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Still Standing, New Branding: Corporate Crossroads of Shaping a Modern Brand While Protecting Intellectual Property

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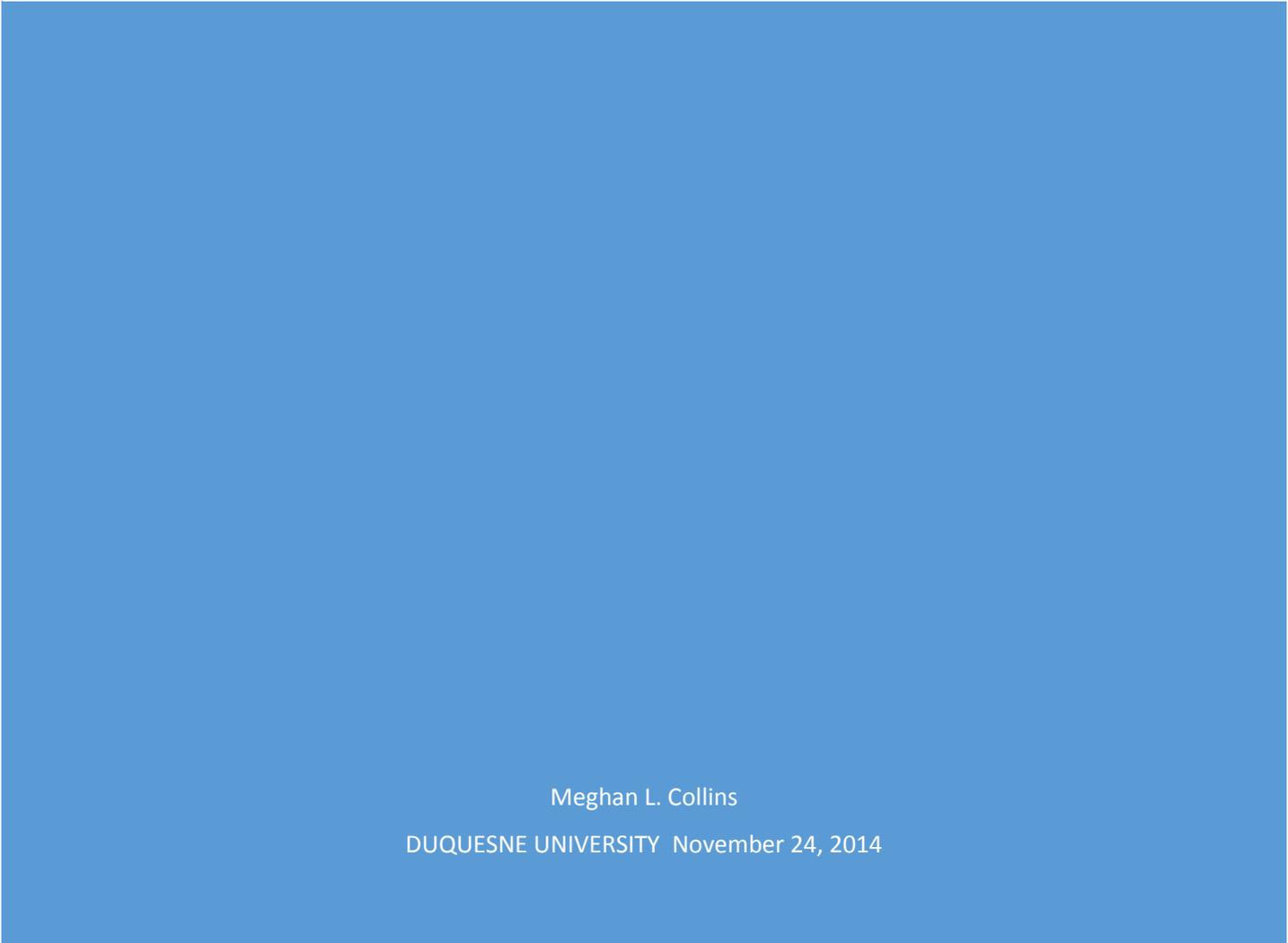
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Introduction:

It's a Tuesday morning. You are the lead brand strategist at Coca-Cola . You just sat down for your mid-morning coffee break when your phone rings. The head of your social media team is calling. She informs you that an individual using the twitter handle @veneers4ever has tweeted an altered Coca-Cola logo reading "Enjoy Cavities," with the tagline "Have a Veneer Certified Dentist and a smile."

How do you handle this infringing use of your brand image? Should you pursue the company for trademark infringement and dilution? Should you ignore the tweet? Or should you embrace the forum?

Brand strategists have to weigh all of these considerations when a situation like this arises. For some readers, the answer may be clear-cut: of course you pursue them, they are hurting your product! But what if in the same scenario, handle user @DZAsooroitygal tweeted an altered image of the Coca-Cola logo with the tag line stating "Enjoy Sisterhood." Does this change the assured reader's opinion? What about when we take into consideration the cost of litigation? Or the potential back-lash of sending cease-and-desist letters?

In today's consumer culture, brand marketing is vital to the success of the product or service in which the brand is representing. The historical transition from the traditional meaning of branding to the modern model that values brand worth, was influenced by technology, consumer psychology, and advertising. The brands that have been successful through the transition understand the importance of the consumer, core values, and flexibility with changing cultural norms.

In the past, consumers typically purchased products solely out of necessity but somewhere along the road "need" turned into "want." Currently, consumers have more power

over brands than ever before. In the United States, new brand launches are **unsuccessful** 7 out of 10 times.¹ Brands fail because consumers can embrace or disgrace a company in a very short period of time due to the immediacy that information can be obtained and spread. Consumers have a forum to voice their opinions that not only reaches their inner circle but the other 3 billion people on the web.² With odds of failure, and increased consumer feedback, brands that are prominent or just starting out and want to maintain a loyal customer base have to weigh intellectual property concerns with market prominence and innovation.

Changing social culture and increased innovation in technology present challenging new intellectual property issues that require evolving business strategies. How the law is progressing and addressing intellectual property concerns in the technology sphere continues to be a growing concern for business owners. When a company brings an intellectual property infringement claim, courts have typically applied existing law to resolve the question.³ However, in the last twenty years, the legislature has drafted a few different statutes to attempt to modernize the law. The growing tension between enforcing intellectual property rights and allowing consumers to shape brand image is astounding.

This paper will seek to provide a basic understanding of the complexities in preserving a strong intellectual property portfolio while building and maintaining a successful brand. First, we will take a historical look into brand development and the modern consumer revolution. Second, we will discuss the existing body of intellectual property law and the multitude of avenues that can be utilized to pursue infringers abusing registered marks or rights. Finally, we will discuss the balancing act between good brand business and good intellectual property

¹ MARTIN LINDSTROM, BUYOLOGY: TRUTH AND LIES ABOUT WHY WE BUY 40 (2010).

² INTERNET LIVE STATS, <http://www.internetlivestats.com/internet-users/> (last visited Nov. 22, 2014).

³ HOWARD C. ANAWALT, IDEA RIGHTS: A GUIDE TO INTELLECTUAL PROPERTY 11 (2011).

protection and answer the essential question of when to pursue infringers. Sit back, finish that mid-morning coffee, and get ready to learn.

Part 1: The Evolution of Market Branding

New York City's Time Square; the mecca of brand imagery. Look left; you will see advertisements for Gucci ; look right; you will see advertisements for cosmetic hair removal. These two industries seemingly have nothing in common to the unknowing consumer; but in reality, they both use Times Square advertising to aid in building their brand identity. The concept of brand identity is deeply rooted in our societal history. In order to fully understand the modern issues that brand managers deal with, it is first important to discuss where the market has been and where it is going. This section will illustrate the transition from ancient forms of branding to the rise of the advertising age in the 1940's and finally to the consumer revolution of brand marketing starting in the 1990's.

The Beginning – 1940's

Some of the earliest manifestations of concepts like consumer identification and labeling of goods are shown in artifacts from ancient civilizations. From the excavation of temples at Nineveh⁴, archeologists discovered that the Mesopotamians produced building bricks bearing names of manufacturers.⁵ Further explorations led to the discovery that in 2000 B.C.E., ancient Egyptians began regularly using hot irons to physically brand cattle to identify the owner.⁶ Furthermore, archeologists have uncovered pottery from multiple ancient civilizations denoting

⁴ Nineveh was the ancient capital city of the Neo – Assyrian Empire located on the eastern bank of the Tigris River in modern-day Iraq. It was first mentioned in ancient texts in the year 1800 B.C.E. The city is also mentioned in Genesis 10:11 and the Book of Jonah. The temples served as a center of worship for the goddess Ishtar (goddess of fertility and war) and included an impressive library of cuneiform clay tablets. The temples were excavated in the 1800's. NINEVEH, <http://www.newworldencyclopedia.org/p/index.php?title=Nineveh&oldid=968128> (last visited Nov. 22, 2014).

⁵ Benjamin G. Paster, *Trademarks: Their Early History: Part 1*, 59 TRADEMARK REP., 551, 555 (1969).

⁶ DEBBIE MILLMAN, BRAND THINKING AND OTHER NOBLE PURSUITS 8 (2011).

craft and creator from 1200 B.C.E.⁷ During the Middle Ages, products that developed a positive reputation would be marked with the “towns” coat of arms.⁸ Branding further progressed with the creation of trade and craft guilds.⁹ These guilds (often in reaction to usurpations) created regulations for its members that stressed the importance of a craftsman identifying his work with a mark.¹⁰ It became imperative for craftsmen to claim ownership in order to prevent counterfeit by competitors. Simply put, marking of products strengthened the guild’s control of the trade markets.¹¹ These examples found in antiquity show ownership which is the very foundation of modern branding and intellectual property law.

In the 19th century, business owners began to implement marks not to just show ownership but to gain customer loyalty. For example, in the 1870’s, H.J. Heinz founder of the Heinz Company, realized that customers needed to be able to identify his horseradish and associate the image with a first-class quality product. Through careful packaging and salesmanship, the anchor symbol was chosen as the Heinz brand image.¹² Eventually in 1896, Heinz developed the “57” brand image that is the longest lasting logo the company owns.¹³

Advertising developed alongside branding, albeit the development was much slower. Advertising has been used to gain public attention since Egyptian “outdoor advertising,” i.e. the carving of public notices in stone, since 3000 B.C.E.¹⁴ The invention of the printing press eventually led to wider spread print advertising. In 1477, distribution of print ads announcing

⁷ Paster, *supra* note 5, at 552.

⁸ *Id.* at 555.

⁹ *Id.*

¹⁰ *Id.*

¹¹ *Id.*

¹² Nancy F. Koehn, *Henry Heinz and Brand Creation in the Late Nineteenth Century: Making Markets for Processed Food*, Business History Review, Autumn 1999, as reprinted on <http://hbswk.hbs.edu/item/0788.html>.

¹³ *Id.*

¹⁴ LEONARD MOGEL, MAKING IT IN ADVERTISING 4 (1993).

prayer books for sale in England was a common occurrence.¹⁵ As companies and brands developed over the years, the main advertising focus was on newspaper advertising. Advertising existed in the first half of the 19th century in the form of small newspaper ads, simple business cards, and black and white broadsides.¹⁶¹⁷ The American Civil War introduced mass production and distribution of goods, which in turn diversified advertising methods.¹⁸ Lithography became the preferred method of advertising because the prints were in color.¹⁹ It was not until after the turn of the 20th century that companies began to expand their advertising horizons. The early 1900's saw advertising on calendars, fans, pins, bookmarks, and glasses.²⁰

1940's- 1990's

Prior to World War II, most companies, with the exception of a few early adopters, did not have to heavily advertise. The companies relied on the quality of their product, word of mouth recommendations, and small budgets dedicated to print and novelty advertising. After World War II, companies that participated in the World War II effort were rewarded with increased consumer spending. For example, The Hershey Company created a ration bar for soldiers in emergency situations and sent millions of regular chocolate bars overseas in care packages.²¹ These chocolate bars not only reminded soldiers of home but were actually used to

¹⁵ JULIANN SIVULKA, *SOAP, SEX, AND CIGARETTES: A CULTURAL HISTORY OF AMERICAN ADVERTISING* 5 (2012).

¹⁶ A broadside is a large single-sided sheet of paper. BAKER LIBRARY HISTORICAL COLLECTIONS: THE ART OF AMERICAN ADVERTISING 1865-1910, <http://www.library.hbs.edu/hc/artadv/index.html> (last visited Nov. 22, 2014).

¹⁷ *Id.*

¹⁸ *Id.*

¹⁹ Chromolithographs—lithographs printed in multiple colors by means of a complex process of color separation that used one stone for each color—produced stunning, eye-catching advertisements in bold tones. *Id.*

²⁰*Id.*

²¹ In April of 1937, the U.S Army Quartermaster General sent Captain Paul Logan to meet with William Murrie and Hershey lead chemist, Mr. Sam Hinkle. At this meeting, Captain Logan asked if the Hershey Chocolate Corporation would help to develop a formula for a ration bar that could be used to meet soldiers' basic nutritional needs if they were involved in a war. It was important that the bar was high in both nutritional value and calories but would not easily melt. It was also imperative that the bar not taste too good because the U.S Army did not want soldiers eating it unnecessarily. The company gladly took on the challenge and after three days of experimenting with chocolate, oat flour, and dried milk, a 4 oz. ration bar was created. Until the Second World War started, Hershey received a few small orders for the bars but as World War II came to America, the military essentially took over the factory and

barter or create relationships with foreign citizens.²² It was not until the post-war optimism of the late 1940's and 50's wore off that brands had to make more of an effort through new advertising techniques to reach their consumers. Technological innovations such as the advent of television and the move toward colorful visual aids increased mass market advertising in the 1960's and 70's. Television became a leading vehicle for advertising during the 60's. From 1959 to 1969, spending on advertising on television increased from USD \$1.5 billion to USD \$3.5 billion.²³

The "creative revolution" of advertising from the 1950's to the 1970's²⁴ focused on changing the conversation. The changing tides of American culture forced brands to innovate, not only in product design, but also in advertising. The younger generation of Americans (now known as the baby boomers) revolted against the traditional social standards and started to question the government and major corporations. Fifty percent of the U.S. population in this era was under the age of 25.²⁵ The current events of the time period such as, the assassination of President John F. Kennedy; cultural unrest with racial segregation; the Vietnam War; the oil crisis; the Watergate scandal; and the economic crash of 1973 ushered in an era social and political change.²⁶ The changing culture swayed by the desires of the younger generation, forced

were making the bars in the millions. Also at the same rate, the Hershey Company was still making regular chocolate to be included in CARE packages that civilians would sponsor to send to soldiers. At the end of the war, the Hershey Company received five "E" awards from the U.S Armed Services for producing over 3 billion Ration Bars during the war. *Ration D Bars*, HERSHEYCOMMUNITYARCHIVES.ORG, <http://www.hersheyarchives.org/essay/details.aspx?EssayId=26> (last visited Nov. 22, 2014).

²² *Id.*

²³ Randall Rothenberg, *Ad Age Advertising Century: The Greatest Icon*, Advertising Age (March 29, 1999), <http://adage.com/article/special-report-the-advertising-century/ad-age-advertising-century-greatest-icon/140149/>.

²⁴ *Id.*

²⁵ *Id.*

²⁶ *1960's Creativity and breaking the rules*, ADVERTISING AGE (Mar. 28, 2005), <http://adage.com/article/75-years-of-ideas/1960s-creativity-breaking-rules/102704/>.

brand strategists to find methods of influencing the consumer market while simultaneously building trust with skeptical consumers.²⁷

Fortunately, the cultural skepticism of this era was contrasted with moments of optimism and hope for American society. Economically, the 1960's was an era of prosperity.²⁸ The stability of the middle class, combined with characteristics of disposable incomes, forged new desires for leisure activities and non-necessities.²⁹ Events such as Apollo 11 landing on the moon, and Mark Spitz bringing home seven gold medals, managed to bring Americans together.³⁰ Because this era was so diverse, interpreting the American consumer base became the single most important job of brand strategists during this era.

Two developments during the mid-20th century have continued to dominate the advertising tactics of major consumer brands. The first development was the shift of public perception toward sex.³¹ The widespread availability of the birth control pill (1957) led to a new found sense of sexual freedom.³² This social acceptability of sex gave marketers the ability to use "sex" more obviously in advertisements. By the 1970's sex in advertisements was not even subtle. Tiptoe cigarettes produced a line of advertisements full of explicit sexual innuendos.³³ One such advertisement shows a man blowing smoke in a woman's face with the tag line "blow in her face and she will follow you anywhere."³⁴ See Figure 1.1.

²⁷ *Id.*

²⁸ *Id.*

²⁹ *Id.*

³⁰ *Id.*

³¹ *Supra* note 25.

³² *Id.*

³³ *Stanford Research into the Impact of Tobacco Advertising*, STANFORD SCHOOL OF MEDICINE, http://tobacco.stanford.edu/tobacco_main/images.php?token2=fm_st031.php&token1=fm_img0742.php&theme_fil=fm_mt012.php&theme_name=Targeting%20Women&subtheme_name=Objectifying%20Women/ (last visited Nov. 24, 2014).

³⁴ *Id.*

The second progressive development was the assignment of the 1960 U.S. Census data.³⁵ The data collected offered marketers new information that helped to shape their target audiences. Market analysts now had information such as per-capita income, population density, and lifestyle attributes to influence segmented advertising efforts for specific demographics.³⁶ This shift from relying on creative intuition to using market research was the first of many brand strategies aimed at interpreting changing consumer trends.



The market research informed marketers of the changing trends of the young consumer generation. Many advertising agencies implemented methods of self-deprecating humor and irony in ad campaigns to appeal to this new rebellious generation.³⁷ One of the most popular examples of this self-deprecating humor is by Volkswagen. In the 1960's Volkswagen used humor to advertise the Beetle.³⁸ One advertisement showed a picture of the car above bold-faced type that just said "Lemon" while the fine print explained how Wolfsburg inspectors rejected the entire car because on one blemished chrome strip on the dash.³⁹ While some companies employed humor to reach young consumers, others used advertisements to carry a broader message of change. For example; Coca-Cola's "I'd Like to Teach the World to Sing" campaign

³⁵ *Supra* note 26.

³⁶ *Id.*

³⁷ Randall Rothenberg, *Ad Age Advertising Century: The Greatest Icon*, Advertising Age (March 29, 1999),

<http://adage.com/article/special-report-the-advertising-century/ad-age-advertising-century-greatest-icon/140149/>

³⁸ THE AUTO EDITORS OF CONSUMER GUIDE, <http://auto.howstuffworks.com/1960-1969-volkswagen-beetle4.htm> (last visited October 10, 2014)

³⁹ *Id.*

was multi-ethnic and peace-promoting which resulted in positive consumer outreach and an eventual pop recording of the commercial song.⁴⁰

Brands during this time had to adapt because “the inherent materialism represented by advertising went against the grain of the youth culture.”⁴¹ The rebellious trend that steered away from establishment captured the American public as a whole. The young generation essentially controlled the creative output of the entire country. Brands that took this era by storm realized that they needed to change as consumers changed.

1990’s- Present Day

The 1990’s ushered in an era of renewed consumerism. Consumerism became the driving force behind brand strategy. Brand strategists in contemporary culture are constantly asking: Why do we buy what we buy? Some theorists, such as Thorsten Veblen, an early 20th Century American economist, say that consumerism is a phenomenon that has its roots in the rise of the leisure class.⁴² Veblen may not have been alive to see his hypothesizes come to fruition in the 1990’s but his theories held true through the decades. Veblen’s hypothesis on consumerism is that consumption of luxury goods can be directly related to how members of different classes represent themselves.⁴³ Thus, during the rise of mass-spread consumerism, the middle-class became the most prominent consumers of luxury items because in their minds their consumerism blurred the lines of class distinction. Capitalism (through industrialization) has allowed the middle-class to become the leisure class.

Brand identity was generated in reaction to the consumer driven direction that the world marketplace was headed during the early 20th century. Brand identity has become the driving

⁴⁰Ted Ryan, *The Making of “I’d Like to Buy the World a Coke”*, COCA-COLA HISTORY (Jan. 1, 2012) <http://www.coca-colacompany.com/stories/coke-lore-hilltop-story>.

⁴¹ Rothenberg, *supra* note 34.

⁴² Veblen Citation,

⁴³

force behind marketing in modern era. For example, there are over 200 different brands of bottled water in the U.S. alone.⁴⁴ The bottled water companies have the exact same product but because of brand identity they can all compete. Brands in the marketplace are constantly trying to keep up with consumers ever-changing demands, so modern culture, specifically American modern culture, is full of commercials, billboards, celebrity endorsements, print ads, radio spots, and internet ads that urge us to buy one brand over another.

The Internet has changed the market landscape even more. In the early 1990's, computers were not very user friendly, thus at first, only sophisticated technology users accessed the Internet.⁴⁵ Because only a small demographic was using the Internet, it was not utilized for commercial purposes until the mid-1990's as the computer and Internet became more commonplace.⁴⁶ Around 40% of the world population has an Internet connection today; in 1995, less than 1% had Internet connections.⁴⁷

As the marketplace progressed with technology, the power began to shift from corporation to consumer. The Internet was the most influential factor aiding this shift. Bryer, Lebson, and Asbell, authors of *Intellectual Property Strategies for the 21st Century Corporation*, wrote “[t]he key characteristic of today’s Web 2.0 is an internet that acts as a platform for interactive and collaborative activities among its participants.”⁴⁸ The Internet is a forum for user-generated content and commentary.⁴⁹ In effect, the Internet has leveled the playing field for competitive industries. Luxury brands, everyday consumer products, and even start-ups can have similar and just as effective Internet presence. The diverse companies can reach the same

⁴⁴ DEBBIE MILLMAN, BRAND THINKING AND OTHER NOBLE PURSUITS 2 (2011).

⁴⁵ LANNING G. BRYER, SCOTT J. LEBSON & MATTHEW D. ASBELL, INTELLECTUAL PROPERTY STRATEGIES FOR THE 21ST CENTURY CORPORATION: A SHIFT IN STRATEGIES AND FINANCIAL MANAGEMENT 248 (2011).

⁴⁶ *Id.*

⁴⁷ INTERNET LIVE STATS, <http://www.internetlivestats.com/internet-users/> (last visited Nov. 22, 2014).

⁴⁸ *Id.*

⁴⁹ *Id.*

amount of users – there is no exclusivity. Big brands no longer have an extremely unbalanced market power. Big brands used to dominate the market because it could afford to sink significant funds into traditional forms of advertising. Now, with the advent of social media, the smaller companies have an opportunity to climb the market ladder.

A further development in the early 2000's was the creation of social media platforms. Facebook, a social media site that allows users to create profiles and connect with friends, undeniably the most successful social media platform, launched in 2004 and was limited to Harvard students.⁵⁰ In 2006 Facebook was opened to the general public and now, in 2014, there are 1.3 billion registered users.⁵¹ Twitter, a site that allows users to “tweet” 140 character status updates, launched in 2007 and now has 284 million active monthly users.⁵² Social media has enabled these brands to have a visual platform at a low cost. As these consumer brands move forward in a technologically driven culture they will need to come up with innovative ways to satisfy their consumers' desire for visualization and user experience. Controlling a username is becoming as valuable as controlling the brand's or celebrity's native site.⁵³ Usernames are valuable because social networking has changed the way in which brands and celebrities market themselves and how consumers make purchase decisions. Consumers want to interact with brands via social networking sites; forty percent of consumers have “friended” a brand on Facebook.⁵⁴ Social networking sites also give brands the ability to communicate directly with consumers, solve their problems, and provide them with information.⁵⁵

⁵⁰ *The History of Social Networking*, DIGITAL TRENDS, (Aug. 5, 2014) <http://www.digitaltrends.com/features/the-history-of-social-networking/>.

⁵¹ *Id.*

⁵² ABOUT TWITTER, <https://about.twitter.com/company>, (last visited Nov. 24, 2014).

⁵³ Dan Malachowski, "Username Jacking" in *Social Media: Should Celebrities and Brand Owners Recover from Social Networking Sites When Their Social Media Usernames Are Stolen?*, 60 DEPAUL L. REV. 223, 225-26 (2010).

⁵⁴ *Id.*

⁵⁵ HOWARD C. ANAWALT, *IDEA RIGHTS: A GUIDE TO INTELLECTUAL PROPERTY* 129 (2011).

The current trend in consumer outreach is an emphasis on user experience. For brands that have an online presence the user experience relates to the readability and design of their website and social media pages. However, in-store design is fundamentally just as important to the user experience. A good user experience is invaluable to a brand. Take Apple for example, the company is able to crossover its user experience and design from its products to its stores.⁵⁶ Apple's products are clean, slim, and modern and their New York City store on 59th Street and Fifth Avenue is a clean modern glass cube, with futuristic staircase, and is always set at a cool temperature.⁵⁷ Companies like Apple have proven that great user experiences not only result in profit but also result in desirability.⁵⁸ Going forward it makes sense for consumer brands to focus their marketing and design efforts on user experience because well-developed user experiences has proven successful for technology companies. As consumer brands become more technological in terms of communicating with their respective audiences they have the ability to create a user interface that could draw new consumers. Fabio Sergio, Creative Director at Frog, wrote in an article that

The quality and nature of the user experience that these ecosystems offer is increasingly one of their most valuable differentiating assets on the market. An effective experience strategy defines the vision and roadmap to fulfill the promise that a brand makes to its customers, expressed in terms of the long-lasting human experience it aims to stage for and with them.⁵⁹

User experience design has become the main focus for so many brands because that is their direct connection with their customers. Therefore it is necessary that experience on social media, mobile apps, websites, and in store are good experiences because these experiences are a direct

⁵⁶ *Id.*

⁵⁷ *Id.*

⁵⁸ Fabio Sergio, *The Next Wave in Branding: Merging Experiences Across Markets*, CO. DESIGN (Mar. 13, 2013, 11:44AM) <http://www.fastcodesign.com/1672118/the-next-wave-in-branding-merging-experiences-across-markets>.

