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Crossing the Line: The Collegiate Licensing Company's Overindulgent Attempt to Limit Small Businesses' Online Marketing Techniques Based on Frivolous Claims of Trademark Infringement

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CROSSING THE LINE: THE COLLEGIATE LICENSING COMPANY'S OVERINDULGENT ATTEMPT TO LIMIT SMALL BUSINESSES' ONLINE MARKETING TECHNIQUES BASED ON FRIVOLOUS CLAIMS OF TRADEMARK INFRINGEMENT

*Lauren T. Warbington**

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I. INTRODUCTION

Picture this: it is Saturday in Athens, Georgia, on a cool, fall day, and the University of Georgia's Bulldogs have just run onto the field in beautiful Sanford Stadium. While the Bulldogs are preparing for kickoff, over 90,000 fans dressed in their finest red and black ensembles swarm around the stadium, ready to cheer on their favorite team. As any true Bulldog fan knows, wearing red and black on game day is practically a religious experience in Athens, Georgia. Those symbolic colors represent a time-honored tradition of showing school spirit at Sanford Stadium. Local boutiques recognize the importance of wearing team colors on Saturdays in Athens, and with that understanding, those native businesses facilitate this sea of red and black by planning months in advance to offer a multitude of fashionable game day options to keep the Bulldog faithful looking their best for upcoming football games.

How do the small business owners of local boutiques raise awareness about their fashion selections for fans of college football teams in surrounding areas? Many boutique owners have answered this question by utilizing their store's website to group select pieces together according to school colors and to market them based on a short, collegiate identifier that links fans to the school of their choice. Unfortunately, this option is being deemed unacceptable by the Collegiate Licensing Company (CLC), which is "the nation's leading collegiate trademark licensing and marketing company, assisting collegiate institutions in protecting, managing and developing their brands."¹

By clustering a variety of dresses, skirts, blouses, pants, and shirts together on their website based on collegiate colors and presenting those clusters to consumers in the form of a drop down menu or sidebar that lists an abbreviated version of each institution (for example, the University of Georgia would be simply denoted by the term Georgia), boutiques and stores afford their customers a unique opportunity to view all potential game day options available at a particular establishment together in one concise place: on the boutique or store's website.² This clever and efficient marketing scheme is being targeted by the CLC and is being challenged as trademark infringement via the issuance of strongly worded cease and desist letters.

To fully evaluate all of the nuances associated with the above-mentioned set of facts, this Note begins with a deeper look into trademark law and how it

¹ *About CLC*, CLC.COM, <http://www.clc.com/clcweb/publishing.nsf/Content/aboutclc.html> (last visited Apr. 12, 2012).

² See generally *Kickoff Cutie*, THE RED DRESS BOUTIQUE, <http://www.reddressboutique.com/kickoffcutie/> (last visited Apr. 12, 2012); DRESS U, <http://www.shopdressu.com/shop/index.php/gameday-dresses-accessories.html> (last visited Apr. 12, 2012).

interacts with the Internet. Next, fair use is discussed in detail. The following portion discusses important cases that feature trademark law in the context of collegiate colors and marks. A glimpse into the world of marketing for boutiques and stores is examined next. Finally, the interaction between the law and the factual situation discussed above is explored and evaluated, leading to the conclusion that the CLC is most likely off base in its analysis.

This Note argues that the CLC's unfair competition claim is unfounded because the use of a shortened version of a university's name cannot logically be construed as an attempt "to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association"³ between a university and a boutique selling designer clothing that bears the school's colors but in no way signals support from the institution. The CLC is erroneously trying to prevent small business owners from using a legal, web-based marketing scheme by using old-fashioned intimidation techniques and should be prevented from the continuation of such aggressive, unwarranted harassment.

II. BACKGROUND

A. HISTORY OF THE LANHAM ACT

To fully comprehend the issues involving trademark infringement and unfair competition, an understanding of the history of the statute that authorizes such claims, the Lanham Act, is important. Therefore, a brief look into the purposes and intentions behind the Lanham Act is necessary. The Congressional intent behind the Lanham Act is:

[T]o regulate commerce within the control of Congress by making actionable the deceptive and misleading use of marks in such commerce; . . . to protect persons engaged in such commerce against unfair competition; to prevent fraud and deception in such commerce by the use of reproductions, copies, counterfeits, or colorable imitations of registered marks⁴

Ultimately, the drafters of the Lanham Act sought to create legislation that embodied this intent, promoting the central goal of trademark law, which is protecting consumers.

³ 15 U.S.C. § 1125(a)(1)(A) (2006).

⁴ *Id.* § 1127.

Following the main policies behind trademark common law, the Lanham Act serves two main goals: (1) protecting consumers in such a way that affords them confidence that the purchases they make are ones they intended to make, and (2) safeguarding the owner of a trademark, who has expended much time and effort to protect his product's reputation, from infringement by those hoping to free-ride on the labors of the original trademark owner.⁵ Protection of trademarks in its purest form seeks to shield consumers from deceit, to promote and nurture fair competition, and to allow members of the business community to feel secure in the development and fostering of the good will and reputation of their businesses.⁶ Without these protections, consumers would essentially be left to their own devices to determine which product represents the brand they actually intended to purchase.⁷ Also, because businesses would not be afforded any benefits for their efforts to aid consumers in the shopping process, those businesses would have little to no incentive to make consumers' choices obvious and easy. This would ultimately result in consumer chaos as well as in a decrease in overall competition in the market.⁸

B. TRADEMARK LAW

To accurately evaluate the CLC's trademark infringement claims against small business owners and to determine that those claims are unfounded, a closer look at trademark law is necessary. First, a general overview of trademark law is discussed. Second, geographical terms and their relationship to trademark law are briefly outlined. Third, the nuances of a valid trademark infringement claim are explored. Fourth, the interaction between trademark law and the Internet is examined.

1. *Trademarks Generally.* Before diving into the inapplicability of trademark infringement law in the case at issue here, a deeper look at trademarks is both appropriate and necessary. According to the Lanham Act, a trademark is defined as: "any word, name, symbol, or device, or any combination thereof

⁵ Edward S. Rogers, *The Lanham Act and the Social Function of Trade-marks*, 14 LAW & CONTEMP. PROBS. 173, 181 (1949); see also 1 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 2.2 (4th ed. 2012) (discussing the dual goals of trademark law).

⁶ Rogers, *supra* note 5, at 182.

⁷ 1 MCCARTHY, *supra* note 5, § 2:5.

⁸ 1 *id.* § 2.3 (quoting *Trademark Counterfeiting Act of 1982: Hearing on S. 2428 Before S. Comm. on the Judiciary*, 97th Cong. 13 (1982) (statement of Rep. William F. Baxter, Member, S. Comm. on the Judiciary) (explaining that permissive counterfeiting of trademarks "would eventually destroy the incentive of trademark owners to make the investments in . . . activities necessary to establishing strong marks and brand names. It is this result that would have severe anticompetitive consequences.")).

used by a person . . . to identify and distinguish his or her goods, including a unique product, from those manufactured or sold by others and to indicate the source of the goods, even if that source is unknown.”⁹

In a market that is bursting with competing sellers, trademarks perform the vital function of allowing the public to discriminate among different vendors of the same good.¹⁰ Trademarks serve two important market functions from an economic standpoint: (1) encouraging the production of quality goods, and (2) reducing consumer transaction costs through efficient marketing and packaging of goods.¹¹

First, trademarks encourage production of quality products by holding producers and sellers accountable for the quality level of each product associated with that producer or seller’s mark.¹² The Lanham Act affords the owner of a trademark limitless discretion in controlling the quality of the products created and sold under that distinct trademark.¹³ Trademarks serve as catalysts prompting the creation of high caliber goods.¹⁴ With the benefit of quality control comes the responsibility, which translates into the incentive, to create a predictably high quality product.¹⁵

Second, trademarks benefit consumers by reducing search costs.¹⁶ Instead of leaving consumers to their own devices and forcing them to spend endless amounts of time researching products prior to making a purchase, trademarks facilitate a pleasant and efficient shopping experience for consumers by serving as “shorthand indicators” of quality.¹⁷ Trademarks ultimately aid consumers by serving as tools that narrow and compartmentalize the available information about a particular product according to brand, thereby allowing the consumer to shop brand names rather than forcing him to research every product separately.¹⁸ This timesaving benefit to consumers allows them to shop more confidently and efficiently.¹⁹ Also, because the information provided by

⁹ 15 U.S.C. § 1127 (2006).

¹⁰ 1 MCCARTHY, *supra* note 5, § 2:13.

¹¹ 1 *id.* § 2:3; *see also* BEVERLY W. PATTISHALL, DAVID C. HILLIARD & JOSEPH N. WELCH II, TRADEMARKS AND UNFAIR COMPETITION § 1.05 (2001).

¹² 1 MCCARTHY, *supra* note 5, § 2:4.

¹³ *Shell Oil Co. v. Commercial Petroleum, Inc.*, 928 F.2d 104, 107 (4th Cir. 1991).

¹⁴ *See* 1 MCCARTHY, *supra* note 5, § 2:4 (explaining how trademarks encourage the production of quality products).

¹⁵ 1 *id.*

¹⁶ 1 *id.* § 2:3.

¹⁷ Stacey L. Dogan & Mark A. Lemley, *Trademarks and Consumer Search Costs on the Internet*, 41 HOUS. L. REV. 777, 787 (2004).

¹⁸ 1 MCCARTHY, *supra* note 5, § 2:5.

¹⁹ 1 *id.*

trademarks that is used to make shopping decisions is relatively inexpensive, consumers demand additional information regarding the quality of products and, in turn, make better choices, thereby increasing overall competition in the market.²⁰

The facilitation of a low-cost, efficient shopping experience for consumers also reemphasizes the first function of trademarks, the encouragement of the production of quality products.²¹ Once consumers associate a certain level of quality with a trademark or brand name, the owner of that trademark or brand name has an incentive to consistently maintain that level of quality for each product that bears the same trademark or brand name.²² Ultimately, by encouraging the production of quality products and reducing search costs for consumers, trademarks make the market more efficient overall.²³

In order for a trademark in the United States to be valid, it must be “use[d] in commerce.”²⁴ For a trademark owner, use in commerce is generally established by proving that said trademark owner actually did use the mark commercially throughout the trademark’s life cycle.²⁵ The Lanham Act requires that a mark be used in commerce to qualify for registration.²⁶

“[U]se in commerce” means the bona fide use of a mark in the ordinary course of trade, and not made merely to reserve a right in a mark. For purposes of this chapter, a mark shall be deemed to be in use in commerce—

(1) on goods when—

(A) it is placed in any manner on the goods or their containers or the displays associated therewith or on the tags or labels affixed thereto, or if the nature of the goods makes such placement impracticable, then on documents associated

²⁰ Dogan & Lemley, *supra* note 17, at 787.

²¹ PATTISHALL, HILLIARD & WELCH, *supra* note 11, § 1.05.

²² *Id.*; see also *New Kids on the Block v. News Am. Publ'g, Inc.*, 971 F.2d 302, 305 n.2, 306 n.3 (9th Cir. 1992) (“[T]rademarks reduce consumer search costs by informing people that trademarked products come from the same source. . . . