

WALLPAPER BY ANY OTHER NAME

Jessica M. Kiser[†]

INTRODUCTION	117
I. TWO COMPANIES WITH THE SAME IDEA	118
II. CANCELLATION ACTION BEFORE THE TTAB.....	121
III. APPEAL TO THE UNITED STATES COURT OF CUSTOMS AND PATENT APPEALS	124
IV. WALLPAPER AS A LENS WITH WHICH TO VIEW CHANGES AND CONFLICTS IN TRADEMARK LAW.....	126
A. <i>Dearth of Deference to the TTAB and USPTO</i>	128
B. <i>Difficulty of Courts to Explain Abandonment</i>	131
V. CONSUMER CONFUSION MAKES ROOM FOR BUSINESS INVESTMENT.....	140
CONCLUSION.....	146

INTRODUCTION

How should the value of a court’s decision be measured? By the number of times the court’s decision is cited by the judiciary?¹ By the social impact of the decision?² By the witty puns or beautiful prose contained therein?³ By the inclusion of the case in legal textbooks and academic scholarship? Based on an admittedly unscientific Westlaw search, *Wallpaper Manufacturers, Ltd. v. Crown Wallcovering Corp.* is cited in

[†] Assistant Professor of Law, Gonzaga University School of Law. J.D., Columbia Law School. B.S. and B.A., Boston University. This article benefited greatly from the research assistance of Sean Wright, Briana Jones, Patrick Charles, and Ashley Sundin.

1. Perhaps that honor should go to *Miranda v. Arizona*, 384 U.S. 436 (1966), which is cited by over 60,000 cases according to Westlaw and Lexis. Search Results for *Miranda v. Arizona*, 384 U.S. 436 (1966), LEXIS, <https://www.lexisnexis.com> (search in search bar for “384 U.S. 436”; and then click on “Shepardize this document”) (last visited Aug. 29, 2017); Search Results for *Miranda v. Arizona*, 384 U.S. 436 (1966), WESTLAW, <https://1.next.westlaw.com> (search in search bar for “384 U.S. 436”; and then click “Citing References”) (last visited Aug. 29, 2017).

2. That honor might go to *Brown v. Board of Education of Topeka*, 347 U.S. 483 (1954) (ordering the desegregation of public schools), *Roe v. Wade*, 410 U.S. 113 (1973) (upholding the right to abortion), or maybe *Obergefell v. Hodges*, 576 U.S. ___, 135 S. Ct. 2584 (2015) (holding unconstitutional state laws that prohibit same-sex marriages).

3. The author nominates: *Mattel, Inc. v. MCA Records, Inc.*, 296 F.3d 894, 898 (9th Cir. 2002) (“If this were a sci-fi melodrama, it might be called *Speech-Zilla meets Trademark Kong*.”); *Elvis Presley Enters. v. Capece*, 950 F. Supp. 783, 789 (S.D. Tex. 1996) (“Stated simply, the Court must determine whether Defendants stepped on Plaintiff’s blue suede shoes.”); *Stambovsky v. Ackley*, 572 N.Y.S.2d 672, 674 (App. Div. 1991) (“[A]s a matter of law, the house is haunted.”).

forty cases, forty-four treatises and other secondary sources, twenty-seven law review articles, and in most textbooks on United States trademark law.⁴ While the case has been cited many times in academic texts, its facts and holding are rarely discussed.⁵ Instead, the case is referenced because it includes four well-worded sentences that attempt to explain unintentional trademark abandonment. However, the effortlessness of this prose belies the many ways in which trademark abandonment remains a murky concept.

This article argues that *Wallpaper Manufacturers, Ltd. v. Crown Wallcovering Corp.* offers more than the oft-quoted four sentences. The case illustrates how competing interests can interact to allow judicial common law to negate the existence of ambiguous statutory language. It also provides a helpful lens, and perhaps a teaching tool, through which to view the evolution of trademark law over the last century. First, the case is evidence of the United States Court of Customs and Patent Appeals' (CCPA) struggle over the degree of deference owed to fact-finding and related statutory interpretation by the United States Patent and Trademark Office (USPTO). Second, the case exemplifies the ongoing struggle of courts to justify abandonment of a trademark due to loss of its significance as a mark when those same courts possess an inherently intuitive understanding of abandonment due to nonuse or genericide. Finally, this article argues that this case hints at a major shift in the accepted purpose of trademark protection, which once focused solely on consumer protection and market integrity but now is increasingly responsive to the interests of businesses and their investment in a trademark. Taken together, abandonment due to loss of significance was injured by the CCPA's decision in *Wallpaper* and has been dying ever since.

I. TWO COMPANIES WITH THE SAME IDEA

Business owners often think that their chosen trademark was the result of singular inspiration. No one else could ever have the same insight into that industry. Once inspiration strikes, the trademark owner may expect that its competitors are similarly aware of and impressed by the newly selected mark. Ted Prince, the lead attorney for the Wall Paper Manufacturers Limited (WPML) when this dispute eventually found its

4. Citing references to *Wallpaper Mfrs.*, 680 F.2d 755 (C.C.P.A. 1982), WESTLAW, <https://1.next.westlaw.com> (search in search bar for "680 F.2d 755"; click "Citing References"; and then click "Secondary Sources") (last visited Aug. 30, 2017).

5. E.g., Timothy J. Callery, Comment, *Baiting the Hook: The Failure of the PTO Trademark Litigation Tactics Report to Dissuade Either Trademark Bullying or Trademark Baiting*, 64 ADMIN. L. REV. 909, 910 n.2 (2012).

way into a courtroom, echoed this sentiment.⁶ His client believed itself to be “the largest company in the wallcovering industry at the time of the dispute” and this led the company to believe that everyone must be aware of WPML’s use of the “CROWN” trademark.⁷ It is likely that Gilbert Goodman, the owner of the other wallpaper company using “CROWN” as a trademark in the United States, felt the same about his business.

Gilbert Goodman formed the Crown Wallpaper Corporation in New York in 1964.⁸ In 1965, the company’s name was changed to Crown Wallcovering Corporation.⁹ While this was a new business venture for Goodman in the United States, Goodman was not new to wallpaper; he had been active in his father’s Canadian wallpaper business since 1945 (and that business also operated using a version of “Crown” in its name).¹⁰ The New York corporation promptly opened a showroom on Third Avenue in Manhattan where customers could view wallcoverings designed by Crown Wallcovering as well as various wallcoverings imported and distributed by the company.¹¹

Even though Crown Wallcovering operated this Manhattan showroom, it advertised the majority of its products to the public and to retailers through collection books.¹² These books contained samples of the various products offered as individual pages in a bound book that was often organized by collection name, such as “CROWN FOILS.”¹³ The individual wallcovering designs within each collection were often labeled with a unique name as well.¹⁴ After a few years, the books were retired as new collections became available.¹⁵ Some of these books were entered into evidence in the cancellation action that the company would eventually pursue against WPML.¹⁶

WPML is a United Kingdom corporation founded in 1899¹⁷ that has also used the “CROWN” trademark in connection with its international

6. Telephone Interview with Edward (Ted) Prince, Senior Counsel, Alston & Bird, LLP (Jan. 12, 2017).

7. *Id.*

8. *Crown Wallcovering Corp. v. The Wall Paper Mfrs., Ltd.*, 208 U.S.P.Q. (BNA) 686, 689 (T.T.A.B. 1980).

9. *Id.*

10. *Id.*

11. *Id.*

12. *Id.*

13. *Crown Wallcovering Corp.*, 208 U.S.P.Q. (BNA) at 689–90.

14. *Id.*

15. *Id.* at 690.

16. *Id.* at 691.

17. See *Wall Paper Manufacturers*, GRACE’S GUIDE TO BRIT. INDUS. HIST., http://www.gracesguide.co.uk/Wall_Paper_Manufacturers (last modified July 28, 2017).

wallpaper distribution business.¹⁸ WPML operates extensively in the United Kingdom and Canada.¹⁹ It registered the “CROWN” mark and a related design in both countries.²⁰ A United States trademark registration for “CROWN” was issued to WPML on January 31, 1956.²¹ The registration was renewed by the USPTO as of January 31, 1976, based on WPML’s declaration of continued use of the mark.²² In evidence presented to the Trademark Trial and Appeal Board (TTAB), WPML stated that it sold wallcovering in the United States from the 1940s through 1966 under the primary trademark “LANCASTRIA.”²³ However, it also included the words “CROWN Made in England” on the selvage portion of its untrimmed wallcoverings until sometime in 1960 when the wallcoverings were only sold in the United States as a pre-trimmed product (thus removing the selvage label).²⁴ WPML then attempted various techniques for labeling the trimmed wallcoverings with the “CROWN” mark including rubber stamps and printed slogans on the backs of the sheets of wallcovering.²⁵

It is clear that these marks co-existed in the wallpaper industry for some time.²⁶ Judge Kera, in his decision regarding these two companies before the TTAB, also found it obvious that eventually “the simultaneous use of ‘CROWN’ as a symbol of trade identification in the wallcovering business by unrelated entities in the same territory is likely to cause confusion and mistake.”²⁷ There is also some evidence that the parties were both aware of the other’s use of “CROWN” and related designs;²⁸ yet, neither company took substantial steps to correct this consumer confusion until 1975.²⁹ It is unlikely that Goodman lacked knowledge of WPML’s products because WPML made substantial sales and possessed trademark registrations for “CROWN” in Canada, where Goodman worked in the

18. *Crown Wallcovering Corp.*, 208 U.S.P.Q. (BNA) at 687.

19. *Id.* at 692 (discussing use of the “REGALIA” trademark by WPML for business in both Canada and the United Kingdom).

20. *Id.*

21. *Id.* at 687; *see* CROWN, Registration No. 620,396 (giving extensive information as to the United States registered and later invalidated trademark at issue here).

22. *Crown Wallcovering Corp.*, 208 U.S.P.Q. (BNA) at 687.

23. *Id.* at 694.

24. *Id.*

25. *Id.*

26. *Id.*

27. *Crown Wallcovering Corp.*, 208 U.S.P.Q. (BNA) at 692.

28. *Id.* at 693, 698.