⁵⁹ *Id.*

reflection of the company's commitment to their customer service. When a brand has a valuable user experience: "[they] create the experiences through which consumers build relationships"⁶⁰

User experience is especially important in the mobile application sphere. Companies that operate in the digital sphere or the physical sphere alike have moved toward integrating mobile applications into their business models. The ease of use for consumers is essentially to the success of an app. Mobile applications opened up innovation in the branding world. Some companies such as Instagram, Snapchat, Tinder, and Foursquare exist solely as mobile applications.⁶¹ The growth of these companies are staggering. Instagram, a social networking site that allows users to share images launched in 2010 and today over 20 billion images have been shared.⁶² Tinder, a matchmaking service has over 10 million daily users.⁶³ Mobile applications, like social media, host a wide variety of businesses and services. Mobile applications are becoming almost more essential to brand management than existing on the web.

In a matter of 10 years, companies have seen the development of social media, user experience, and mobile applications. All of these areas present intellectual property issues and applying the current laws will continue to be challenging as technology progresses at this fast pace.

Part 2: Trademark and Copyright Law

The development of legislation protecting intellectual property for the interests of consumers and owners alike has made brand identities turn into business based commodities.

Branding has evolved from pure identification to a multi-billion dollar business. Devan R. Desai,

⁶⁰ Interview by Adam Davidi with Toby Southgate, CEO, Americas, Brand Union, *Design, Technology, and Brands*, THE GUARDIAN, available at <http://www.theguardian.com/media-network/media-network-blog/2013/mar/14/brands-design-technology-consumer>.

⁶¹ *Supra* note 48.

⁶² *Id.*

⁶³ *Id.*

Associate Professor at Georgia Tech Scheller College of Business, defines a modern day branding in an article as

Many companies encourage consumers to see a brand as having a personality and to accept the idea that owning a branded good connects the consumer to the brand in some deep, personal way.⁶⁴

Brand strategists establish and advance brands, with the protective umbrella of intellectual property legislation. As important as intellectual property legislation is, branding would not be what it is today without advertising.

There are four major governing acts in the United States that are designed to protect consumers and brand owners alike in the realm of trademarks and copyrights. The Lanham Act, the Uniform Domain Name Dispute Resolution Policy (UDRP), The U.S. Copyright Act, and The Digital Millennium Copyright Act are in place to govern issues arising from intellectual property rights.⁶⁵ For the sake of organization, I will discuss the issues and their corresponding acts in the above order.

Trademarks:

Trademark Law developed in this country to protect the interests of consumers and mark owners.⁶⁶ Exclusive rights to trademarks prevent consumer confusion by identifying the source of goods, or services, as well as the specific and exclusive qualities or characteristics of the goods being offered.⁶⁷ A common thread underlying the roots of trademark law is the need for consumer identification. Furthermore, trademarks are the most influential manifestation of the visual and theoretical brand image.

⁶⁴ Deven R. Desai, *From Trademarks to Brands* 11 64 FLORIDA LAW REV. 981 (2012).

⁶⁵ CRAIG ALLEN NARD, MICHAEL J. MADISON & MARK P. MCKENNA, THE LAW OF INTELLECTUAL PROPERTY 435, 867 (Vicki Bean et al, eds., 4th edition, 2014).

⁶⁶ A mark owner is someone who has legal rights to a trademark whether through use or registration with the United States Patent and Trademark Office. CRAIG ALLEN NARD, MICHAEL J. MADISON & MARK P. MCKENNA, THE LAW OF INTELLECTUAL PROPERTY 8 (Vicki Bean et al, eds., 4th edition, 2014).

⁶⁷ *Id.* at 7.

The laws creating and protecting intellectual property are integral in advancing brand identities. Prior to trademark legislation, branding was used to prove ownership; however, after trademark legislation, branding meant using symbols to differentiate similar products in the marketplace and giving sole ownership over specific products to their craftsmen.

Trademark development and protections developed in England during the Middle Ages.⁶⁸ The first law establishing trademarks was the Bakers Marking Law, enacted in 1266.⁶⁹ The law required bakers to place a mark by using a stamp on loaves of bread that were sold to identify who baked it.⁷⁰ This law was established for the benefit of the consumer. With a symbol on the bread, the baker could be held accountable for defective consumer purchases. About a century later, in 1366, it was further decreed that “no London silversmith should sell wrought silver of less than sterling fineness the mark of every such smith was to be made known to the wardens of the craft.”⁷¹ This decree was for quality control purposes also to the benefit of the consumer. A decree of the Council of Nuremberg in 1512 was enacted for the protection of mark owners.⁷² The decree states that a craftsmen, new to the area, had used an engraving that was registered with the Council Chamber prior; so he must “obliterate all such signatures, and keep no more such engravings in future, and if he shall neglect so to do, he shall be brought before the council for fraud.”⁷³ This decree vowing that craftsmen will be punished for fraudulently using a registered mark is astoundingly similar to modern trademark law.

As trademarks became more prevalent in other areas of business such as clothing, silver, and furniture, counterfeiting marks became a prominent practice. In 1618, the English court in

⁶⁸ Benjamin G. Paster, *Trademarks: Their Early History: Part 1*, 59 TRADEMARK REP., 551, 554 (1969).

⁶⁹ *Id.* at 556.

⁷⁰ *Id.*

⁷¹ Paster, *supra* note 60 at 557.

⁷² *Id.*

⁷³ *Id.*

*Southern v. How*⁷⁴ delivered the first recorded opinion on trademark infringement.⁷⁵ The underlying allegation of the suit was that one clothing merchant accused another clothing merchant of using his mark to sell poorer quality clothes and mislead the consumer.⁷⁶ The opinion in *Southern v. How*, delivered by Judge Dodderidge, mentions an unnamed case as a precedent for the ruling.⁷⁷ The case the judge mentioned was unknown until very recently. While many scholars still regard *Southern v. How* as the first trademark case, the uncovering of the precedent case proves that English courts recognized common law regarding trademark infringement as early as 1584.⁷⁸

Southern v. How served as precedent for subsequent trademark infringement cases. One such English case is *Blanchard v. Hill* (1742),⁷⁹ which involved a claim, brought by a playing card merchant, seeking injunctive relief against another playing card merchant for using the mark “great mogul” on a deck of playing cards.⁸⁰ Lord Chancellor Hardwicke, the presiding judge, determined that the defendant used the “great mogul” mark to pass off his cards as those of the plaintiff, but because there was no bad faith he could not grant exclusive trademark protection. During progressive industrialization, it was common for judges to rule against exclusive trademarks due to the fear of creating monopolies in markets.⁸¹ Prior to 1875, the law did not provide for registration of trademarks but rather for the punishment of counterfeiters.⁸² Finally in

⁷⁴ Popham's Reports 143 (1618), 79 ENG REP 1243 (KB 1907).

⁷⁵ Paster, *supra* note 60 at 561.

⁷⁶ AARON SCHWABACH, INTELLECTUAL PROPERTY: A REFERENCE HANDBOOK 9 (2007).

⁷⁷ *Id.*

⁷⁸ The Sandforth case was discovered through an obscure reference in a 17th century lawsuit and is believed to be the mentioned case in the dictum of Judge Dodderidge. The Sandforth case was unknown until recently because there was a lack of recorded law books in the Elizabethan Era. Sandforth's Case, Cory's Entries, BL MS. Hargrave 123, folio (“fo”) 168 (1584). Keith M. Stolte, *How Early Did Anglo-American Trademark Law Begin? An Answer to Schechter's Conundrum*, 8 FORDHAM INTELL. PROP. MEDIA & ENT. L.J. 564, 565 (1998).

⁷⁹ 26 Eng Rep 692 (Ch 1742).

⁸⁰ Stolte, *supra* note 70 at 574.

⁸¹ *Id.*

⁸² Paster, *supra* note 60, at 567.

1875, after many cases proved the need for a standardized system, the first British trademark registration statute was enacted in the Trade-Marks Registration Act.⁸³

Meanwhile, in the United States, politicians such as Thomas Jefferson pushed for trademark legislation.⁸⁴ In February of 1789, an Act of the General Court⁸⁵ incorporated the Beverly Cotton Manufactory⁸⁶ and said

that all goods which may be manufactured by the said Corporation, shall have a label of lead affixed to the one end thereof, which shall have the same impression with the seal of the said Corporation and that if any person shall knowingly use the seal or labelshall forfeit and pay treble the value of such goods⁸⁷

Even with common law and support from influential politicians, trademark legislation was not established in the United States until 1870.⁸⁸ The Trademark Act gave the United States Congress the power to punish counterfeiting through the First Amendment of the Constitution.⁸⁹ Nine years after enactment, the Court in the Trade-Mark Cases⁹⁰ found the Trademark Act unconstitutional as the Act vested unjustifiable powers in Congress outside of its Commerce Clause powers.⁹¹ When the Supreme Court deemed the 1870 Trademark Act unconstitutional,

⁸³ 4A Callmann on Unfair Comp., Tr. & Mono. § 26:2 (4th Ed.)

