Whittling Away at Trademark Law's Notions of Harm

Author : Stacey L. Dogan

Date : January 30, 2017

Michael Handler, *What Can Harm the Reputation of a Trademark? A Critical Re-Evaluation of Dilution by Tarnishment*, 106 **Trademark Rep.** 639 (2016).

In recent decades, numerous scholars have challenged trademark law's various conceptions of harm. Unlike copyright and patent law, trademark law positions itself as a harm-avoidance regime, rather than a mechanism for capturing economic rents. At least under the dominant theoretical model, the law seeks to promote competition by ensuring the accuracy and reliability of source-indicating symbols in markets. In practice, however, the harm narrative often breaks down under scrutiny. Recent articles have taken issue with the assorted harms that trademark law purports to prevent. From dilution by blurring to "irrelevant" confusion, critics have argued that at least some of the injuries targeted by trademark law are illusory.

In *What Can Harm the Reputation of a Trademark?*, Michael Handler adds to this literature with a critical look at dilution by tarnishment. Tarnishment, defined in the Lanham Act as "association arising from the similarity between a mark or trade name and a famous mark that *harms* the reputation of the famous mark," explicitly addresses itself to harm. On its face, it requires not only proof of some association between the famous mark and the diluting one, but a demonstrable risk that the challenged use is likely to harm the famous mark's reputation. Yet courts have suggested (and some have held) that they will presume such a risk when marks resembling famous ones appear on unsavory products. Tarnishment, in other words, assumes that creating a mental association between a famous mark and some distasteful product can sully the trademark's reputation, even when consumers realize that there's no relationship between the two parties. Handler questions that presumption. In particular, he "quer[ies] whether this form of dilution – to the extent it encompasses conduct beyond the boundaries of the traditional, confusion-based, trademark infringement action – is, in fact, a 'harm' of which the law should take cognizance."

After a readable, informative, and insightful journey through history, theory, and doctrine, Handler answers his query with a confident "no." The harms presumed from tarnishment, he concludes, have no more basis in experience or reason than those of its counterpart, blurring. At the end of the day, he sees tarnishment, like blurring, as an excuse to regulate "the morality of trade behavior."

Handler makes his case in three steps. First, he demonstrates that the roots of dilution law in the U.S. and Europe were more equivocal than commonly believed, and provided no clear mandate for protection against tarnishment. For U.S. readers, the historical account is especially interesting in explaining the history of Benelux trademark law and the way that it shaped European Community-wide trademark doctrine.

Second, he deconstructs the notion of "reputation" and the law's assumption that it correlates positively with dilution's concept of fame. This inquiry has both normative and doctrinal implications. Normatively, it raises questions about whether the law should support producers' attempts to curate the meaning associated with marks, rather than recognizing marks as complex informational vessels to which producers, consumers, commentators, and others all contribute. Doctrinally, it suggests that, by treating all famous marks as venerable and avoiding inquiry into their *actual* reputations, courts are missing the

ultimate question in tarnishment cases – "whether the defendant's conduct causes an association likely to damage [that] reputation."

Finally, Handler turns to the question at the heart of his article: even assuming that the law seeks to protect producers' curated brand identity, do non-confusing uses on unsavory products in fact "harm" the mark's reputation? After reviewing case law and literature, Handler finds scant support for the notion that tasteless but non-confusing uses have any impact on famous brands' identity, and even less for the idea that any such impact could have economic consequences. Especially given the threat that tarnishment claims can pose for parody and other forms of speech, Handler views the specter of harm-avoidance as an inadequate justification for the doctrine.

So why *do* we have tarnishment law, if not to avoid harm? Like critics of blurring and some forms of confusion, Handler suggests that tarnishment is "ultimately more about enforcing moral standards than regulating economic behavior." And he saves a critical look at that justification – and its implications – for another day. "For now," he writes, "it is enough to note that there are real dangers in maintaining a normatively hollow cause of action" for tarnishment, "given that it is not at all clear that, in the absence of confusion," third-party uses of trademarks can cause any real harm.

Handler's article is a welcome addition to the growing body of scholarship that questions trademark law's narrative of harm. Although his punchline may not be surprising for readers familiar with that literature, Handler's treatment of the topic is careful, thoughtful, and rigorous, and offers an historical and comparative context that I found informative and interesting.

Cite as: Stacey L. Dogan, *Whittling Away at Trademark Law's Notions of Harm*, JOTWELL (January 30, 2017) (reviewing Michael Handler, *What Can Harm the Reputation of a Trademark? A Critical Re-Evaluation of Dilution by Tarnishment*, 106 **Trademark Rep.** 639 (2016)), https://ip.jotwell.com/whittling-away-at-trademark-laws-notions-of-harm/.