29. *Id.* at 698.

wallpaper industry with his father for nearly twenty years before founding Crown Wallcovering.³⁰ However, WPML can also be presumed to have had knowledge of Crown Wallcovering.³¹ Crown Wallcovering made extensive use of the “CROWN” mark on its sample books, on the selvage portion of its wallcovering products, on packaging of its products, and on display racks and window banners for retail stores.³² It is true that WPML would have had to encounter Crown Wallcovering’s products personally in order to become aware of the trademark usage;³³ however, no such direct contact would be needed for WPML to have seen Crown Wallcovering’s listing in an annual directory of several wallcovering trade journals and its advertising in various industry-related magazines.³⁴

Perhaps the most direct piece of evidence of each company’s knowledge of the other comes from the existence of a cease and desist letter dated July 25, 1974, in which WPML requests that one of Crown Wallcovering’s manufacturers discontinue use of “REGALIA” and “CROWN” on its products based on WPML’s pre-existing registrations for those trademarks in the United Kingdom, Canada, and “many, many countries.”³⁵ The manufacturer agreed to cease its use of the marks but explained that it would not cease use of the phrase “Imported by Crown Wallpaper [*sic*] Corporation” since that was a factual statement listing the name of the United States importer.³⁶ It does not appear that WPML followed up on this information regarding the United States use of “CROWN” by Crown Wallcovering.³⁷ However, Crown Wallcovering filed a petition to cancel WPML’s United States trademark registrations shortly after WPML began importing a collection named “CROWN INDOOR RAINBOW” to the United States market.³⁸

II. CANCELLATION ACTION BEFORE THE TTAB

Crown Wallcovering filed a petition to cancel WPML’s United States registration for “CROWN” on July 17, 1961.³⁹ Gilbert Goodman

30. *Id.* at 689.

31. *Id.* at 698.

32. *Crown Wallcovering Corp.*, 208 U.S.P.Q. (BNA) at 691.

33. *See id.* at 698 (“[WPML] was aware of [Crown Wallcovering’s] use of “CROWN” as a symbol of trade identification at least as early as 1973.”).

34. *Id.* at 691 (highlighting evidence presented by Crown Wallcoverings as to its advertisements placed in the magazines starting in 1964, such as: *Interior Designs*, *Interiors*, *Wallcoverings*, *American Paint Journal*, and *Decorating Retailer*).

35. *Id.* at 692. The manufacturer should have said ‘Crown Wallcovering Corporation.’

36. *Id.*

37. *Crown Wallcovering Corp.*, 208 U.S.P.Q. (BNA) at 692.

38. *Id.* at 687.

39. *Id.* at 687 (indicating that the required notifications of acceptance and filing were not

recalls bringing this petition in response to several aggressive letters sent to Crown by WPML in the months before the filing.⁴⁰ WPML allegedly sent letters demanding that Crown cease use of the “CROWN” name and mark within ten days of receipt of the letter.⁴¹ When Crown failed to comply, WPML failed to bring suit and would then send another letter with another deadline.⁴² Goodman stated, “They tried to bully us,” so he decided to force the issue.⁴³ Crown’s petition alleged that cancellation of the registration was proper because WPML abandoned the trademark due to nonuse and committed fraud when it submitted its Section Fifteen affidavit to the USPTO attesting to its continuous use of the mark in commerce from 1956 to 1961.⁴⁴ Despite WPML’s minimal use of its mark in the United States, the TTAB was able to promptly dispose of Crown Wallcovering’s charge that WPML had committed fraud as there was sufficient evidence submitted to show that WPML had made continuous use of its trademark in combination with its “LANCASTRIA” mark for the period of time in question.⁴⁵ The TTAB clarified that “it is immaterial that ‘CROWN’ was used in a manner subordinate to ‘LANCASTRIA’ because no particular degree of prominence of the display of a mark is required to sustain its validity”⁴⁶ The TTAB properly reasoned that since there was use of the trademark, however minimal or subordinated, WPML had not committed fraud in attesting to the fact of its continuous use in commerce.⁴⁷

Relatedly, the evidence was held to be clear that WPML’s registration could not be canceled for nonuse.⁴⁸ However, Section Forty-five of the Lanham Act defined abandonment of a mark as having occurred (1) “[w]hen its use has been discontinued with intent not to resume”⁴⁹ or (2) “when any course of conduct of the registrant, including acts of omission

issued until August 8, 1961).

40. Telephone Interview with Gilbert Goodman, President, Crown Wallpaper & Fabrics (May 10, 2017).

41. *Id.*

42. *Id.*

43. *Id.*

44. *Crown Wallcovering Corp. v. The Wall Paper Mfrs. Ltd.*, 208 U.S.P.Q. (BNA) 686, 687–88 (T.T.A.B. 1980).

45. *Id.* at 695.

46. *Id.* (citing *Chun King Corp. v. Genii Plant Line, Inc.*, 403 F.2d 274, 276 (C.C.P.A. 1968)).

47. *Id.*

48. *Id.* at 697.

49. 15 U.S.C. § 1127 (1976 & 2012).

as well as commission, causes the mark to lose its significance as an indication of origin.”⁵⁰ The critical question then for the TTAB was

[W]hether [WPML] has permitted [Crown Wallcovering] to use “CROWN” as a trademark or part of a trade name in the United States without objection and for such a period of time and under such circumstances that [WPML’s] acts of omission . . . has caused the mark to lose its significance as an indication of origin.⁵¹

The TTAB noted examples of actual consumer confusion whereby “CROWN INDOOR RAINBOW” sample books owned by WPML were returned by customers erroneously to Crown Wallcovering.⁵² Martin Johnson, the publisher of a leading journal in the wallpaper industry, also testified that he was not aware of WPML’s use of any “CROWN” trademark before 1975.⁵³ The date was noteworthy to him because he explicitly rejected the publication of an advertisement for WPML that used the “CROWN” mark at that time because he believed that it would confuse his readership.⁵⁴ He believed that his customers were more familiar with Crown Wallcovering and would think that WPML’s product was affiliated with that company (and with Gilbert Goodman).⁵⁵ John Garven, a district manager affiliated with WPML, also testified that trade dealers would be much more familiar with Crown Wallcoverings in the United States because of their repeated purchases from that distributor.⁵⁶ He stated that WPML’s use of “CROWN” was less obvious, and even the obvious use on the “CROWN INDOOR RAINBOW” sample book may not have left much impression on consumers given that it was one sample book among hundreds of others.⁵⁷ Based on this evidence, the TTAB held that the “CROWN” mark no longer distinguished between goods sold by WPML and those sold by Crown Wallcoverings in the United States.⁵⁸ It explained, “[w]hen a mark loses its capacity to point out uniquely the single source or origin of goods, it loses its status as a trademark.”⁵⁹

50. *Id.* Note that the section of the Lanham Act cited in the case has been updated in the current version of the U.S.C. and has undergone some changes as discussed *infra* at Section (IV)(b).

51. *Crown Wallcovering Corp.*, 208 U.S.P.Q. (BNA) at 698.

52. *Id.*

53. *Id.*

54. *Id.*

55. *Id.*

56. *Crown Wallcovering Corp.*, 208 U.S.P.Q. (BNA) at 693.

57. *Id.*

58. *Id.* at 699.

59. *Id.*

Therefore, the TTAB canceled WPML's trademark registration (hereinafter called the "TTAB Decision").⁶⁰ The TTAB reasoned that WPML's failure to take action against Crown Wallcovering's use of a mark for which it had both priority and a federal registration allowed for a market in which "CROWN" no longer indicated a clear source of goods.⁶¹ WPML's failure to act caused confusion and allowed for Crown Wallcovering to develop a commercial reputation under the mark.⁶² Each party therefore possessed an equal right to use the mark, and neither party possessed the right to a registration and the benefits that registration would entail.⁶³

III. APPEAL TO THE UNITED STATES COURT OF CUSTOMS AND PATENT APPEALS

Two years later, the TTAB's cancellation of "CROWN" was reviewed by the CCPA⁶⁴ and reversed (the "CCPA Decision").⁶⁵ Judge Nies wrote the opinion of the court and agreed with the TTAB Decision that Crown Wallcovering had not proven abandonment by WPML due to nonuse of the "CROWN" mark.⁶⁶ However, the two holdings differ greatly on the question of whether a trademark is abandoned when it is found to function as a source identifier for two different companies. Because "CROWN" could not exclusively identify the source of wallpaper as Crown Wallcovering or WPML to American customers, the TTAB Decision held that the mark ceased to function as a trademark for either

60. *Id.*

61. *Crown Wallcovering Corp.*, 208 U.S.P.Q. (BNA) at 699.

62. *Id.*

63. *Id.* Federal registration does offer some benefits to trademark owners, including by providing nationwide notice of use and allowing access to federal court.

64. See *Wallpaper Mfrs., Ltd. v. Crown Wallcovering Corp.*, 680 F.2d 755 (C.C.P.A. 1982). The jurisdiction of the CCPA was granted to the U.S. Court of Appeals for the Federal Circuit in 1982. *History of the Federal Judiciary: The Jurisdiction of the Federal Courts*, FED. JUD. CTR., <https://www.fjc.gov/history/timeline/8271> (last visited Oct. 18, 2017) (scroll to the right on the timeline to 1982; then click "Creation of Judicial Circuit Defined by Subject Matter").

65. *Wallpaper Mfrs., Ltd.*, 680 F.2d at 757. The author notes that the records of all briefs and supplemental materials filed in connection with this appeal have been lost to the hands of time. The records department of the U.S. Court of Appeals for the Federal Circuit stated in an email that these records were retained and sent to the National Archives and Records Administration for long-term storage. However, an archivist at the National Archives was unable to locate case 81-550 in the bound volume in which it should have been filed. Instead, he found only cases 81-449 and 81-551 (correspondence on file with author).

66. *Wallpaper Mfrs., Ltd.*, 680 F.2d at 761.

company.⁶⁷ The TTAB placed an emphasis on the obvious consumer confusion that resulted from the fact that “CROWN” identified WPML to some consumers and Crown Wallcovering to others.⁶⁸ The CCPA Decision focused less on consumer confusion, which it recognized as existing to some degree in all trademark oppositions and cancelations, and instead redirected the analysis to the question of which party has *better* rights to the mark.⁶⁹ Testimony of confused individuals was irrelevant to the CCPA because “[t]rademark rights are neither acquired nor lost on the basis of comparative popularity.”⁷⁰ An incorrect interpretation of abandonment law appeared evident to the CCPA based on the fact that the Lanham Act expressly permits concurrent use registrations⁷¹ and that marks deemed “incontestable” under the Lanham Act can no longer be challenged on the grounds of likelihood of confusion.⁷² Judge Nies held that “[t]he board’s holding that WPML has not lost rights throughout the country means that it has sufficient rights to support its registration.”⁷³ A mark cannot be deemed abandoned for its failure to serve as the “sole indication of source,”⁷⁴ it simply needs to serve as an indication of source at all in order to maintain its registration.⁷⁵ Judge Nies then made the statement that is quoted in numerous textbooks and law review articles in order to explain the requirements for abandonment due to loss of significance as a trademark:

Without question, distinctiveness can be lost by failing to take action against infringers. If there are numerous products in the marketplace bearing the alleged mark, purchasers may learn to ignore the “mark” as a source identification. When that occurs, the conduct of the former owner, by failing to police its mark, can be said to have caused the mark to lose its significance as a mark. However, an owner is not required to act immediately against every possibly infringing use to avoid a holding of abandonment.⁷⁶

67. *Crown Wallcovering Corp. v. The Wall Paper Mfrs. Ltd.*, 208 U.S.P.Q. (BNA) 686, 699 (T.T.A.B. 1980).

