up the story at the time of the attempted shaming.³⁴⁴

Another objection to shaming is that there is a very real potential for unwarranted and/or overzealous shaming. While this Article has delineated the difference between reasonable trademark enforcement and trademark bullying by only focusing on the norms that have been violated, shamers and communities may not conduct such a nuanced analysis. Not every case of trademark enforcement by a large corporation will be a bullying situation,³⁴⁵ but there is the possibility that shamers and/or communities focus simply on the “David v. Goliath” aspect of the situation.³⁴⁶ If there has been no violation of

343. Although the local council and Crummett sent protest letters to the U.S. PTO, *see* Ha, *supra* note 272, they are not publicly available.

344. The story appeared in two local Hollister, California newspapers (but was written by the same journalist). *See* Joy, *Hollister Name*, *supra* note 209; Joy, *Property of Hollister Co.*, *supra* note 273. The other mention of the dispute appeared in October 2007, when a local newspaper in Columbus, Ohio ran a brief report of the story. *See* Buchanan, *supra* note 273. Although the dispute with Abercrombie & Fitch appeared in a short *Los Angeles Times* article in April 2009, there was no specific mention of Rag City Blues. *See* Martin, *supra* note 272.

345. There may be large corporations that undertake trademark enforcement in a more ethical manner, such as reasonably interpreting its trademark rights and attempting enforcement in a sensitive manner. For example, providing longer time frames for a reply from the target of a cease-and-desist letter. *See, e.g.*, Letter from Jason Love, to Aperio Technologies, (Dec. 2, 2004), *available at* <http://chillingeffects.org/trademark/notice.cgi?NoticeID=1524> (providing sixty days for reply to cease-and-desist letter).

346. Many news stories reporting about trademark disputes between large and small businesses categorize the stories as bullying without necessarily investigating the underlying merits of the case or the manner in which the infringement was alleged. *See, e.g.*, Karnowski, *supra* note 294 (reporting that General Mills claimed My Dough Girl’s trademark diminished the value of the Pillsbury brand with no discussion of the underlying claim); David Ward, *David v Goliath Battle as Welsh Jeans Company Tells Levi’s to Butt Out*, *GUARDIAN.CO.UK* (May 2, 2003, 2:19 AM), <http://www.guardian.co.uk/uk/2003/may/02/wales> (“A mighty jeans giant which has covered the world’s bottoms in denim is considering kicking the rear end of a tiny clothing firm in west Wales.”).

norms (unreasonable interpretation of rights and use of intimidation tactics), then any shaming of the large corporation would be unwarranted. In addition, shamers can become overzealous in their shaming efforts and instead of shaming the bullying behavior, personalize the situation, or take the shaming to a whole new level. This was seen in The North Face versus The South Butt conflict, where The South Butt's shaming of The North Face after the latter filed litigation came close to the limits of responsible shaming.³⁴⁷ Among other items, The South Butt posted a notice "We're Being Sued!" on their webpage after the litigation was filed, and South Butt's attorney issued a press release calling upon The North Face's managers to "adopt some corporate anger management protocol."³⁴⁸

Finally, shaming may be too costly for some small businesses or individuals. The costs of shaming may come from the potential (or the perceived potential) for liability stemming from shaming, including the posting of the cease-and-desist letters. Liability for shaming may come from a variety of sources, including copyright infringement allegations, as some senders of cease-and-desist letters include language that alleges that any publication of the letter is a copyright infringement.³⁴⁹ One such letter states, "Any publication, dissemination or broadcast of any portion of this letter will constitute a . . . violation of the Copyright Act, and You are *not* authorized to publish this letter in whole or in part absent our express written authorization."³⁵⁰ If proven, willful copyright infringement carries potential statutory damages of up to \$150,000.³⁵¹ The threat of this type of liability, on top of the potential for trademark-infringement litigation, is often enough to keep small businesses and individuals from shaming the bully.³⁵² For example, one company that routinely includes a copyright infringement claim to

347. For example, The South Butt's website showed a banner: "We're Being Sued!" See Plaintiff's Pre-Hearing Memorandum of Law in Support of Its Motion for a Preliminary Injunction at 2, *North Face Apparel Corp. v. Williams Pharmacy, Inc.*, No. 09-2029-RWS, 2009 WL 5251523, (E.D. Mo. Dec. 30, 2009) [hereinafter Plaintiff's Pre-Hearing Memorandum].

348. See *id.* at 2-3.

349. See Letter from Donald E. Morris, Attorney, Dozier Internet Law, P.C., to Justin Leonard (Sept. 21, 2007), available at <http://pubcit.typepad.com/clpblog/2007/10/dont-publish-th.html>.