⁸⁴ Thomas Jefferson, acting in his position of Secretary of State, decided that a petition by Boston sail-cloth makers in 1791 asking for the right to use marks to designate sail cloth from their manufacture warranted a registration system and a protection of marks. He stated in a letter: “And that this may be done by permitting the owner of every manufactory to enter in the record of the court of the district wherein his manufactory is, the name with which he chooses to mark or designate his wares, and rendering it penal to others to put the same mark on any other wares.” Benjamin G. Paster, *Trademarks: Their Early History: Part 1*, 59 Trademark Rep., 551, 565, 566 (1969).

⁸⁵ The General Court of Massachusetts is the traditional name for the state legislature. *Glossary*, WWW.MALEGSLATURE.GOV, <https://malegislature.gov/Site/Glossary#G> (last visited Nov. 23, 2014).

⁸⁶ The Beverly Cotton Manufactory was the first cotton mill in America, located in Beverley Massachusetts. BEVERLEY COTTON MANUFACTORY, http://en.wikipedia.org/wiki/Beverly_Cotton_Manufactory (last visited Nov. 23, 2014).

⁸⁷ Benjamin G. Paster, *Trademarks: Their Early History: Part 1*, 59 Trademark Rep., 551, 565 (1969).

⁸⁸ 4A Callmann on Unfair Comp., Tr. & Mono. § 26:2 (4th Ed.).

⁸⁹ *Id.*

⁹⁰ *In re Trade-Mark Cases*, 100 U.S. 82, 84 (1879).

⁹¹ *Id.*

the idea of trademark protection was endorsed but the Court felt it could be regulated at a state level.⁹²

In 1881, Congress tried again to draft a trademark act and provided for registration of foreign marks used in commerce with Indian tribes, this met the constitutional requirement and presupposed the existence of a valid trademark that could be formally registered.⁹³ Another development in American trademark law occurred with the Act of February 20, 1905 which expanded the regulation between states and foreign nations.⁹⁴ This was the first Act to adopt the idea that the ownership of a trademark is acquired by adoption and use of the mark in commerce.⁹⁵ Thus ruling that registration of the mark merely affected procedural rights rather than substantial rights.⁹⁶ The 1905 Act also had a clause allowing mark owners to register marks that had acquired a secondary meaning if they were in use for more than 10 years prior to the new Act.⁹⁷ The ten-year clause essentially grandfathered in trademarks that did not meet modern requirements. The Supplement Act of 1920 extended the ten-year clause to help marks that had obtained a secondary meaning in the U.S. obtain registration in foreign countries.⁹⁸ The Supplement also stated that marks could not be registered if it were immoral, or scandalous or were depictions of the national flag.⁹⁹ Finally, in 1946, the Lanham Act,¹⁰⁰ our current federal trademark act, was enacted.¹⁰¹

The Lanham Act

⁹² *Supra* note 79.

⁹³ *Id.*

⁹⁴ *Id.*

⁹⁵ *Id.*

⁹⁶ *Id.*

⁹⁷ *Supra* note 79.

⁹⁸ *Id.*

⁹⁹ *Id.*

¹⁰⁰ 15 U.S.C.A. §§ 1051 et seq.

¹⁰¹ *Supra* note 79.

After multiple attempts by Congress to draft trademark legislation, in 1946, Congress created the Lanham Act which went into effect on July 5, 1947.¹⁰² The Act established a national system for trademark registration and protects owners of federally registered marks.¹⁰³ The Act states that trademark law protects any word, name, symbol, or devices that identifies and distinguishes a party's good or services.¹⁰⁴ Trademarks consist of a variety of brand representations such as slogans, packaging, colors, smells, logos, words, and trade dress.¹⁰⁵ The array of trademarks is so vast that the issues arising are complex and numerous. The Lanham Act exists to give mark owners exclusive registered rights that prevent consumer confusion about the source of goods or services and mark owners can prevent others from diverting consumers that intend to buy the mark owners products.¹⁰⁶ However, trademarks do not have to be registered to be valid. The United States is one of the only countries that follow the "use doctrine."¹⁰⁷ Copyright and patent rights last for a statutory period while trademark rights last as long as the mark in continuously being used in "a source identifying manner in connection with the same products."¹⁰⁸ Mark owners have to be vigilant in managing their trademarks for if they are not they may lose the right to use the mark. This happened to PepsiCo in 2006.¹⁰⁹ PepsiCo let one of its trademarks ("Choice of a New Generation") expire by non-registration and non-use and a former employee appropriated the trademarked slogan three years later for an oatmeal

¹⁰² *Id.*

¹⁰³ AARON SCHWABACH. INTELLECTUAL PROPERTY: A REFERENCE HANDBOOK 10 (2007).

¹⁰⁴ Craig Allen Nard, Michael J. Madison & Mark P. McKenna, *The Law of Intellectual Property* 867 (Vicki Bean et al, eds., 4th edition, 2014).

¹⁰⁵ *Id.* at 7.

¹⁰⁶ *Id.*

¹⁰⁷ *Id.*

¹⁰⁸ *Supra* note 95, at 7.

¹⁰⁹ Mallory Russel, *OOPS: Pepsi Let Trademark Lapse On 'Choice Of A New Generation'—Now It's Owned By An Oatmeal Company*, BUSINESS INSIDER, (Mar. 15, 2012 11:53AM), <http://www.businessinsider.com/better-oats-uses-pepsis-tagline-in-new-campaign-2012-3?op=1#ixzz3JuQsXt9r>.

company.¹¹⁰ Unfortunately for PepsiCo, and fortunately for the oatmeal company, there is no recourse for this appropriation. Trademark law is unique in this sense, because it does not automatically apply protection for mark owners but rather shifts the burden to the mark owner to use the mark in a way that merits protection.

The Lanham Act further provides that any trademark can be cancelled if “[a]t anytime ... the registered mark becomes the generic name for the goods or services.”¹¹¹ Unfortunately for many companies, this certain section of the Lanham Act has come to fruition. *Elevator*, *escalator*, *thermos*, and many more were once registered trademarks that suffered “genericide.”¹¹² The courts have determined that allowing the trademark to remain registered when there is no other way to describe the product would be unjust to competitors in the market. Diligent brand managers have to ensure that their brand does not become a victim of “genericide.”

Trademarks can be infringed in a multitude of ways. Traditionally, trademark infringement encompassed situations where a mark owner can begin an action against another who uses the trademark in a way that is likely to confuse, mislead, or deceive consumers.¹¹³ Today, trademark law has broadened to encompass claims based on confusion regarding the plaintiff’s sponsorship of, or affiliation with, the defendant’s goods.¹¹⁴ Dilution and cybersquatting claims fall under this broader spectrum of relief.

Under the dilution doctrine, mark owners have the right to prevent competitors from using the registered marks in a way that would tarnish (create negative associations) or blur the exclusive connection between the mark and the mark owner’s product or service.¹¹⁵ Dilution

¹¹⁰ *Id.*

¹¹¹ 15 U.S.C.A. § 1064 (West)

¹¹² CRAIG ALLEN NARD, MICHAEL J. MADISON & MARK P. MCKENNA, *THE LAW OF INTELLECTUAL PROPERTY* 895 (Vicki Bean et al, eds., 4th edition, 2014).

¹¹³ *Id.* at 1045.

¹¹⁴ *Id.*

¹¹⁵ *Id.*

claims were added to the Lanham Act in 1995 and are designed to protect the marketing value or selling power of a famous mark whether or not consumers are confused.¹¹⁶ In order to bring a dilution claim, the mark must be famous. The Act states that a famous mark is widely recognized by the general public.¹¹⁷ To further clarify the Act gives four factors for determine fame: (1) the duration, extent, and geographic reach of publicity of the mark, (2) the amount, volume, and geographic extent of sales, (3) the extent of actual recognition of the mark, and (4) whether the mark was registered.¹¹⁸ For example the court has found Kodak, DuPont, Barbie, Tylenol, and Harry Potter as famous marks.¹¹⁹

There are two distinct types of dilution: dilution by blurring and tarnishment.¹²⁰ Blurring is when a mark is similar to a famous mark so much so that it impairs the distinctiveness of the famous mark.¹²¹ Blurring can be found regardless of actual or likely confusions, or of competition, or of actual economic injury.¹²² An example of blurring would be *Kodak pianos*.¹²³ The consumer may be confused as to the source of the goods because of the use of the *Kodak* famous mark, or even if the consumer is not confused, the consumer may still think of *Kodak* cameras when reading the word *Kodak*. Tarnishment is the use of a famous mark in association with goods or services that are inherently negative or call to mind unsavory associations that could harm the interest of the famous mark.¹²⁴ An example of tarnishment would be a national famous daycare program called “Wonderlove” sets up shop in town and a few months later a start-up adult entertainment industry mail-in order company called “Wonderlove” starts

¹¹⁶ *Id.* at 1107.