68. *Id.*

69. *Wallpaper Mfrs., Ltd.*, 680 F.2d at 762.

70. *Id.* at 762 (citing *Sweet Sixteen Co. v. Sweet “16” Shop, Inc.*, 15 F.2d 920, 925 (8th Cir. 1926)).

71. *Id.* at 762–63 (citing *Holiday Inn v. Holiday Inns, Inc.*, 534 F.2d 312, 318 (C.C.P.A. 1976)).

72. *Id.* at 761 n.6 (citing 15 U.S.C. § 1065 (1976 & 2012)).

73. *Id.* at 765 (citing *Dawn Donut Co. v. Hart’s Food Stores, Inc.*, 267 F.2d 358, 363 (2d Cir. 1959)).

74. *Wallpaper Mfrs., Ltd.*, 680 F.2d at 765.

75. *Id.*

76. *Id.* at 766 (citing *U.S. Jaycees v. Phila. Jaycees*, 639 F.2d 134, 140 (3d Cir. 1981));

The CCPA Decision determined that WPML took “took effective action to stop” Crown Wallcovering’s use of “CROWN” as a trademark and likely accepted Crown Wallcovering’s rights to use “CROWN” as part of its trade name.⁷⁷ The CCPA pointed to the bad acts of Crown Wallcovering as the cause of any confusion that existed, and such confusion has no purpose in an abandonment analysis where, as here, the mark is incontestable and no longer subject to likelihood of confusion challenges.⁷⁸ The decision of the TTAB was reversed.⁷⁹ WPML was permitted to maintain its trademark registration for “CROWN” for use in connection with wallpaper.⁸⁰ That registration was maintained and renewed as being in continuous use through 1996.⁸¹ In June 2012, the registration was officially cancelled when the next renewal filing was not submitted to the USPTO.⁸² When asked to comment on the outcome of this dispute, Gilbert Goodman was quick to point out that WPML is no longer operating its business using the “CROWN” mark while his company has continued to grow without it.⁸³ After the CCPA’s decision, Goodman’s company purchased a United States wallpaper manufacturer and began operating under its name, J. Josephson, Inc.⁸⁴ Goodman’s children, Bonnie and Mark, currently manage this branch of the family’s wallpaper business that distributes products globally.⁸⁵

IV. WALLPAPER AS A LENS WITH WHICH TO VIEW CHANGES AND CONFLICTS IN TRADEMARK LAW

Judge Markey’s brief but scathing dissent in the CCPA Decision illustrates the value of this case in bringing light to the ways in which statutory interpretation can be influenced by modern changes in the focus

see, e.g., Irene Calboli, *The Sunset of “Quality Control” in Modern Trademark Licensing*, 57 AM. U. L. REV. 341, 368 n.148 (2007); Edward K. Esping, *Granting of “Naked” or Unsupervised License to Third Party as Abandonment of Trademark*, 118 A.L.R. Fed. 211, *2a (1994); James M. Wilton & Andrew G. Devore, *Trademark Licensing in the Shadow of Bankruptcy*, 68 BUS. LAW. 739, 768 n.196 (2013).

77. *Wallpaper Mfrs., Ltd.*, 680 F.2d at 766.

78. *Id.* at 767.

79. *Id.*

80. *Id.*

81. CROWN, Registration No. 620,396.

82. *Id.*

83. Telephone Interview with Gilbert Goodman, *supra* note 40.

84. *Id.*; *see About Us*, J. JOSEPHSON INC., <http://www.jjosephson.com/about.html> (last visited Oct. 18, 2017).

85. Telephone Interview with Gilbert Goodman, *supra* note 40; *About Us*, J. JOSEPHSON INC., <http://www.jjosephson.com/about.html> (last visited Oct. 18, 2017).

and direction of trademark law. Judge Markey described WPML's registration as "an empty shell" and lamented that to allow WPML to retain its registration in light of its failure to take action against "years of adverse use of an identical mark on identical goods"⁸⁶ is an affront to consumers and "demeans and degrades the register."⁸⁷ Consumer deception and confusion will obviously result from the "CROWN" trademark being used by two companies for wallpaper products. This may be one of the underlying reasons for the palpable anger apparent in Judge Markey's dissent. Perhaps he was a trademark traditionalist⁸⁸ and saw this holding as one case portending a shift in trademark jurisprudence. Viewed in hindsight in the twenty-five years since the dissent was penned, the disagreements visible in this case provide insight into ongoing struggles between courts and between the judiciary and legislature as to the purpose of trademark law and the proper venue and manner in which to interpret statutory language defining trademark abandonment.

First, the case provides a stark example of the CCPA's lack of deference to the TTAB's role as finder of fact and initial body tasked with statutory interpretation.⁸⁹ Second, it illustrates the divide between a court's intuitive understanding of abandonment due to nonuse and its difficulty grasping how to justify abandonment of a trademark due to loss of its significance as a mark.⁹⁰ Third, the CCPA has hinted in this case at a major shift in the accepted purpose of trademark protection. Trademark protection used to be justified based on consumer protection and market integrity.⁹¹ This case is an early example of courts minimizing the importance of consumer confusion, and instead recognizing other protecta-

86. *Wallpaper Mfrs., Ltd. v. Crown Wallcovering Corp.*, 680 F.2d 755, 767 (C.C.P.A. 1982) (Markey, J., dissenting).

87. *Id.*

88. *See generally* 143 CONG. REC. H7635-36 (1997) (describing Judge Markey's judicial service). Judge Howard Markey, who died in 2006, strongly influenced the treatment of intellectual property cases at the federal level. *Id.* In 1998, the Federal Circuit's D.C. headquarters was renamed for him in recognition, (Act of June 16, 1998, Pub. L. No. 105-179, 112 Stat. 510), as Congressman Henry Hyde stated: "As the Federal circuit's first [and most influential] chief judge, Judge Markey raised the court's stature to the world's most respected court on matters of intellectual property, international trade, governmental obligations to citizens, and public sector personnel law." 143 CONG. REC. H7635-36 (1997) (statement of Rep. Hyde).

89. *See Wallpaper Mfrs., Ltd.*, 680 F.2d at 767 (Markey, J., dissenting).

90. *See id.* at 761 (majority opinion) (citing 15 U.S.C. § 1127 (1976 & 2012)); *see also id.* at 763-67.

91. *Electro-Coatings, Inc., v. Precision Nat'l Corp.*, 204 U.S.P.Q. (BNA) 410, 421 (T.T.A.B. 1979).

ble business interests being offered to justify when and whether a trademark deserves to receive or maintain registration.⁹² If the trends visible in this dispute continue, judicial common law may eventually prioritize business interests to such an extent that abandonment due to “los[s] [of] significance” will be nullified entirely.⁹³

A. Dearth of Deference to the TTAB and USPTO

Judge Markey explained the need for deference to the TTAB in his dissent: “The issue of whether CROWN had lost trademark significance was, in my view, tried by the parties. If it weren’t, this court has no business dealing with it.”⁹⁴ There is a stark contrast between the TTAB’s analysis of the veracity and weight of the facts presented to the Board and the CCPA’s summary of those purportedly same facts in its appellate decision. The TTAB decision made numerous references to the inadequacy of the evidence presented or to the perceived truthfulness of various depositions. First, the TTAB lamented the lack of evidence presented as to naming practices in the wallpaper industry: “The evidence suggests that the wallcovering business may have trade practices unique to itself, but this was never made clear.”⁹⁵ The TTAB also notes the lack of other evidence relevant to the dispute: “Another mystery is why counsel for both parties had witnesses testify about physical objects, which apparently were available and would have aided our understanding of the testimony, that were not introduced in evidence.”⁹⁶ At various points in its analysis, the TTAB suggests that the “testimony was not as exact as perhaps it could have been”⁹⁷ and that it finds some testimony to be of questionable value due to the witness’s admission of having a hazy memory of the period of time in question.⁹⁸ In spite of the TTAB’s numerous statements

92. There is ongoing controversy about which trademarks should receive federal registration. Registration has been criticized on procedural grounds and has been challenged on constitutional grounds. See Jessica M. Kiser, *How Dykes on Bikes Got It Right: Procedural Inequities Inherent in the Trademark Office’s Review of Disparaging Trademarks*, 46 U.S.F. L. REV. 1, 36 (2011); *In re Tam*, 808 F.3d 1321, 1327 (Fed. Cir. 2015), *aff’d sub nom. Matal v. Tam*, 582 U.S. ___ (2017).

93. See *Wallpaper Mfrs., Ltd.*, 680 F.2d at 767.

94. *Id.* (Markey, J., dissenting).

95. *Crown Wallcovering Corp. v. Wall Paper Mfrs. Ltd.*, 208 U.S.P.Q. (BNA) 686, 690 (T.T.A.B. 1980).

96. *Id.* at 690 n.4.

97. *Id.* at 691.

98. *Id.* at 694 (“We do not question Mr. Eisenberg’s veracity, but we do note, at page 137 of his deposition, that he testified that his memory about another fact from the era 1961–1962 was very, very hazy.”).

about the paucity of evidence and veracity of testimony, the CCPA presented the facts of the case as clear and settled.⁹⁹ The CCPA was not the trier of fact in this matter yet it offered very little deference to the decisions made by the TTAB, which were more directly based on its thorough analysis of all of the facts presented by the parties.¹⁰⁰ Instead, the CCPA gave the facts short shrift and proceeded to jump to the conclusion that the TTAB was guilty of applying “simply bad law.”¹⁰¹ On the primary question in the case, the CCPA found it almost obvious that WPML took effective action to stop the use of CROWN by Crown Wallcovering.¹⁰²

The level of deference owed to the TTAB is subject to ongoing discussion and evolving interpretations of the appropriate standard of review.¹⁰³ It is well settled that abandonment is a question of fact.¹⁰⁴ Many federal courts reviewing TTAB decisions, on abandonment as well as other questions of fact, applied some version of the “clearly erroneous” standard of review.¹⁰⁵ Until 1999, there was at least a vague consensus amongst the judiciary of the CCPA, and later the Federal Circuit, that this standard was appropriate because it is the same standard applied to appellate court review of district court determinations of fact.¹⁰⁶ Under the “clearly erroneous” standard, a court reviewing a USPTO determination of fact should only overrule the agency’s finding if it is determined to be based on a “clear error.”¹⁰⁷ In 1999, this unofficial consensus was upended when the Supreme Court decided *Dickinson v. Zurko*.¹⁰⁸ In *Dickinson*, the Federal Circuit, upon original submission and again when heard en banc, applied the clearly erroneous standard of review to a factual determination made by the USPTO’s Board of Patent Appeals and Interferences (“BPAI”).¹⁰⁹ The Federal Circuit found the USPTO’s deci-

99. See *Wallpaper Mfrs., Ltd. v. Crown Wallcovering Corp.*, 680 F.2d 755, 758 (C.C.P.A. 1982).

100. See *Crown Wallcovering Corp.*, 208 U.S.P.Q. (BNA) at 688–99 (analyzing multiple testimonials and historical facts regarding the case).