350. See Letter from Lavelly & Singer, P.C. (Dec. 3, 2005), available at <http://www.thesmokinggun.com/documents/crime/aniston-warns-over-topless-photos#lightbox-popup-1>.

351. 17 U.S.C. § 504(c) (2006). However, republication of cease-and-desist letters may qualify as "fair use." See § 107.

352. See, e.g., Fruhwirth, *supra* note 298; Stagg, *supra* note 293 ("My Dough Girl's owner Tami Cromar is so worried about the possibility of litigation she wouldn't go on camera.").

prevent shaming is DirectBuy, an online wholesale retailer of furniture and home supplies. DirectBuy's cease-and-desist letter ends with the following paragraph: "Please be aware that this letter is copyrighted by our law firm, and you are not authorized to republish this in any manner. Use of this letter in a posting, in full or in part, will subject you to further legal causes of action."³⁵³ Prior to Public Citizen, a nonprofit organization, posting and responding to DirectBuy's letter, no other instances of its cease-and-desist letter were published, indicating that DirectBuy's threat of copyright infringement works to make shaming too costly for small businesses and individuals.³⁵⁴

Another form of liability stemming from shaming may come in the form of a defamation lawsuit against the shamer, whereby the bully alleges that its reputation has been damaged by the shamer's false statements. A defamation cause of action requires the plaintiff to prove at least three elements: (1) "a false and derogatory statement" about the plaintiff; (2) with such statement being unprivileged; and (3) that the defendant at least negligently published such statement about plaintiff.³⁵⁵ The defense to a defamation lawsuit is typically that the statement made by the defendant was a true statement of fact.³⁵⁶ Corporations, the likely targets of small businesses' or individuals' shaming, may be defamed as to its business reputation.³⁵⁷ Although shamers may make true statements about their targets, and defamation suits are difficult to prove,³⁵⁸ this may not stop large corporations from alleging defamation, as a corporation's reputation is one of its more important assets. Recently filed commercial defamation suits show that large corporations have no qualms about filing lawsuits against "gripe

353. See Letter from Donald E. Morris, *supra* note 349.

354. See Greg Beck, *Don't Post This Cease-and-Desist Letter, Or Else*, PUBLIC CITIZEN CONSUMER LAW & POLICY BLOG (Oct. 5, 2007, 2:07 PM), <http://pubcit.typepad.com/clpblog/2007/10/dont-publish-th.html> ("Copyright claims like the one in this letter are becoming a common method to counter that problem by scaring recipients into keeping quiet. It has so far been a successful strategy -- DirectBuy's lawyer claims that none of his similar demand letters, until now, have ever been posted online.").

355. RESTATEMENT (SECOND) OF TORTS § 558 (1977). If the plaintiff is a "[p]ublic figure," the plaintiff must also prove a fourth element: that the defendant published such statements with actual knowledge of its falsity or "reckless disregard." See *id.* § 580A. Where the statements are published in some form of medium (on a website or blog, for example), the cause of action is termed "libel." *Id.* § 568.

356. *Id.* § 581A.

357. See, e.g., *Converters Equip. Corp. v. Condes Corp.*, 80 Wis. 2d 257, 262-63, 258 N.W.2d 712, 715 (1977).

358. See § 613.

websites,” blogs, and the like.³⁵⁹ As with copyright infringement, the threat of a defamation lawsuit carries the potential for damages to be awarded, and therefore the real possibility that shaming may be too costly for small businesses or individuals.

IV. PROPOSED LEGAL REFORMS TO HARNESS THE POWER OF SHAMING

The disadvantages and objections to shaming trademark bullies identified above are not insurmountable, and the incentives to overcoming these disadvantages are great as small businesses and individuals need tools with which to resist trademark bullies. One of the ways in which shaming can be more successful when it is undertaken is if small businesses and individuals understand the conditions under which shaming will work. By providing a detailed analysis of such conditions in Part III, this Article hopes to educate small businesses and individuals. In addition, there are some legal reforms that can be undertaken in order to lower the costs of shaming and assist small businesses and individuals in the pre-litigation setting. The suggestions include providing small businesses and individuals with a protected space for shaming and with additional pre-litigation negotiation leverage through a groundless-threats cause of action. In addition, this Part provides suggestions to promote responsible shaming as a way to avert the potential problem of overzealous or unwarranted shaming.