¹¹⁷ *Id.* at 1121.

¹¹⁸ NARD, MADISON & MCKENNA, *supra* note 104, at 1121.

¹¹⁹ *Id.*

¹²⁰ *Id.* at 1113.

¹²¹ *Id.* at 1113.

¹²² *Id.*

¹²³ *Id.*

¹²⁴ *Id.* at 1124.

distributing flyers to the town's residents where "Wonderlove" daycare operates. Although it seems pretty obvious that the two companies are not the same the tarnishment still exists.

For mark owners there are a multitude of avenues to pursue infringers but there are also a multitude of defenses. In trademark disputes, alleged infringers have the ability to first prove that the mark is invalid.¹²⁵ In a case of an unregistered mark, the plaintiff must prove that the trademark is valid, however, in the case of a registered trademark, the alleged infringer has the burden to prove that the mark is invalid.¹²⁶ In the situation of a registered trademark, the evidentiary value of the registration increases if it obtains "incontestability" status.¹²⁷ Incontestability is achieved under Section 15 of the Lanham Act if (1) there is no adverse decision to the registrant's claim of ownership, (2) there is no proceeding involving the rights in the mark pending, (3) the registrant files an affidavit after five years of continuous use of the mark, (4) and the mark has not become generic.¹²⁸ If all of these requirements are met and the mark is found to be incontestable then it is conclusive evidence that the mark owner has exclusive right to use the mark.¹²⁹ In this scenario, there are other defenses an alleged infringer can rely on. Defense attempts include fair use in the sense that the mark is being used in a descriptive manner, or a nominative manner.¹³⁰ The other popular defense is to use the shield of the first amendment to claim fair use.¹³¹

The Lanham Act, specifically section 33(b)(4) makes it a defense to use the mark as a term or device which is descriptive of and used fairly in good faith to describe goods or

¹²⁵ NARD, MADISON & MCKENNA, *supra* note 104, at 1173.

¹²⁶ *Id.*

¹²⁷ *Id.*

¹²⁸ *Id.*

¹²⁹ *Id.*

¹³⁰ *Id.* at 1204, 1216.

¹³¹ NARD, MADISON & MCKENNA, *supra* note 104, at 1252.

services.¹³² Thus, if one company wants to sell Ziti but another company has trademarked the word Ziti, the use of the word would likely be ruled as a descriptive use and would be allowed. The courts have also found that competitors can use another's mark for comparative purposes.¹³³ For example, if Lyft introduces advertising that says we have better prices per mile than Uber that would be a fair use comparative defense. The Court has also recognized the use of trademarks in a nominative sense meaning that it is being used to name or identify mark owners which would also qualify as a defense under the Lanham Act.¹³⁴ For example, a newspaper reporting the merger between McDonalds and Wendy's would be allowed to use their trademarks under the nominative fair use defense. Finally, defendants can argue that their use of a trademark was an artistic expression protected by the First Amendment.¹³⁵ There are three balancing test that courts apply to determine if the use of the mark is truly an artistic expression that is not confusing as to the source of goods and was the only option for expression.¹³⁶ All of the trademark defenses are very subjective so it is often a tough battle for alleged infringers. If the defendant's in infringement cases are not successful in their defense they are subject to remedies such as injunctive relief and monetary damages.¹³⁷

The Uniform Domain Name Dispute Resolution (UDRP) Policy

An area of trademark law that is often over-looked is the use of internet domain names. Domain names are websites names for example, www.gmail.com. The “.com” or “.edu” or “.org” are called generic top-level domains (gTLDs).¹³⁸ Domain names are purchased “on a first come, first serve basis, without regard to potential conflicts between registered domain names

¹³² *Id.* at 1204.

¹³³ *Id.* at 1216.

¹³⁴ *Id.*

¹³⁵ NARD, MADISON & MCKENNA, *supra* note 104, at 1252.

¹³⁶ *Id.* at 1253.

¹³⁷ *Id.* at 1271.

¹³⁸ ABOUT GTLDS <https://www.icann.org/resources/pages/about-e5-2012-02-25-en> (last visited Nov. 25, 2014).

and trademark owners.”¹³⁹ The rise of the technology age has increased the amount of claims that trademark owners have made against others in the realm of domain name acquisition.

The Lanham Act Section 43(d) provides anti-cybersquatting provisions; however, many mark owners have used an alternate route to settle domain name disputes.¹⁴⁰ The Lanham Act Section 43(d) provides 5 factors that must be met to punish cybersquatters.¹⁴¹ The factors are: (1) the plaintiff has a valid trademark entitled to protection, (2) mark is distinctive or famous, (3) the domain name is identical, confusingly similar, or dilutive to the mark, (4) the defendant used, trafficked, or registered the domain name, and finally (5) had the bad faith intent to profit from the domain name.¹⁴² Because litigation is expensive and time-consuming, many mark owners that have cyber disputes either simply buy the domain name, although cyber-squatters drive a hard bargain, or they pursue a UDRP action. UDRP is an acronym for the Uniform Domain Name Dispute Resolution Policy that was created and administered by the U.S. Department of Commerce sanctioned Internet Corporation for Assigned Names and Numbers (ICANN).¹⁴³ The UDRP resolves disputes by agreement, court action, or arbitration before the registrar will cancel, suspend, or transfer the domain name to the rightful owner.¹⁴⁴ The owner of the infringed trademark initiates this policy by filing a complaint with one of the approved dispute resolution service providers or by filing a complaint in court under the proper jurisdiction.¹⁴⁵

Although the law provides for modes of action against cybersquatters, cybersquatting is still a growing problem. It is often too cost intensive and time sensitive to use the legal avenues

¹³⁹ NARD, MADISON & MCKENNA, *supra* note 104, at 1234.

¹⁴⁰ *Id.*

¹⁴¹ *Id.*

¹⁴² *Id.*

¹⁴³ *Id.* at 1135.

¹⁴⁴ UNIFORM DOMAIN-NAME DISPUTE RESOLUTION POLICY, <https://www.icann.org/resources/pages/udrp-2012-02-25-en> (last visited Nov. 25, 2014).

¹⁴⁵ *Id.*

to pursue a cybersquatter, therefore most companies just end up buying the domain name. Because companies pay out, cybersquatters still actively pursue buying up domain names.

Some companies have responded to threats of cybersquatting by using international law. For example, Apple registered “Apple Watch” for trademark protections in Trinidad and Tobago on March 11, 2014 but registered the trademark in the U.S. 6 months later.¹⁴⁶ The U.S. is a part of an international treaty that effectively concludes that the filing date of a trademark is for whenever and wherever the mark was first registered.¹⁴⁷ These means that if a competitor was filing for Apple Watch in the U.S., Apple would have an effective filing date of six months prior thus winning the registration race.¹⁴⁸ Companies do this to protect new product trademarks from cybersquatters and other trademark thieves. Cybersquatting is an issue that has yet to be resolved which has forced companies and lawmakers alike to be creative in protecting their marks in the cyber sphere.

Copyrights:

While trademark legislation protects words and symbols that represent brands, copyright law protects creative works. Copyrights are not the physical representation of the creative expression but rather the creative expression itself. Copyright protection exists to benefit readers, consumers, and authors.¹⁴⁹ Copyright protections always have been an emphasis in the laws of the United States.

Copyright law in the United States has its roots in the Constitution. U.S. Const., Art. I, §8, cl.8 states that “[t]he Congress shall have the power...To promote the Progress of Science

¹⁴⁶ Jacob Gershman, *Name of Apple's Smartwatch Wasn't a Secret - at Least in Trinidad And Tobago*, The Wall Street Journal, (Sept. 10, 2014, 3:56PM), <http://blogs.wsj.com/law/2014/09/10/name-of-apple-smartwatch-wasnt-a-secret-at-least-in-trinidad-and-tobago/>

¹⁴⁷ *Id.*

¹⁴⁸ *Id.*

¹⁴⁹ NARD, MADISON & MCKENNA, *supra* note 104, at 435.

and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries.”¹⁵⁰ The first American copyright act was passed by congress in 1790 was inspired by the English Statute of Anne from 1710. The 1790 U.S. statute granted protection only to charts, maps, and books. Today, under the 1976 Copyright Revision Act, copyright protections are much broader and encompass any tangible medium. Prior to 1976, and after, the United States participated in international treaties that protected copyrighted works. In 1910, the Buenos Aires Convention, which was ratified by the United States and seventeen Latin American countries, stated that once a work was granted copyright protection in one nation, it was honored by all other participating nations.¹⁵¹ The Buenos Aires Convention treaty (1910) eventually was replaced by more specified and advanced treaties.