101. *Wallpaper Mfrs., Ltd.*, 680 F.2d at 763.

102. *Id.* at 766.

103. See *CAE, Inc. v. Clean Air Eng’g, Inc.*, 267 F.3d 660, 674 (7th Cir. 2001).

104. *On-line Careline Inc. v. Am. Online Inc.*, 229 F.3d 1080, 1087 (Fed. Cir. 2000) (citing 15 U.S.C. § 1127 (2000 & 2012)).

105. See *id.* at 1084 (citing *In re Hacot-Colombier*, 105 F.3d 616, 618 (Fed. Cir. 1997)).

106. See *W. Fla. Seafood, Inc. v. Jet Rests., Inc.*, 31 F.3d 1122, 1125 (Fed. Cir. 1994).

107. See *Dickinson v. Zurko*, 527 U.S. 150, 153 (1999).

108. *Id.*

109. *In re Zurko*, 111 F.3d 887, 888 (Fed. Cir. 1997). This holding was extended to decisions of the TTAB. *In re Boston Beer Co.*, 198 F.3d 1370, 1374 (Fed. Cir. 1999) (upholding the TTAB registration of “The Best Beer In America” as a mark utilizing the APA’s standard of review); see *In re Int’l Flavors & Fragrances, Inc.*, 183 F.3d 1361, 1365 (Fed. Cir. 1999)

sion to reject a patent application to be clearly erroneous and thus reversed that decision.¹¹⁰

The case was accepted for certiorari in order to establish whether factual determinations by the USPTO must be reviewed using the clearly erroneous standard or whether the standards set by the Administrative Procedures Act (APA) should apply instead.¹¹¹ The APA was originally enacted in 1946 with the intent to set forth and standardize the scope of court review of agency fact finding.¹¹² While the Federal Circuit and the Supreme Court both agreed that the USPTO qualified as an “agency” subject to the constraints of the APA, the Federal Circuit argued that the consistent application of the clearly erroneous standard to USPTO factual decisions was grounds for an exemption from the APA constraints that otherwise applied.¹¹³ Because the clearly erroneous standard is considered to be less deferential than the APA standards, and because the clearly erroneous standard was applied to USPTO decisions prior to the enactment of the APA, the Federal Circuit argued that its use of such standard should be permitted as an “additional requirement” under Section 559 of the APA.¹¹⁴

The Supreme Court rejected this justification for an APA exemption based on the fact that the APA clearly indicates that such additional requirements must be “expressly” recognized under the relevant law.¹¹⁵ The Supreme Court found no such express authority for the application of the clear error standard to reviews of USPTO fact finding.¹¹⁶ Additionally, the relevant pre-1946 cases show a lack of uniformity in their treatment of the standard of review of such decisions; some cases applied an undefined “manifest error” standard while others simply held that a USPTO decision was “clearly wrong.”¹¹⁷ None of the eighty-nine cases reviewed used the “precise words ‘clear error’ or ‘clearly erroneous.’”¹¹⁸ The Supreme Court held that to rule that the APA did not apply to such USPTO findings would be contrary to the very intent of the APA, which was to

(upholding findings of fact regarding TTAB’s rejection under the APA standard of review of applicant’s application to register phantom, placeholder marks).

110. *In re Zurko*, 142 F.3d 1447, 1459 (Fed. Cir. 1998) (en banc).

111. *Dickinson*, 527 U.S. at 154; *Lehman v. Zurko*, 525 U.S. 961, 961 (1998) (granting certiorari).

112. *See* Administrative Procedure Act, Pub. L. No. 79-404, 60 Stat. 237, 243–44 (1946) (codified as amended at 5 U.S.C. § 706 (2012)).

113. *In re Zurko*, 142 F.3d at 1452.

114. *Id.*

115. *Id.* at 1459.

116. *See Dickinson*, 527 U.S. at 155 (citing 5 U.S.C. § 559 (1996 & 2012)).

117. *See id.*

118. *Id.* at 158.

establish a “uniform approach to judicial review of administrative action”¹¹⁹ and to give agency decisions a higher expectation of finality.¹²⁰ *Dickinson* held that a court reviewing USPTO fact finding must follow the guidance of the APA and must determine whether the agency’s reasoning is “arbitrary” or “capricious” or whether it is supported by “substantial evidence.”¹²¹ Thus, a non-arbitrary decision of the USPTO that is supported by substantial evidence must not be overruled.¹²²

The *Trademark Trial and Appeal Board Manual of Procedure* highlights the effect of this Supreme Court decision when it advises attorneys and trademark owners that the proper standard of review for findings of fact by the USPTO is “the slightly more deferential standard of the Administrative Procedure Act.”¹²³ *Wallpaper* was decided by the CCPA in 1982 in the window of time between 1946 and 1999 when *Dickinson* suggested that the more deferential APA standards should have been applied.¹²⁴

B. Difficulty of Courts to Explain Abandonment for Loss of Significance (when Abandonment due to Genericide is Easy)

Although the Supreme Court has provided clarification (subsequent to the CCPA Decision in *Wallpaper* in 1982) on the issue of deference, the definition of abandonment still remains a challenge for the courts.¹²⁵ Abandonment has long been included as part of federal trademark law.¹²⁶ The Trademark Act of 1905 fails to define abandonment but references it as both a basis for cancellation and a basis for dismissing an infringement suit.¹²⁷ Abandonment is again referenced, but not defined, in the Trademark Act of 1920.¹²⁸ The Lanham Act of 1946 attempts clarity when it

119. *Id.* at 154.

120. *See id.* at 159.

121. *Dickinson*, 527 U.S. at 164 (citing *SEC v. Cherney Corp.*, 318 U.S. 80, 94–95 (1943)).

122. *Id.* at 152.

123. *See* U.S. PATENT & TRADEMARK OFFICE, TRADEMARK TRIAL AND APPEAL BOARD MANUAL OF PROCEDURE § 906.01 (2014).

124. *See Wallpaper Mfrs., Ltd. v. Crown Wallcovering Corp.*, 680 F.2d 755, 755 (C.C.P.A. 1982).

125. *See infra* Part IV(B).

126. *See, e.g.*, Trademark Act of 1905, Pub. L. No. 58-84, 33 Stat. 724.

127. The Act states: “If it appear after a hearing . . . that the mark is not used by the registrant, or has been abandoned . . . the Commissioner shall cancel the registration.” Trademark Act of 1905, Pub. L. No. 58-84, § 13, 33 Stat. 724, 728. It also states: “An act to authorize the registration of trade-marks used in commerce with foreign nations or among the several States or with Indian tribes, and to protect the same.” *Id.* § 1, 33 Stat. at 724. “That no action or suit shall be maintained under the provisions of this Act in any case when the trade-mark . . . has been abandoned.” *Id.* § 21, 33 Stat. at 729.

128. “An Act to give effect to certain provisions of the convention for the protection of

states that a trademark can be deemed abandoned in either of two ways:

- (a) When its use has been discontinued with intent not to resume. Intent not to resume may be inferred from circumstances. Nonuse for two consecutive years shall be prima facie abandonment.
- (b) When any course of conduct of the registrant, including acts of omission as well as commission, causes the mark to lose its significance as an indication of origin.¹²⁹

The first part of the Lanham Act's new definition of abandonment gave courts clear and practical guidance. Two years of nonuse creates a rebuttable presumption of abandonment.¹³⁰ The party disputing the abandonment determination must then prove that it has a bona fide intent to resume use of the mark.¹³¹ In *Cash Processing Services v. Ambient Entertainment*, the court recognized that the presumption of abandonment

trade-marks and commercial names, made and signed in the city of Buenos Aires, in the Argentine Republic, August 20, 1910, and for other purposes." Trademark Act of 1920, Pub. L. No. 66-163, § 1, 41 Stat. 533, 533. "If it appear after a hearing . . . that the mark is not used by the registrants or has been abandoned . . . the commissioner shall cancel the registration." *Id.* § 2, 41 Stat. at 534.

129. See Lanham Trademark Act of 1946, ch. 540, § 45, 60 Stat. 427, 444 (codified with some differences in language at 15 U.S.C. § 1127 (2012)).

130. The two-year presumption in this section was later amended to three years. See 15 U.S.C. § 1127. Several cases discuss this presumption. See, e.g., *Crash Dummy Movie, LLC v. Mattel, Inc.*, 601 F.3d 1387, 1392 (Fed. Cir. 2010) (finding that the assignee successfully overcame presumption of non-use by showing its intent to use the trademark through business negotiations, recordation of the assignment itself by assignee, and development of the product which would use the trademark); *Star-Kist Foods, Inc. v. P.J. Rhodes & Co.*, 769 F.2d 1393, 1396 (9th Cir. 1985) (citing *Saratoga Vichy Spring Co. v. Lehman*, 625 F.2d 1037, 1043–44 (2d Cir. 1980)) ("Nonuse for two consecutive years constitutes *prima facie* abandonment . . . that may be rebutted by showing valid reasons for nonuse or by proving lack of intent to abandon."); *Adidas Am., Inc. v. Payless Shoesource, Inc.*, 546 F. Supp. 2d 1029, 1073–74 (D. Or. 2007) (finding that the competitor failed to prove that trademark owner abandoned mark simply due to owner's failure to bring infringement suits against look-alike products of third-party persons); *Smith v. Coahoma Chemical Co.*, 264 F.2d 916, 919 (C.C.P.A. 1959) (canceling two trademark registrations as to the assignee due to non-use where evidence supported that there was no intent to ever use the trademarks); *Cash Processing Servs. v. Ambient Entm't, Inc.*, 418 F. Supp. 2d 1227, 1233 (D. Nev. 2006) (finding that the government successfully rebutted the presumption of abandonment due to lack of control over the assets for a year during part of the claimed non-use period).