A. Providing Protected Spaces for Shaming

As discussed above, one of the ways in which shaming can be too costly for some small businesses or individuals is where there is a possibility for legal liability for actions other than trademark infringement. While the First Amendment provides general freedom-of-speech protection,³⁶⁰ commercial speech is not afforded the highest level of protection available under First Amendment jurisprudence.³⁶¹ And in some instances, particularly in situations where the shamer is a competitor of the bully, allegations of bullying and shaming may have the potential to be deemed commercial speech.³⁶² This would mean that

359. See, e.g., Dan Frosch, *Venting Online, Consumers Can Land in Court*, N.Y. TIMES, June 1, 2010, at A1.

360. U.S. CONST. amend. I.

361. See Lisa P. Ramsey, *First Amendment Limitations on Trademark Rights*, in 3 INTELLECTUAL PROPERTY AND INFORMATION WEALTH: ISSUES AND PRACTICES IN THE DIGITAL AGE 147, 148 (Peter Yu ed., 2007).

362. See Rebecca Tushnet, *Truth and Advertising: The Lanham Act and Commercial Speech Doctrine*, in TRADEMARK LAW AND THEORY, *supra* note 19, at 294

the shamer's communications would not be protected speech, exposing the shamer to liability under a wide array of causes of action, including defamation, economic injury, misleading advertising, etc.³⁶³

One reform that could assist in lowering the costs of shaming is providing a protected space for shaming, and, in particular, protection of the right to post copies of cease-and-desist letters, along with the right to discuss the merits of the letter. Professor Eric Goldman has suggested that one way a protected space could be provided is through immunity from liability which would "exculpate [cease-and-desist] letter recipients from republishing the letter."³⁶⁴ This reform could come through various forms, including legislative reform or case law.³⁶⁵ For liability that may stem from causes of action where the First Amendment is a defense, immunity may be best provided through the courts. Most, if not all, of First Amendment interpretation is done through the courts,³⁶⁶ and so this may be the quickest and most effective way to provide protected spaces for shaming. For liability stemming from a copyright-infringement cause of action, legislative reform, such as amending the Copyright Act, may be needed. Since copyright protection in the United States is a statutory prerogative, courts may not feel as comfortable interpreting immunity where copyright infringement is claimed.³⁶⁷

B. Assisting in Effective Shaming: The "Groundless Threats of Trademark Infringement" Cause of Action

An additional cost to shamers is the potential that the shaming will not work because the community may not censor the bully. One of the reasons that the community does not shame the bully may be due to the fact that "shaming does connote objectionable forms of social stratification and potentially suffocating impositions of communal norms."³⁶⁸ Another reason that shaming may not be successful is if the

("Distinguishing between commercial and noncommercial speech creates definitional problems.").

363. See, e.g., *N.Y. Times Co. v. Sullivan*, 376 U.S. 254 (1964).

364. See Eric Goldman, *Keeping C&D Letters Confidential*, ERIC GOLDMAN TECHNOLOGY & MARKETING LAW BLOG (Dec. 7, 2005), http://blog.ericgoldman.org/archives/2005/12/keeping_cd_lett.htm.

365. Professor Goldman doubts that such reform could be done through statutory reform and, as such, proposes that courts create some type of de facto exclusion. See *id.*

366. See Robert A. Sedler, *The First Amendment in Litigation: The 'Law of the First Amendment'*, 48 WASH. & LEE L. REV. 457, 484 (1991).

367. Cf. Grynberg, *supra* note 26, at 900-03.

368. Kahan, *What's Really Wrong*, *supra* note 262, at 2087.

target is not vulnerable to shaming or does not take the shamer seriously. One way to lower the costs for potentially unsuccessful shaming is by enacting a cause of action for “groundless threats of trademark infringement” similar to that enacted in various nations around the world, including Belize, India, Malta, Singapore, and the United Kingdom.³⁶⁹ To use the U.K. law as an example, the U.K. law provides victims of trademark-infringement threats with the ability to mount a legal attack on the sender of the threat where the threat is “groundless.” As a defense, the bully must prove that “the acts in respect of which proceedings were threatened constitute (or if done would constitute) an infringement of the registered trade mark concerned.”³⁷⁰ If the defendant cannot so prove, then the plaintiff may be entitled to a judicial declaration that the threats are unjustified, an injunction against the threats, and possibly monetary damages.³⁷¹ The policy rationale for this “groundless infringement threats” claim is to prevent against those holders of intellectual property rights who are “‘willing to wound but afraid to strike’ from holding the sword of Damocles above another’s head.”³⁷²