As the twentieth century progressed, the technology for producing original creative works altered copyright law. The United States became a leader in exporting original copyrighted works.¹⁵² In order to protect these exported original copyrights, the United States sought to extend copyright protections internationally. The United Nations created the Universal Copyright Convention, which the United States and hundreds of other nations were apart of until 1989.¹⁵³

Domestically, copyright law was and is still governed by the Copyright Revision Act of 1976.¹⁵⁴ The Copyright Act gives protection if the work of authorship meets the three criteria. The criteria are: (1) must be original, (2) must be fixed in some tangible form, and (3) must consist of expression rather than merely ideas.¹⁵⁵ Copyright law is well understood in that to

¹⁵⁰ *Id.*

¹⁵¹ AARON SCHWABACH, INTELLECTUAL PROPERTY: A REFERENCE HANDBOOK 109 (2007).

¹⁵² *Id.*

¹⁵³ *Id.*

¹⁵⁴ NARD, MADISON & MCKENNA, *supra* note 104, at 435.

¹⁵⁵ *Id.*

have copyrightable works they must be original, but nowhere in the Constitution does it define originality.¹⁵⁶ The courts, through case law, have created a few standards to determine originality. In *Feist Publications, Inc. v. Rural Telephone Service Co.*¹⁵⁷, the Court determined a two-step analysis for determining originality.¹⁵⁸ The first step was to ensure that the work displays minimal creativity and is not a mere slavish copy.¹⁵⁹ The second step is to ensure that the work was independently created and not taken from another copyrighted source.¹⁶⁰ The courts still apply these principles today. The second and third criteria for copyrightability also have been discussed in many cases. Although, copyrights protect the creative expression they need to attach to tangible forms to afford protections. Finally, ideas and facts are not copyrightable.¹⁶¹

The Digital Millennium Copyright Act

As more copyright issues flooded into the courts with the popular development and use of file sharing services it became evident that an adjustment was needed to how the current law handled secondary liability. In response, Congress drafted the Digital Millennium Copyright Act (DMCA) in 1998. The DMCA protects Internet service providers from liability when they enable individuals to view protected content provided by others.¹⁶² In order for the Internet service providers to receive protection under the Act they must set up procedures that deter copyright

¹⁵⁶ *Id.* at 439.

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¹⁶¹ NARD, MADISON & MCKENNA, *supra* note 104, at 473.

¹⁶² HOWARD C. ANAWALT, *IDEA RIGHTS: A GUIDE TO INTELLECTUAL PROPERTY* 177 (2011).

infringement and if need be prevent unauthorized access to use of copyrighted material.¹⁶³ An illustration of this law in effect would be if an owner of a copyrighted song asked YouTube to takedown a video that used the song. YouTube would have to comply in order to be protected from liability by the DMCA.

The DMCA was the first substantial effort to modernize copyright law; however, it has been controversial since its creation. Opponents of the legislation claim that the DMCA may be used to suppress competition rather than preserve incentives to produce copyrighted works.¹⁶⁴ This scenario happened to a YouTube subscriber who uploaded a 1993 PBS video that showed how Paranormalist Uri Geller could easily achieve his tricks.¹⁶⁵ Geller, not liking the criticism, issued a DMCA take-down.¹⁶⁶ YouTube took action and removed the video before researching the claim.¹⁶⁷ If YouTube had looked into the claim it would have realized that Geller did not have the authority to take-down material that was copyrighted to PBS and not him. The issue was eventually sorted out and settled outside of court, but nonetheless it illuminates the potential problems with the DMCA.

Part 3: Balancing Brand and Intellectual Property

Traditionally, advertising and branding was a corporate controlled top-down methodology. Consumers bought what brand managers told them to buy. Shaping a brand was straight forward produce advertisements, celebrity endorsements, jingles, and corresponding products to sway the opinion of consumers. The era of corporate controlled brand image has slowly disappeared. The technological generation has changed the way brands represent

¹⁶³ *Id.*

¹⁶⁴ NARD, MADISON & MCKENNA, *supra* note 104, at 676.

¹⁶⁵ Jacqui Cheng, *Five examples of lame DMCA takedowns*, ARSTECHNICA, (May 16, 2010, 9:00PM) <http://arstechnica.com/tech-policy/2010/05/five-examples-of-lame-dmca-takedowns/>

¹⁶⁶ *Id.*

¹⁶⁷ *Id.*

themselves in the marketplace. Brand perception has shifted from a top-down model to a consumer-upward model. John Anderson, President and CEO of Levi Strauss & Co. said “[b]rands live and die based on their relevance to what’s happening now with the culture, competitors, and consumers, and staying relevant is hard, constant work.”¹⁶⁸ The creation of the Internet, social media, mobile applications, and other technological advancements have allowed the consumer to participate in the brand strategy. The Internet age has forced companies to relinquish control of their image and has given consumers an unprecedented power to sway the market. The power struggle and the changes in the market “have left many companies struggling to adapt to increasingly powerful consumers in global, unpredictable markets.”¹⁶⁹

Brand management is no longer a part of a controlled environment but rather a part of a collaborative effort by consumers and brand executives alike. Consumers have more power in the marketplace than ever before. Recently, Victoria’s Secret was forced to change an advertising campaign because of profound consumer backlash. The famous lingerie company released a photo of ten of their skinny and beautiful models with the tagline “The Perfect Body.”¹⁷⁰ Within minutes of release, the advertisement was all over social media and blog space. Consumers derailed the campaign by calling out Victoria’s Secret for adding to society’s unattainable female beauty standards.¹⁷¹ A small lingerie company even released a counter attack ad which showed women of all colors, shapes, and sizes in their lingerie with the same tagline “The Perfect Body.”¹⁷² After receiving such a negative backlash from consumers the tagline

¹⁶⁸ Interview by Traverse Legal with John Anderson, President & CEO, Levi Strauss & Co., TRAVERSE LEGAL, available at <http://tcattorney.typepad.com/ip/2011/05/brand-name-protection.html>.

¹⁶⁹ *Id.*

¹⁷⁰ Nina Bahadur, *Victoria's Secret 'Perfect Body' Campaign Changes Slogan After Backlash*, THE HUFFINGTON POST (Nov. 6, 2014, 3:52PM) http://www.huffingtonpost.com/2014/11/06/victorias-secret-perfect-body-campaign_n_6115728.html.

¹⁷¹ *Id.*

¹⁷² *Id.*

quickly changed to “The Perfect Body For Every Body.”¹⁷³ This situation is not only an example of consumer power but also of a situation where Victoria’s Secret may have had a trademark infringement claim against the other small lingerie company or individuals. The corporate strategists had the option of pursuing the infringer, ignoring the commentary, or embracing the forum and interacting with critics and consumers. Here, company executives decided to embrace the forum, and they were praised for their swift action. Their biggest critics were impressed that the company listened to the consumer voice.

The new technologies have not only changed brand strategy but also have changed consumers. New technologies have allowed information to be spread more quickly, which in turn alters individuals’ consumer psychology. In modern Western society, Michael Beverland, author of *Building Brand Authenticity* (2009), says “[b]rand authenticity is actually derived from an ongoing interaction between the firm, its stockholders, and society.”¹⁷⁴ The consumer has allowed brands to tell them a story about their product. A good brand can associate strong emotional feelings with a tangible product. Successful advertising campaigns, whether television, print, radio, or social media based can influence consumers to view brands as something valuable rather than just a product. The physical representation of your product or service – i.e, products packaging, advertisements, website, business cards, and any other type of brand visualization has become increasingly important. Consumers in the 21st century want to visualize brands. Creativity, unlike economic action, requires companies to “abandon the comforts of habit, reason, and the approval of our peers, and strike out in new directions.”¹⁷⁵

¹⁷³ *Id.*

¹⁷⁴ MICHAEL BEVERLAND, *BUILDING BRAND AUTHENTICITY: 7 HABITS OF ICONIC BRANDS* 3 (2009).

¹⁷⁵ MARTY NEUMEIER, *THE BRAND GAP: HOW TO BRIDGE THE DISTANCE BETWEEN BUSINESS STRATEGY AND DESIGN* 23 (Becky Morgan eds., 2005).