131. 15 U.S.C. § 1127 (2012) ("(1) When its use has been discontinued with intent not to resume such use. Intent not to resume may be inferred from circumstances. Nonuse for [three] consecutive years shall be prima facie evidence of abandonment. 'Use' of a mark means the bona fide use of such mark made in the ordinary course of trade, and not made merely to reserve a right in a mark."); see, e.g., *Nat. Answers, Inc. v. SmithKline Beecham Corp.*, 529 F.3d 1325, 1330 (11th Cir. 2008) (stating that a single attempt to form a new joint venture was not sufficient to counter the presumption of abandonment created by the trademark owner's cessation of product manufacturing); *Emergency One, Inc. v. Am. FireEagle, Ltd.*, 228 F.3d 531, 540 (4th Cir. 2000) (holding that trademark owner must intend to resume use in the reasonably foreseeable future); *Rivard v. Linville*, 133 F.3d 1446, 1449 (Fed. Cir. 1998)

was met by the nonuse of the “MUSTANG RANCH” mark for four years;¹³² however, the presumption was overcome based on the unusual circumstances of the mark’s transfer of ownership.¹³³ The mark and the legal brothel with which it was used were seized by the government, and government bureaucracy required four years to control the assets and find the rare buyer seeking to operate such a salacious enterprise.¹³⁴ Even in such an unusual case, there was readily available evidence of the years of nonuse, reasons for nonuse, and intent to resume use once the business was matched with a buyer.¹³⁵

The drafters of the Lanham Act may have created more uncertainty rather than clarity when they extended the definition of abandonment beyond nonuse. The second type of abandonment referenced in the Lanham Act’s definition can be described as unintentional abandonment.¹³⁶ The addition of unintentional abandonment in this way covers “an area of defense which was not formerly considered to constitute an abandonment.”¹³⁷ It combines other common law concerns regarding trademarks, including the requirement that a trademark be distinctive, the consequences of a mark losing its distinctiveness, the defenses of laches and acquiescence, and the prohibition on naked licensing.¹³⁸ Under the current conception of abandonment, each of these considerations contributes to, or somehow rises to the level of, unintentional abandonment.¹³⁹ However, abandonment under the prior trademark statute primarily concerned itself with the issue of the trademark owner’s intent regarding use of the mark.¹⁴⁰ Loss of distinctiveness, however, was an entirely separate analysis that focused on the view of the mark by the public.¹⁴¹ Therefore, a mark could be abandoned due to nonuse while it still remained distinctive

(holding that the trademark owner did not rebut presumption of abandonment where the owner failed to use the mark in the United States in the five years subsequent to filing).

132. 418 F. Supp. 2d at 1233.

133. *See id.*

134. *Id.* at 1235.

135. *Id.* at 1234.

136. Courts have also referred to unintentional abandonment as abandonment by operation of law. *See, e.g.,* Johanna Farms, Inc. v. Citrus Bowl Inc., 468 F. Supp. 866, 877 (E.D.N.Y. 1978) (“At one level, an abandonment may transpire as a matter of intent and fact and on another, it can be effectuated as a matter of law by virtue of the occurrence of certain facts.”).

137. M. L. Cross, Annotation, *Abandonment of Trademark or Tradename*, 3 A.L.R.2d 1226 Art. IV (2017).

138. *See id.*; *see also* RUDOLF CALLMANN, 3 CALLMANN ON UNFAIR COMPETITION, TRADEMARKS AND MONOPOLIES 487–89 (4th ed. 1993).

139. CALLMAN, *supra* note 138, at 487–517.

140. *Id.* at 491.

141. LOUIS ALTMAN & MALLA POLLACK, CALLMAN ON UNFAIR COMPETITION, TRADEMARKS AND MONOPOLIES § 20:70 (4th ed. 2017).

for consumers.¹⁴² A trademark owner could be so intentionally careless in regulating third-party uses of its mark that a court could recognize rights in those third parties under the doctrine of laches, or so unintentionally careless that a court could recognize rights in those third parties under the doctrine of acquiescence.¹⁴³ In such an example, the trademark owner has essentially abandoned its right to stop solely those particular third-party infringers.¹⁴⁴ However, the mark may still indicate a distinctive source to consumers, so it may not yet be deemed abandoned completely.¹⁴⁵ The combination of these disparate concepts under the umbrella of “abandonment due to loss of significance” opened the door for judicial disagreements over the proper interpretation of “loss of significance” and the manner in which these formerly separate doctrines now interact to cause a trademark owner to lose all of its rights to a mark.¹⁴⁶

Congress had the opportunity to clarify the meaning of unintentional abandonment when it passed the Trademark Law Revision Act of 1988;¹⁴⁷ however, it provided only minimal clarification that a mark that becomes generic shall also be deemed abandoned.¹⁴⁸ The revised definition of unintentional abandonment states that a mark should be abandoned “(2) when any course of conduct of the owner, including acts of omission as well as commission, causes the mark to become the generic name for the goods or services on or in connection with which it is used or otherwise lose its significance as a mark.”¹⁴⁹ Therefore, it is now clear that a trademark unintentionally becomes abandoned either when it has become generic (and thus has lost all ability to signify the source of the product) or when it has otherwise lost its significance as a mark.¹⁵⁰ Loss of significance as a mark remains a vague and ephemeral concept. It is much easier for a court to determine that a trademark has become generic than to sort through whether a loss of some (but not all) distinctiveness (such as could occur due to a failure to police third-party uses) rises to

142. *See id.* at § 20:64.

143. *See id.* at § 20:70.

144. *Id.*

145. *Id.* at § 20:64.

146. ALTMAN & POLLACK, *supra* note 141, at § 20:64.

147. Trademark Law Revision Act of 1988, Pub. L. No. 100-667, 102 Stat. 3935.

148. *Id.* at § 134(8), 102 Stat. at 3948.

149. *Id.* The organization of this section was also revised to use (1) and (2) rather than the (a) and (b) structure in the original version of the Lanham Act. *See id.*

150. 15 U.S.C. § 1127 (2012) (“(2) When any course of conduct of the owner, including acts of omission as well as commission, causes the mark to become the generic name for the goods or services on or in connection with which it is used or otherwise to lose its significance as a mark. Purchaser motivation shall not be a test for determining abandonment under this paragraph.”).

the level of ‘loss of significance as a mark’ sufficient to constitute abandonment.

A generic mark is one that signifies the type or category of a good or service rather than a particular commercial source.¹⁵¹ Generic trademarks cannot indicate source;¹⁵² consequently, they cannot be registered as trademarks.¹⁵³ Additionally, a mark can become generic through a process coined “genericide,”¹⁵⁴ which occurs if the public comes to think of a former trademark as the generic name of the product.¹⁵⁵ In *Bayer Co. v. United Drug Co.*, the court declared that the word “aspirin” had become the generic term for a particular type of acetyl salicylic acid pain reliever.¹⁵⁶ The word was originally coined by Bayer and registered as a trademark for that company’s pain reliever in May of 1899.¹⁵⁷ However, consumers chose to ignore the complex scientific name of the product and came to see “aspirin” as referring to this medication made by any source.¹⁵⁸ If a word or phrase can be used to describe the product type, then a trademark examiner or court can easily determine that the word cannot be protectable.¹⁵⁹ Thus, no one modern company can claim the exclusive right to use “dry ice” for carbon dioxide in solid form,¹⁶⁰ “escalator” for an electric moving staircase,¹⁶¹ “linoleum” for floor covering

151. *Id.*

152. *See id.*

153. *See id.*

154. Introduced into the lexicon by Dorothy Fey, former Executive Director of the United States Trademark Association, probably no earlier than 1972. Ben Zimmer, *Inside “Genericide”*, VISUAL THESAURUS, Apr. 2, 2009, <https://www.visualthesaurus.com/cm/word/routes/inside-genericide>; *Genericide*, BLACK’S LAW DICTIONARY (10th ed. 2009) (“(1977) *Trademarks*. The loss or cancellation of a trademark that no longer distinguishes the owner’s product from others’ products. Genericide occurs when a trademark becomes such a household name that the consuming public begins to think of the mark not as a brand name but as a synonym for the product itself. Examples of trademarks that have been “killed” by genericide include *aspirin* and *escalator*.”).

155. *Genericide*, BLACK’S LAW DICTIONARY (10th ed. 2009).

156. 272 F. 505, 515–16 (S.D.N.Y. 1921).

157. *Id.* at 507.

158. *Id.* at 512.

159. *Id.* at 513 (citing *Centaur Co. v. Heinsfurter*, 84 F. 955, 957 (8th Cir. 1898)).

160. *Dryice Corp. of Am. v. La. Dry Ice Corp.*, 54 F.2d 882, 885 (5th Cir. 1932) (citing *Standard Paint Co. v. Trinidad Asphalt Co.*, 220 U.S. 446, 454 (1911)) (“The term ‘Dry-Ice,’ being a combination of the descriptive adjective ‘dry’ and the noun ‘ice,’ water in its solid or frozen state, when used with solid carbon dioxide . . . being descriptive of characteristics or qualities of the article with reference to which it was used, was not subject to be registered as a trade-mark for that article.”).

161. *Houghton Elevator Co. v. Seeberger*, 85 U.S.P.Q. (BNA) 80, 81 (Dec. Comm’r Pat. Apr. 3, 1950) (“On careful consideration of the record in this case, it appears, and it does not seem to be disputed, that the term ‘escalator’ is recognized by the general public as the name for a moving stairway and not the source thereof.”).

material,¹⁶² or “thermos” for food and beverage storage containers.¹⁶³ In a recent example from the Southern District of New York, the term “pilates” was deemed generic.¹⁶⁴ Pilates has been used by Joseph Pilates (and related companies) in connection with a style of exercise and related programs.¹⁶⁵ The court declared that these parties had used “pilates” in a generic manner to describe the method of exercise and the equipment used for that exercise.¹⁶⁶ Consumers came to use the term to describe the type of exercise rather than the company that created it.¹⁶⁷ Thus, “pilates” is now a generic term and has essentially been consigned to the public domain.¹⁶⁸

The “loss of significance” basis for abandonment is statutorily specified separately from the mark becoming generic;¹⁶⁹ as such, the canons of statutory interpretation and longstanding judicial precedent indicate that it should be interpreted to describe a separate and distinct form of abandonment.¹⁷⁰ In his treatise, Thomas McCarthy suggests that this language refers to abandonment resulting from naked licensing¹⁷¹ and assignments in gross.¹⁷² However, those doctrines are also declining in application and importance as courts choose to only cancel a trademark in

162. *Linoleum Mfg. Co. v. Nairn*, (1878) 7 Ch. Div. 834, 837.