The United States should seriously consider adopting a similar cause of action, as it would assist in effective shaming in two ways. First, unlike uncoded norms, statutory laws offer a concrete reference point for shaming, and as such can be more of a rallying point for a community.³⁷³ Since such a cause of action adopts both norms that are violated through trademark bullying and over-enforcement of trademark rights, each community member has the freedom to find in such law the expressive elements that are important to them.³⁷⁴ Therefore, those community members who may have previously been leery of shaming the bully based simply on ephemeral norms may be more likely to shame a trademark bully. In addition, a cause of action for groundless threats of trademark infringement has the potential to make bullies take the shamer more seriously by adding a potential cost to the bullying.³⁷⁵ In some situations, the bully may ignore the attempted shaming, or decide to file a lawsuit to cut short the shaming time period because the

369. Trade Marks Act, c. 257, § 55 (2000) (Belize); Trade Marks Act, c. 26, § 21 (1994) (Eng. & Wales); Trade Marks Act, No. 47 of 1999, § 135, INDIA CODE (1999), vol. 86; Trademarks Act, ch. 416, § 20 (2001) (Malta); Trade Marks Act, ch. 332, § 35 (1999) (Sing.); *cf.* Ridgway, *supra* note 19, at 1585–88.

370. Trade Marks Act, c. 26, § 21(2) (Eng. & Wales).

371. *Id.*

372. *L'Oréal (UK) Ltd. v. Johnson & Johnson Ltd.*, [2000] ETMR 691, 698 (Ch).

373. *Cf.* Kahan, *What's Really Wrong*, *supra* note 262, at 2076.

374. *See id.*

375. *See* Ridgway, *supra* note 19, at 1569.

bully knows that the small business or individual will not have the resources to sustain a protracted shaming defense.³⁷⁶ With a cause of action that could place liability on bullies (and a potential monetary recovery for the victim), a potential burden will be added, which would cause even large corporations to take heed of shaming before filing a lawsuit.³⁷⁷

However, there may be various objections to adopting such cause of action. One objection, which is the subject of debate in the United Kingdom, is that the groundless-threats cause of action tends to encourage a “sue-first, talk-later” approach.³⁷⁸ This objection likely arose from U.K. case law, which tended to broadly interpret correspondence that allegedly contained groundless threats of trademark infringement.³⁷⁹ More recently, however, it would appear that this objection has been tempered somewhat, as the U.K. courts have issued recent decisions that more narrowly interpret such claims.³⁸⁰ Likewise, a similar objection to the adoption of the cause of action in the United States could be handled by U.S. courts narrowly interpreting letters that allegedly contain groundless threats of trademark infringement, as well as interpreting such letters in context. For example, if the parties are already in negotiation, as was the situation in the recent case of *Best Buy Co. Inc. v. Worldwide Sales Corp. España S.L.*,³⁸¹ a response letter containing an allegedly groundless threat is less likely to be construed as such. If, however, a threat of trademark infringement is made within the first cease-and-desist letter, as was the situation in the case of *Prince Plc v. Prince Sports Group Inc.*,³⁸² a court should be more inclined to construe such a threat as groundless. This manner of interpretation would incentivize trademark holders to send cease-and-desist letters that do not threaten litigation right away, but provide notice of potential infringement and propose discussions to resolve the potential dispute. A related objection, that every accused infringer will either utilize this cause of action in every situation or counterclaim in

376. In such a situation, the shamer should obtain legal advice regarding such litigation. Shamers should keep in mind that all lawsuits need to be defended until a final decision is issued or a settlement is reached, otherwise courts may enter “default judgments” against the shamers. See YEAZELL, *supra* note 174, at 474, 477.

377. See Ridgway, *supra* note 19, at 1567–70.

378. Press Release, Law Soc’y, Businesses Caught Out by Trademark Law Trap, Warnings Law Society (May 16, 2006).

379. See, e.g., Jean Hughes, *Trade Marks: Unjustified Threats*, 22 EUR. INTEL. PROP. REV. N-116, N-116-17 (2000).

380. See, e.g., *Best Buy Co. Inc. v. Worldwide Sales Corp. España S.L.*, [2010] EWHC 1666, ¶¶ 40–43 (Ch).

381. *Id.* at ¶¶ 38–43.

382. [1998] F.S.R. 21, 25 (Ch).

every lawsuit, can also be addressed by a court's narrow interpretation of cease-and-desist letters. This will limit claims of groundless threats of trademark infringement to those cases that are in fact groundless and incentivize accused infringers to bring only claims with merit.