In striking out in new directions, companies have to seriously evaluate how to manage their intellectual property portfolios. As intellectual property gains ground in the global marketplace, the issues facing the legal system as well as business domains are rapidly increasing.¹⁷⁶ Webpages, social media, mobile applications, and other technology forums have expanded the surface area that brands have to police. Infringement is hard to deter when trademarks and copyrights are being abused in an intangible form. Moreover, litigation can be a double-edged sword for companies that wish to pursue infringers.¹⁷⁷ Companies face a major crossroads between intellectual property concerns and consumer shaped brand management. Toby Southgate, CEO of the Americas at Brand Union, said “great brands need to be protected across every single moment of interaction, in all channels and at all points of touch.” However, it can be said the rigid enforcement of intellectual property claims may deter consumers from participating in brand conversation. The question is: should companies let consumers shape their brand – essentially free reign, or should companies protect their intellectual property portfolios by going after everyone that infringes or dilutes their brand?

Companies have to weigh the pros and cons of pursuing an alleged infringer and further advancing the brand. An example of a misstep would be pursuing a consumer who may have been infringing on your intellectual property while simultaneously promoting your product. The typical way this situation manifests is through fan sites for television shows. One of the first examples of a company pursuing individuals is through X-Files fan sites.¹⁷⁸ In 1995 and 1996, Fox sent 25 to 35 letters threatening legal action if the authors of these fan sites did not take

¹⁷⁶ Ed Silverstein, *Armored Assesses*, InsideCounsel.com, September 2014, at 48.

¹⁷⁷ *Id.*

¹⁷⁸ KEMBREW MCLEOD, *OWNING CULTURE: AUTHORSHIP, OWNERSHIP, & INTELLECTUAL PROPERTY LAW* 247 (Toby Miller eds., 2001).

down the copyrighted material.¹⁷⁹ One 17-year old, Dennis Wilson, received one of these threatening letters and in response he took down the copyrighted images and then posted a photo of the letter he received in the mail.¹⁸⁰ The pursuit of Dennis Wilson exemplifies the shift in consumer power and the changing strategies of brand managers. Now, unless the site was expelling lies and grossly misusing copyrights or trademarks, company lawyers would not likely pursue individuals because from a business prospective the site is free advertising.

Alternatively, a good example of a company taking action is in *Research in Motion Ltd. v. Defining Presence Marketing Group, Inc. et al.*¹⁸¹ Research in Motion owns the famous “Blackberry” trademark and the company sued Defining Presence for trademark infringement and dilution for the use of “Crackberry” in association to Blackberry products.¹⁸² Defining Presence tried to register the “Crackberry” mark to use on a website that reviewed Research in Motion products and sold Blackberry accessories.¹⁸³ Even though Defining Presence was promoting the brand like in the x-files example, it was doing so through associating the product with negative attributes. The Trademark Trial and Appeal Board determined that the term “crackberry” came into popular use to poke fun at users of Blackberry devices which often appear to be addicted to their devices.¹⁸⁴ Defining Presence claimed fair use parody as a defense; however, the Board disagreed saying that parodying a famous mark is acceptable only if the parody is not being used to sell the person’s own goods or services.¹⁸⁵ In the end, the Board

¹⁷⁹ *Id.*

¹⁸⁰ *Id.*

¹⁸¹ 102 U.S.P.Q.2d 1187, 2012 WL 893481 (T.T.A.B., Feb. 27, 2012), RIM

¹⁸² *Id.*

¹⁸³ *Id.*

¹⁸⁴ *Id.*

¹⁸⁵ *Id.*

found that the Defining Presence's use of "Crackberry" would blur the distinctiveness of the Blackberry mark.¹⁸⁶

Aside from determining when to pursue alleged infringers, brands have to worry about domain name and username jacking. Domain name jacking or cybersquatting has easily identifiable forms of relief, but the questions remain the same. To what end do you pursue every variation of your domain name? The question recently became more complex because ICANN released a whole new set of gTLDs.¹⁸⁷ The new gTLDs could potentially number over 1300.¹⁸⁸ These new extensions range from generic words, such as ".hotels" or ".boats."¹⁸⁹ Just as new social media platforms have expanded the policed area from brand strategists, these extensions provide for endless possibilities of domain infringement. The strategies for handling cybersquatters has differed amongst industries and competitors. Some companies aggressively pursue infringers, while others choose not to act. There is no wrong answer but the decisions made in regard to the domain name infringement can affect the stability of a brand.

This same statement applies to social media username jacking. Dan Malachowski, author of *"Username Jacking" in Social Media*, described the problem with social media username jacking in stating "[w]hen a brand's social username is jacked, someone other than the brand owner controls that brand's message in the marketplace."¹⁹⁰ This happened to Coca-Cola in 2008 except the page was used to praise the company and its products so the brand had to proceed carefully.¹⁹¹ The Coca-Cola fan page became the second-most popular page on Facebook in

¹⁸⁶ *Id.*

¹⁸⁷ ABOUT GTLDS <https://www.icann.org/resources/pages/about-e5-2012-02-25-en> (last visited Nov. 25, 2014).

¹⁸⁸ *Id.*

¹⁸⁹ *Id.*

¹⁹⁰ Dan Malachowski, *"Username Jacking" in Social Media: Should Celebrities and Brand Owners Recover from Social Networking Sites When Their Social Media Usernames Are Stolen?*, 60 DEPAUL L. REV. 223, 226 (2010)

¹⁹¹ *Id.* at 230.

November of 2008.¹⁹² Coca-Cola could technically reclaim the username, but instead decided to fly the creators of the page to headquarters and discuss strategies for the page and its management.¹⁹³

Another major concern for brands is applications or platforms that allow for easier infringement. Pinterest, the social platform created in 2010, is the perfect example of how the modern age of technology is raising intellectual property concerns and dilemmas for brand strategists. Pinterest is an online community where users create virtual pin boards where images (often copyrighted) can be posted in corresponding categories and shared by followers. Additionally, users can use the “Pin It” button to capture images from web pages or upload their own photos for sharing. Pinterest has rapidly spread to over 70 million users but the question of liability is still looming. Pinterest’s terms of service state:

Pinterest ("Pinterest") respects the intellectual property rights of others and expects its users to do the same. It is Pinterest's policy, in appropriate circumstances and at its discretion, to disable and/or terminate the accounts of users who repeatedly infringe or are repeatedly charged with infringing the copyrights or other intellectual property rights of others.¹⁹⁴

Although Pinterest’s intentions and policies may deter infringement, the platform is only successful because copyrighted images are shared with hundreds of users for commentary. Pinterest allows for companies to block the pin button feature but there are multiple other ways that consumers can capture the copyrighted image and share on their pin boards. Most companies were likely extremely concerned about their copyrighted images being shared without recourse when Pinterest was launched. After seeing the success of Pinterest and the potential for consumer outreach, many companies embraced the forum and created their own Pinterest pages. In doing so, they voluntarily share their images and encourage consumers to “re-pin” them. The

¹⁹² *Id.*

¹⁹³ *Id.*

¹⁹⁴ ABOUT PINTEREST, <https://about.pinterest.com/en/copyright> (last visited Nov. 30, 2014).

question then becomes, have companies embraced these new social media platforms because it is too difficult a process to pursue infringers under current trademark and copyright doctrine?

Most likely the majority of companies would answer yes. Sending a cease-and-desist letter is quite simple, but finding the individual or continuing litigation is difficult. The process could take months or years just to get a court-ordered injunction. The decisions in regard to handling alleged infringement have become an intricate balancing act of pros and cons.

After having learned about the intellectual property protections that mark owners possess, reconsider our Coca-Cola hypothetical. In the first scenario, a dentistry company altered the Coca-Cola trademark in efforts to advertise veneer products. From review of trademark enforcement, you as lead brand strategist should pursue this company for trademark infringement and dilution. The veneer company used your trademark and reputation to promote its brand and tarnish yours. In the alternative scenario involving the sorority girls, the best idea is probably to not act at all. The sorority girls are infringing on your trademark in a source-identifying way but they are doing it to promote a social organization associated with academic institutions. Consumers may be confused and think that Coca-Cola is sponsoring this use of its trademarks however, the tagline “Enjoy Sisterhood” actually aligns with your brand image of spreading happiness. Having a true understanding of the law allows brand strategists to evaluate each scenario and determine which action is appropriate.

Conclusion:

Branding has evolved over time from an actual method of marking something to show ownership into an idea and collection of trademarks to represent an entire company. Branding is a complex topic because it is an idea rather than a thing. How do you maintain an idea? You do not, you maintain the products, distribution, marketing, advertising, and designs that contribute

to the idea of the brand. Their brands are something that consumers have created and will continue to create as culture advances. The brand must ebb and flow with culture.

Changing strategies as culture changes will be where new brands live and die. The traditional approach to intellectual property infringement will not work in the modern age. The current legislation will suffice if a company pursues an alleged infringer, so the question is not whether the legislation needs to be modernized for technology. Rather the question is whether it is a wise decision to pursue an infringer in the new consumer driven technological marketplace? This conundrum will continue to challenge consumer companies in the future. The answer does not lie in new legislation but rather in strategy and creative thinking.