163. *King-Seeley Thermos Co. v. Aladdin Indus., Inc.*, 321 F.2d 577, 581 (2d Cir. 1963). “The word ‘thermos’ became a part of the public domain because of the plaintiff’s wide dissemination of the word ‘thermos’ used as a synonym for ‘vacuum-insulated’ and as an adjectival-noun, ‘thermos’, through its educational and advertising campaigns and because of the plaintiff’s lack of reasonable diligence in asserting and protecting its trademark rights in the word ‘Thermos’ among the members of the unorganized public . . .” *Id.* at 579 (citing *Am. Thermos Prods. Co. v. Aladdin Indus., Inc.*, 207 F. Supp. 9, 14 (D. Conn. 1962)).

164. *Pilates, Inc. v. Current Concepts, Inc.*, 120 F. Supp. 2d 286, 289 (S.D.N.Y. 2000).

165. *Id.* at 290.

166. *Id.* at 304.

167. *Id.*

168. *Id.* at 306.

169. *See* 15 U.S.C. § 1127 (2012).

170. *See* WILLIAM N. ESKRIDGE, JR., *INTERPRETING LAW: A PRIMER ON HOW TO READ STATUTES AND THE CONSTITUTION* 74–75 (2016). “Where, as here, the language is susceptible of a construction which preserves the usefulness of the section, the judicial duty rests upon this court to give expression to the intentment of the law.” *Armstrong Paint & Varnish Works v. Nu-Enamel Corp.*, 305 U.S. 315, 333 (1938) (interpreting an unclear portion of the Trademark Act of 1920).

171. *See* J. THOMAS MCCARTHY, *MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION* § 17:5 (4th ed. 2017); *see also* *Ky. Fried Chicken Corp. v. Diversified Packaging Corp.*, 549 F.2d 368, 387 (5th Cir. 1977). The court explained that naked licensing occurs when a “trademark owner allows licensees to depart from his quality standards” and as a result “the public will be misled, and the trademark will cease to have utility as an informational device.” *Id.*

172. *See* MCCARTHY, *supra* note 171, at § 17:5. Additionally, an assignment in gross is an assignment of a trademark apart from the goodwill it symbolizes. *Id.* at § 18:2; *PepsiCo, Inc. v. Grapette Co.*, 416 F.2d 285, 290 (8th Cir. 1969) (Blackmun, J., concurring) (“I prefer to

the most extreme of cases.¹⁷³ By tying these doctrines explicitly to abandonment, the Lanham Act lessened the likelihood of their application; the previous treatment of these doctrines as part of the distinctiveness discussion permitted more judicial discretion with regard to remedies.¹⁷⁴ Irene Calboli has made a strong argument for the elimination of the naked licensing doctrine and its requirement that trademark licensors exercise quality control over the licensed product.¹⁷⁵ Given the importance of licensing to modern businesses and the ways in which courts have manipulated this requirement to allow for minimal quality control, or control in name only, this form of abandonment is nearly eliminated already.¹⁷⁶ Trademark scholars, including Calboli, have made a similar argument for the near death of the prohibition on assignments in gross.¹⁷⁷ If these doctrines are no longer useful, then what is left under abandonment due to “loss of significance”?

In the CCPA Decision, Judge Nies provided a definition for unintentional abandonment, which is often cited by courts and scholars grappling with the issue of how to determine when a mark is generic and when it has lost enough significance to cause the mark to be forfeited.¹⁷⁸ Her words suggest that an analysis of abandonment on the basis of loss of distinctiveness should be straightforward.¹⁷⁹ However, courts interpreting

stay with the usual rule, long-established I thought, that a trademark may not validly be assigned in gross.”).

173. *See, e.g.*, *FreecycleSunnyvale v. Freecycle Network*, 626 F.3d 509, 515 (9th Cir. 2010) (affirming abandonment for lack of quality control); *Eva’s Bridal Ltd. v. Halanick Enters., Inc.*, 639 F.3d 788, 791 (7th Cir. 2011) (affirming finding of abandonment because of naked licensing where bridal shop made no attempt to control quality of licensed products). *But cf. Ky. Fried Chicken Corp.*, 549 F.2d at 387 (“Retention of a trademark requires only minimal quality control, for in this context we do not sit to assess the quality of products sold on the open market. We must determine whether Kentucky Fried has abandoned quality control; the consuming public must be the judge of whether the quality control efforts have been ineffectual.”).

174. Irene Calboli, *supra* note 76, at 389.

175. *See id.* at 406–07.

176. *See id.* at 345–46.

177. *See, e.g.*, Irene Calboli, *Trademark Assignment “With Goodwill”: A Concept Whose Time Has Gone*, 57 U. FLA. L. REV. 771, 775–76 (2005); Allison Sell McDade, Note, *Trading in Trademarks: Why the Anti-Assignment in Gross Doctrine Should Be Abolished When Trademarks Are Used as Collateral*, 77 TEX. L. REV. 465, 467 (1998). For more discussion of theorists and foreign criticism of this doctrine, *see* McCarthy, *supra* note 171, at § 18:10.

178. *Wallpaper Mfrs., Ltd. v. Crown Wallcovering Corp.*, 680 F.2d 755, 766 (C.C.P.A. 1982) (citing *U.S. Jaycees v. Phila. Jaycees*, 639 F.2d 134, 140 (3d Cir. 1981)).

179. The Fourth Circuit has provided a similar rule for abandonment that suffers from the same flaws discussed herein. Loss of significance is touted as the test but nowhere defined. “Evidence of a trademark owner’s failure to prosecute infringers is relevant to a determination of the defense of abandonment only where such failure amounts to the mark’s losing significance as an indication of source.” *Sweetheart Plastics, Inc. v. Detroit Forming, Inc.*, 743 F.2d

those words have taken them as permission to conscribe the use of abandonment to instances so rare that the phrase “otherwise to lose its significance as a mark” has become equated with abandonment due to genericide.¹⁸⁰ Numerous cases cite to the CCPA Decision and to the Lanham Act as clearly indicating that abandonment was intended to be a defense used principally when registrants’ acts or omissions result in their mark becoming generic.¹⁸¹ The Second Circuit, in *Defiance Button Machine Co. v. C & C Metal Products*, similarly limited abandonment to situations where the mark in question “has become generic or has been licensed in gross or officially cancelled.”¹⁸² However, neither the legislative history of the Lanham Act nor the CCPA’s decision makes such an explicit and drastic limitation of abandonment.¹⁸³

Courts struggle with the idea, suggested by *Wallpaper*, that an abandoned trademark must lose *all* significance because that phrase remains undefined in a practical sense.¹⁸⁴ Often the focus of the abandonment analysis is on the CCPA’s declaration that a mark must have lost *all* significance.¹⁸⁵ Outside of the context of generic words, is it even possible

1039, 1048 (4th Cir. 1984) (first citing J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 17:5 (2d ed. 1984); and then citing 15 U.S.C. § 1127 (2012)) (holding that the court erred when it permitted the jury to consider the defense of abandonment when the defendant failed to provide evidence of extensive use of the trade dress by third-parties such that the mark lost all significance as an indication of source).

180. Some courts have interpreted the loss of significance provision of the Lanham Act as simply adding an additional requirement to prove abandonment under 15 U.S.C. § 1064(c), when a registrant is already accused of having an intent to abandon. *See, e.g.*, *Bd. of Governors of the Univ. of N.C. v. Helpingstine*, 714 F. Supp. 167, 171 (M.D.N.C. 1989) (citing *Sweetheart Plastics Inc.*, 743 F.2d at 1039) (explaining that in order for a defendant to successfully raise the defense of abandonment, the defendant must show an intent to abandon and the loss of all indication as to the source of the mark’s origin).

181. *See, e.g.*, *Exxon Corp. v. Oxxford Clothes, Inc.*, 109 F.3d 1070, 1079–80 (5th Cir. 1997) (explaining that a trademark was not abandoned due to naked licensing when the mark still functioned as a source identified); *TMT N. Am., Inc. v. Magic Touch GmbH*, 124 F.3d 876, 885–86 (7th Cir. 1997) (holding that a trademark was not abandoned where licensor failed to maintain strict control over the quality of the licensed product); *Star-Kist Foods, Inc. v. P.J. Rhodes & Co.*, 769 F.2d 1393, 1396 (9th Cir. 1985) (holding that a trademark was not abandoned when the owner discontinued use during three year period in which a fish importation was not profitable); *Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4, 11 (2d Cir. 1976) (explaining that the word “safari” is held generic when applied to specific type of clothing); *Imperial Tobacco Ltd. v. Philip Morris, Inc.*, 899 F.2d 1575, 1578–79 (Fed. Cir. 1990) (citing *Wallpaper Mfrs., Ltd.*, 680 F.2d at 761); *Helpingstine*, 714 F. Supp. at 171 (citing 15 U.S.C. § 1064 (1988 & 2012)).

182. 759 F.2d 1053, 1061 (2d Cir. 1985).

183. *See* The Lanham (Trademark) Act, ch. 540, § 45, 60 Stat. 433, 444 (1946) (codified as amended at 15 U.S.C. § 1064 (2012)).

184. *See Wallpaper Mfrs.*, 680 F.2d at 765.

185. *See, e.g.*, *Navajo Nation v. Urban Outfitters, Inc.*, 212 F. Supp. 3d 1098, 1104 (D.N.M. 2016) (citing *Leatherwood Scopes Int’l, Inc. v. James M. Leatherwood*, 63

for a mark to lose all significance? What is clear is that courts rarely order the cancellation of a trademark on this ground.¹⁸⁶ For example, in *Board of Governors of the University of North Carolina v. Helpingstine*, the North Carolina court attempted to explain that abandonment is limited only to instances when a mark has lost “all significance as an indication of origin *as to the mark itself*”¹⁸⁷ and does not justify the cancellation of a trademark in use simply because the mark can no longer point to a single source.¹⁸⁸

This leaves no middle ground between a trademark that signifies a single defined source and one that has become the generic indicator for the good or service. If the mark is found to reference two or three or four different sources, it cannot be said to have lost *all* source significance.¹⁸⁹ Therefore, it would not be deemed abandoned even though consumers may be hopelessly confused as to which source has produced the product they are purchasing at any time.¹⁹⁰ Abandonment for loss of trademark significance seems to require widespread consumer amnesia, which is so unlikely as to render this ground for abandonment moot.¹⁹¹ Even the TTAB has been found to ignore this basis for abandonment.¹⁹² In 1994, the TTAB held that numerous third-party uses of the “BUCKY BADGER” trademark were not enough to result in the abandonment of the mark.¹⁹³ In this case, the relevant mascot character had been designed by a local business to represent the University of Wisconsin on clothing and other items.¹⁹⁴ Despite the fact that the trademark was created by a party other than the University, and the fact that University employees made numerous statements assuring third parties that the relevant design was in the public domain and free for use by the whole community, the TTAB refused to find the mark abandoned because “some members of

U.S.P.Q.2d (BNA) 1699, 1703 (T.T.A.B. 2002)) (“[A] mark is abandoned only when all trademark significance is lost.”). This idea that a trademark must lose all ability to reference the source of the good or service (ignoring the marks of other possible source connections) is the dominant view of loss of distinctiveness abandonment today. *See id.*

186. *See Helpingstine*, 714 F. Supp. at 171 (citing *Wallpaper Mfrs., Ltd.*, 680 F.2d at 763).