C. Promoting Responsible Shaming

One further objection identified above is the potential for overzealous or unwarranted shaming by small businesses, individuals, or even by the community. A case that exemplifies the potential for overzealous shaming is The South Butt conflict, briefly mentioned above. After The North Face filed its lawsuit against The South Butt, it sought a preliminary injunction to keep The South Butt from continuing to sell its products while litigation was pending.³⁸³ While The South Butt had publicized The North Face actions prior to the lawsuit being commenced against it, after the lawsuit was filed, The South Butt increased and deepened the tone of its shaming of The North Face.³⁸⁴ A statement made by The South Butt's attorney highlights this: "Perhaps North Face should consider embracing its parent company's stated commitment to 'consideration and respect,' applaud the spirit and diligence of this young man, adopt some corporate anger management protocol, and save some money on unnecessary legal fees in the process" ³⁸⁵

In addition, The South Butt adopted a similar tone in its court filings, which earned its attorneys a reprimand by the judge for the case.³⁸⁶ This judicial reprimand appeared to rein in The South Butt, as its attorney declined to provide further statements.³⁸⁷ Although this is only one case, it is likely that judicial reprimands are effective against overzealous shaming by small businesses and individuals where the matter has been taken to litigation.

Outside of litigation, self-regulation may be the answer to promoting responsible shaming as there are many incentives to do so.

383. See Plaintiff's Pre-Hearing Memorandum, *supra* note 347, at 1, 3.

384. For example, The South Butt's website showed a banner: "We're Being Sued!" See *id.* at 2.

385. *Id.* at 3.

386. See *North Face Apparel Corp. v. Williams Pharmacy, Inc.*, 2010 WL 546921, at *2 (E.D. Mo. Feb. 9, 2010).

387. See Brian Baxter, *Tempers Flare in North Face vs. South Butt*, AM. LAWYER, Mar. 25, 2010, <http://www.law.com/jsp/article.jsp?id=1202446785206>. Although The South Butt's attorney was quoted as describing the lawsuit as a "monumental clusterfuck," this was likely in reference to the unorthodox manner in which the depositions of The South Butt witnesses were taking place and not a reference to The North Face. *Id.*

For the shamer, an incentive to self-regulating its shaming behavior stems from the need to maintain its credibility with the community. One of the reasons the small business or individual is credible is that they are considered to be the morally righteous party in the dispute. Overzealous or unwarranted shaming may cause the shamer to lose its moral upper-hand, thereby causing the community to not take part in the shaming. For the shamer and the community, the threat of litigation may provide an inherent incentive to shame responsibly, as well as to self-regulate the shaming. Some targets of overzealous or unwarranted shaming may use litigation (by seeking a preliminary injunction) as a way to end the shaming. This tactic was used by The North Face, and as described above, the tactic was mostly successful. Since avoiding litigation is the goal of shamers and their communities, the ability of targets to file a lawsuit if they are “pushed over the edge” has the potential to work as an effective incentive to stem unwarranted or overzealous shaming. There is limited anecdotal evidence to support that communities engage in self-regulation of responsible shaming. For example, in the My Dough Girl case, the creator of the Facebook support page wrote:

[W]ow, great to see so many new supporters of my dough girl! want to take the next step? 1. post a polite plea to pillsbury on facebook to cease their ‘cease and desist’, and please be polite. pillsbury fans need to know what’s going on, but don’t need to be bullied like pillsbury is bullying my dough girl. THANK YOU.³⁸⁸

CONCLUSION

Small businesses and individuals enrich the marketplace with both product alternatives and with social commentary and criticism. However, trademark bullying of small businesses and individuals has the potential to both dampen competition and lessen the discourse on cultural phenomena, of which trademarks are a large part. Therefore, trademark bullying that occurs outside of the courtrooms should be recognized as a serious problem that needs addressing. In particular, the special circumstances that small businesses and individuals are in—leading to their inability to effectively fight bullies in the pre-litigation setting—need to be more closely examined. This Article has argued that shaming, if responsibly undertaken, has the potential in many instances

388. See *My Dough Girl vs. Pillsbury Corporation*, Comment to *My Dough Girl vs. Pillsbury Corporation*, FACEBOOK, (July 8, 2010 12:52 PM), <http://www.facebook.com/my.dough.girl.vs.pillsburycorporation?v=wall>.

to be an effective litigation alternative. In addition, this Article has suggested some legal reforms that are needed in order to lower the costs of shaming so as to make shaming more widely available and effective. Small businesses and individuals need an arsenal of tools to effectively resist trademark bullies in the pre-litigation setting and shaming provides one such tool.

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