187. *See id.*

188. *See id.*

189. *See id.* (quoting *Sweetheart Plastics, Inc. v. Detroit Forming, Inc.*, 743 F.2d 1039, 1047–48 (4th Cir. 1984)).

190. *See id.* (citing *Wallpaper Mfrs., Ltd.*, 680 F.2d at 763).

191. *See Helpingstine*, 714 F. Supp. at 171 (quoting *Sweetheart Plastics, Inc.*, 743 F.2d at 1047–48).

192. *Univ. Book Store v. Bd. of Regents of the Univ. of Wis. Sys.*, 33 U.S.P.Q.2d (BNA) 1385, 1393 (T.T.A.B. 1994) (citing EDWARD C. VANDENBURGH, *TRADEMARK LAW AND PROCEDURE* 267–68 (2d ed. 1968)).

193. *Id.* at 1394.

194. *Id.*

the purchasing public identify [the University] with each of the marks at issue.”¹⁹⁵ It is noteworthy that the TTAB expressly claimed that abandonment due to loss of significance can occur where consumers learn to ignore a mark as an indication of source due to a market crowded with numerous parties using the same mark.¹⁹⁶ Disconcertingly, that statement followed a thorough discussion in the CCPA Decision in *support* of the contention that abandonment can only occur when a trademark has lost all significance as a mark.¹⁹⁷ Again, this leads to the circular reasoning discussed above: abandonment due to loss of trademark significance (and relatedly the failure to police third-party uses of one’s mark) ostensibly is distinct from genericide, but the test for loss of significance is practically equivalent to the test for genericide.

V. CONSUMER CONFUSION MAKES ROOM FOR BUSINESS INVESTMENT

While unintentional abandonment remains hazily defined, it is well-accepted that the foundation of United States trademark law is the premise that trademarks are protected in order to ensure the integrity of the commercial marketplace and to protect consumers from the confusion and deception that could result from counterfeiting or “passing off” if it were not proscribed.¹⁹⁸ In 1930, two cases before the CCPA attested to this purpose as being at the heart of their infringement determinations. In *Sun-Maid Raisin Growers of California v. American Grocer Co.*, the court stated,

The dominant purpose of the trade-mark act [sic] was to protect the public and purchasers against confusion. It never intended that a trade-mark [sic] should be registered if its use was likely to cause confusion or mistake in the mind of the public or if purchasers were likely to be deceived by its use.¹⁹⁹

The court in *California Packing Corp. v. Tillman & Bendel, Inc.* found it “inconceivable that Congress” intended to allow for increased trademark confusion when it passed federal trademark legislation; allowing the registration of confusing marks would “arm the registrant with a weapon, impotent for good but virile for mischief.”²⁰⁰ This purpose is

195. *Id.* at 1393.

196. *Id.*

197. *Univ. Book Store*, 33 U.S.P.Q.2d (BNA) at 1393.

198. MCCARTHY, *supra* note 171, at § 5:2.

199. 40 F.2d 116, 118 (C.C.P.A. 1930) (holding that the possibility of consumer confusion with the plaintiff’s mark for raisins and related products justified stopping the use of a nearly identical mark on grain flour as these are markedly different products that could be used by the same consumers and for the same purpose).

200. 40 F.2d 108, 111 (C.C.P.A. 1930) (citing *Levy v. Uri*, 31 App. D.C. 441, 446 (D.C.

also evidenced by the existence of prohibition on the naked licensing of trademarks, the prohibition on assignments in gross, and by the fact that the test for infringement directly asks courts to evaluate the likelihood of confusion between two marks.²⁰¹ Courts have held that a trademark owner who allows naked licensing or an assignment in gross introduces confusion about the source and quality of the trademarked good, and thus, loses the right to use the mark.²⁰² However, a secondary purpose for trademark protection is now recognized by the legislature and by the judiciary—protecting business investment in goodwill.²⁰³ This additional interest was made explicit in the 1980s when the Senate tasked a committee with evaluating the effectiveness of the Lanham Act.²⁰⁴ That committee’s recommendations eventually contributed to the Trademark Law Revision Act of 1988.²⁰⁵ The Senate asked the Committee to evaluate the Lanham Act’s ability to protect the public and also the ability of the Act to protect the owner of a trademark because “where [that owner] has spent energy, time and money in presenting to the public the product, he is protected in his investment from its misappropriation by pirates and cheats.”²⁰⁶ While *Wallpaper* was decided before the enactment of the Trademark Law Revision Act of 1988, the CCPA Decision likely recognized the growing importance of trademarks as business assets.

Judge Markey in his CCPA Decision dissent seems to adhere to the consumer primacy view of trademarks when he laments the majority’s decision to allow WPML to maintain its United States trademark registration in spite of substantial evidence showing that the American marketplace associated the “CROWN” mark with Crown Wallcovering due to its more extensive use in the United States.²⁰⁷ He explains, “In *this* case, one who orders CROWN wallpaper cannot possibly be assured of getting or avoiding wallpaper of one expected quality. Hence CROWN has lost all trademark significance.”²⁰⁸ This slight rift between trademark

Cir. 1908)) (holding that confusion necessitates canceling the registration for “Del Monte” for coffee due to the likely confusion that would result from consumers attributing this product to the more famous company selling “Del Monte” canned goods).

201. MCCARTHY, *supra* note 171, at § 23:1.

202. *See, e.g.*, Ky. Fried Chicken Corp. v. Diversified Packaging Corp., 549 F.2d 368, 387 (5th Cir. 1977).

203. DORIS E. LONG, UNFAIR COMPETITION AND THE LANHAM ACT 354 (1993).

204. *Id.*

205. *Id.* at 355.

206. *Id.* at 354.

207. *Wallpaper Mfrs., Ltd. v. Crown Wallcovering Corp.*, 680 F.2d 755, 767 (C.C.P.A. 1982) (Markey, J., dissenting).

208. *Id.* (emphasis added).

law and consumer protection is evidenced as a small fault line in *Wallpaper* that grew substantially wider over the next few decades. Numerous scholars have accused courts of seeming to have an increased focus on protecting the property-like interests of trademark owners in their respective company's developed brand image and goodwill (for better or worse).²⁰⁹ No longer are the courts "divorced from commercial reality."²¹⁰ This increased focus on business interests may have directly or indirectly influenced Judge Nies in her narrow interpretation of "loss of significance."²¹¹ Perhaps, for better or for worse, the constrained purview of the TTAB has shielded its judges from such commercial considerations.

While always paying some degree of deference to protecting consumers, modern courts have adopted the view that abandonment and cancellation should be rare: "Such an unjustifiable forfeiture of valuable goodwill developed by the owner at great cost and expense would clearly be unacceptable."²¹² For example, in 1997 the Fifth Circuit supported the importance of viewing brand investment over possible consumer confusion when it said, "If a trademark has not ceased to function as an indicator of origin there is no reason to believe that the public will be misled."²¹³ Such a sentiment ignores a myriad of possible ways in which consumers could still be confused. First, there is our CROWN wallpaper scenario where multiple identical marks function as indicators of source in the same product category.²¹⁴ Even though some consumers will think the mark refers to Source A, there is no way to ensure that such customers aren't actually receiving products from Source B or Source C due to the customer's own ignorance of the multiple competing, identical marks.²¹⁵

209. Deven R. Desai, *From Trademarks to Brands*, 64 FLA. L. REV. 981, 986 (2012) (arguing that brand theory coherently explains much of the expansion of modern trademark law); Stacey L. Dogan & Mark A. Lemley, *Parody as Brand*, 47 U.C. DAVIS L. REV. 473, 474, 513, 1178 (2015) (arguing for enhanced protection for parodies under trademark law); Timothy Greene, *Trademark Hybridity and Brand Protection*, 46 LOY. U. CHI. L.J. 75, 79 (2014) (arguing that trademark law should be updated to better reflect the ability of consumers to decipher semantic ambiguity); Jessica M. Kiser, *Brands as Copyright*, 61 VILL. L. REV. 45, 47 (2016) (discussing the creative aspects of branding, which are ill-fitting under a trademark regime); Irina D. Manta, *Branded*, 69 SMU L. REV. 713, 715 (2016) (discussing several unrecognized functions of trademarks and their importance to the future development of trademark law).

210. *Wallpaper Mfrs., Ltd.*, 680 F.2d at 763.

211. *See id.* at 767.

212. *Defiance Button Mach. Co. v. C & C Metal Prods. Corp.*, 759 F.2d 1053, 1062 (2d Cir. 1985) (citing *Merry Hull & Co. v. Hi-Line Co.*, 243 F. Supp. 45, 50 (S.D.N.Y. 1965)).

213. *Exxon Corp. v. Oxxford Clothes, Inc.*, 109 F.3d 1070, 1079 (5th Cir. 1997).

214. *Wallpaper Mfrs., Ltd.*, 680 F.2d at 765.

215. *See id.* at 760.

This is the foundation underlying the likelihood of confusion test for trademark infringement.²¹⁶ Using the most common cases presented to teach likelihood of confusion in legal textbooks, it is obvious that “SLEEK CRAFT” and “SLICK CRAFT” and “POLAROID” and “POLARAD” are all capable of distinguishing the source of the product.²¹⁷ They are also capable of confusing consumers due to their similarity and product overlap.²¹⁸ In *Wallpaper*, the CCPA justified its holding on the following grounds: “The Board’s two-source abandonment theory would virtually assure cancellation whenever a trademark registrant’s use of a mark is interrupted for an extended period, during which time another has developed an extensive market under the mark.”²¹⁹ If a mark’s use is interrupted for an extended period, then it is a straightforward case of abandonment due to nonuse.²²⁰ Perhaps it is unfair to punish a company for lengthy nonuse when it may be due to war or material scarcity or other reasons outside of the trademark owner’s control.²²¹ However, that is precisely what trademark abandonment addresses—three years of nonuse creates a presumption of abandonment that must be countered with convincing evidence of the original owner’s plans to continue use.²²² Otherwise, abandonment due to nonuse would only apply to abandonment for intentional nonuse (which is the very instance when a company may be willing to happily concede the third-party’s new right to the mark).²²³ This ground for cancellation would be substantially defanged—and perhaps that is the intention of the courts.

216. *Id.* at 767.

217. *AMF, Inc. v. Sleekcraft Boats*, 599 F.2d 341, 348–49 (9th Cir. 1979), *abrogated by* *Mattel, Inc. v. Walking Mountain Prods.*, 353 F.3d 792, 810 (9th Cir. 2003); *Polaroid Corp. v. Polarad Elecs. Corp.* 287 F.2d 492, 495 (2d Cir. 1961).

218. *AMF Inc.*, 599 F.2d at 350; *Polaroid Corp.*, 287 F.2d at 495.

219. *Wallpaper Mfrs., Ltd.*, 680 F.2d at 762.

220. *Emergency One, Inc. v. Am. FireEagle, Ltd.*, 228 F.3d 531, 536 (4th Cir. 2000) (citing 15 U.S.C. § 1127 (1994 & 2012)) (“Non-use for three consecutive years alone, however, constitutes prima facie evidence of abandonment.”).

221. *See Stern Apparel Corp. v. Raingard, Inc.*, 87 F. Supp. 621, 624 (S.D.N.Y. 1949) (citing *R.H. Macy & Co. v. Wilmington Hosiery Mills, Inc.*, 78 U.S.P.Q 130 (Dec. Comm’r Pat. 1948)) (discussing nonuse due to wartime restriction); *Vaudable v. Montmartre, Inc.*, 193 N.Y.S.2d 332, 335 (N.Y. Sup. Ct. 1959) (discussing restaurant closure due to World War Two).

222. *Cash Processing Servs. v. Ambient Entm’t, Inc.*, 418 F. Supp. 2d 1227, 1231 (D. Nev. 2006) (quoting *Emergency One*, 228 F.3d at 538) (“If the party alleging abandonment establishes a three-year period of non-use, then the burden shifts to the other party to rebut the: [sic] presumption by presenting evidence of actual use, intent to resume use ‘in the reasonably foreseeable future,’ or valid reasons for nonuse Determining intent or valid reasons for nonuse requires a factual determination.”).

223. *See Cash Processing Servs.*, 418 F. Supp.2d *passim*.

The doctrine of post-sale confusion is another example of the enhanced focus on business investment in trademark-related rights. Post-sale confusion has been called an “invention of the lower federal courts.”²²⁴ The most common example of post-sale confusion is a scenario whereby a nonconfused purchaser buys a trademarked product, but that product’s trademark is so similar to a different product (typically a luxury good) that observers may confuse the one brand for the other and incorrectly attribute the characteristics of the purchased product to the quality of the competitor’s products.²²⁵ In this way, observers of a brand have become confused about quality and source given the visual similarities between two unrelated trademarks.²²⁶ In *Lois Sportswear v. Levi Strauss*, the court found post-sale confusion based on Lois Sportswear’s use of an embroidery design on the back pockets of its jeans that was very similar to the “arcuate” design famously found on the pockets of Levi Strauss jeans.²²⁷ Even though the purchasers of the jeans from Lois Sportswear were not confused as to the source of the product, the Second Circuit believed that goodwill could be damaged nonetheless: “[T]o the extent the sophisticated buyer is attracted to appellee’s jeans because of the exclusiveness of its stitching pattern, appellee’s sales will be affected adversely by these buyers’ ultimate realization that the pattern is no longer exclusive.”²²⁸

Jeremy N. Sheff has developed a detailed theory of post-sale confusion that argues that post-sale confusion includes “bystander confusion,” “downstream confusion,” and “status confusion.”²²⁹ Bystander confusion occurs when third parties see the purchaser of a lookalike product and make assumptions the luxury brand that the purchaser knew they were

224. Jeremy N. Sheff, *Veblen Brands*, 96 MINN. L. REV. 769, 772 (2012); see *Gen. Motors Corp. v. Urban Gorilla*, 500 F.3d 1222, 1227 (10th Cir. 2007); *I.P. Lund Trading ApS v. Kohler Co.*, 163 F.3d 27, 44 (1st Cir. 1998) (citing *I.P. Lund Trading ApS v. Kohler Co.*, 11 F. Supp. 2d 112, 123 (D. Mass. 1998)); *Dorr-Oliver, Inc. v. Fluid-Quip, Inc.*, 94 F.3d 376, 381 (7th Cir. 1996); *Insty*Bit, Inc. v. Poly-Tech Indus.*, 95 F.3d 663, 672 (8th Cir. 1996); *Payless Shoesource, Inc. v. Reebok Int’l Ltd.*, 998 F.2d 985, 988–89 (Fed. Cir. 1993); *Ferrari S.P.A. v. Roberts*, 944 F.2d 1235, 1241–42 (6th Cir. 1991); *United States v. Yamin*, 868 F.2d 130, 132 (5th Cir. 1989); *Am. Home Prods. Corp. v. Barr Labs.*, 834 F.2d 368, 370 (3d Cir. 1987); *Polo Fashions, Inc. v. Craftex, Inc.*, 816 F.2d 145, 148–49 (4th Cir. 1987) (citing *Lois Sportswear*, 799 F.2d at 870); *Lois Sportswear, U.S.A., Inc. v. Levi Strauss & Co.*, 799 F.2d 867, 870 (2d Cir. 1986); *Levi Strauss & Co. v. Blue Bell, Inc.*, 632 F.2d 817, 821–22 (9th Cir. 1980).

225. See, e.g., *Polo Fashions*, 816 F.2d at 148–49 (citing *Lois Sportswear*, 799 F.2d at 870).

226. *Id.*

227. 799 F.2d at 876.

228. *Id.* at 875–76.

229. Sheff, *supra* note 224, at 772–74.

not buying.²³⁰ Downstream confusion would occur, for example, if a consumer knowingly purchases a product that is intended to mimic the trademarked look of a luxury brand.²³¹ That purchaser is not confused as to the source of the goods, but that purchaser may deceive another consumer when they resell the product as the authentic luxury brand.²³² Status confusion also allows for the confusion of a third party.²³³ In this instance, the third party may encounter the owner of an imposter good displaying that item in public, and that third party consumer may become confused as to the social status to which the luxury version of the product is directed.²³⁴ Therefore, the confusion is not about the product but about the social status of the product's owner.²³⁵ This tripartite understanding of post-sale confusion is a refreshingly clear analysis of this muddled topic.²³⁶ However, for the purposes of this article it is enough to recognize that all three types of post-sale confusion ignore the actual purchasing consumer.²³⁷ The purchaser of the allegedly infringing good was not confused as to the nonluxury source of the good.²³⁸ Instead, courts are focused on protecting the goodwill of the trademark and the established brand identity (with its associated social status and other marketing choices).²³⁹ Again, true consumer confusion is made secondary to the investment interests of the trademark owner.²⁴⁰

Numerous scholars have attributed this broadening of trademark rights, where initial interest confusion, post-sale confusion, and even dilution are prevalent causes of action, to the influence of modern branding on court interpretations of trademark law.²⁴¹ When the Lanham Act was amended to allow infringement actions for confusion as to sponsorship, endorsement or affiliation, trademark law was no longer limited to point-

230. *Id.* at 778–85.

231. *Id.* at 774.

232. *Id.*

233. *Id.* at 792.

234. Sheff, *supra* note 224, at 792.

235. *Id.*

236. *See id.* at 773.

237. *See id.* at 777 (“Emblematic of this process was the 1962 amendment that removed language limiting liability to conduct that confused ‘purchasers.’ While the legislative history of the amendment makes clear that this change was meant to bring confusion of potential rather than merely actual purchasers into the ambit of the statute, many courts over the past half-century have interpreted the change far more broadly, finding infringement based on any kind of confusion of nearly any person at any time.”).

238. *Id.* at 792.

239. Sheff, *supra* note 224, at 802.

240. *Id.*

241. *See* Desai, *supra* note 209, at 1044; Greene, *supra* note 209, at 83; Manta, *supra* note 209, at 730; Dogan & Lemley, *supra* note 209, at 485; Kiser, *supra* note 209, at 46.

of-sale consumer confusion.²⁴² As such, the marketing and branding efforts of trademark owners are now scrutinized by competitors for any impact such efforts could have on the competitor's goodwill.²⁴³ Injuries to a company's goodwill are injuries to the product or company's reputation in the marketplace.²⁴⁴ Reputation may not have its basis in customer perceptions of the quality of the product; instead, reputation may be a manufactured story about the image or personality of a product based on the messages distributed by marketing professionals.²⁴⁵ Therefore, the investment of brand owners into this messaging is now a concern of courts addressing trademark infringement.²⁴⁶ This is a far cry from true consumer confusion, and hints of this trend, and of the growing importance of business investment in trademarks, can be seen in *Wallpaper*.

CONCLUSION

Judge Nies's four-sentence description of abandonment proved highly quotable, finding its way into numerous sources.²⁴⁷ While the text is undoubtedly an example of clear writing, its intuitiveness obscures the ambiguity of the facts of the case and the ambiguity inherent in the definition of trademark abandonment. Judge Markey's dissent presciently identifies the problems of the insufficient deference to the USPTO as an agency, the confused inference that loss of significance must entail loss of *all* significance, and the move to understanding consumer activities through the lens of brands, rather than source-identifying trademarks.²⁴⁸ While the facts of *Wallpaper Manufacturers, Ltd. v. Crown Wallcovering Corp.* may have been forgotten, the case is worth remembering for the way in which it illustrates the struggle between trial and appellate courts and between Congress and the courts to give meaning to a rather commonplace word.²⁴⁹ In the context of trademark law, abandonment is a complex concept with serious implications for business assets.²⁵⁰ Given the financial importance of trademarks, and judicial acceptance of this fact, unintentional abandonment may eventually disappear completely.

242. Trademark Law Revision Act of 1988, Pub. L. No. 100-667, § 132, 102 Stat. 3935, 3946 (codified as amended at 15 U.S.C. § 1125(a)(1) (2012)).

243. Desai, *supra* note 209, at 1019.

244. *Id.* at 1040.

245. *Id.* at 1003.

246. *Id.* at 1009.

247. See, e.g., Deven R. Desai & Sandra L. Rierison, *Confronting the Genericism Conundrum*, 28 CARDOZO L. REV. 1789, 1835 (2007).

248. See *Wallpaper Mfrs., Ltd. v. Crown Wallcovering Corp.*, 680 F.2d 755, 767 (C.C.P.A. 1982) (Markey, J., dissenting).

249. See *supra* Part IV.

250. Desai & Rierison, *supra* note 247, at 1835.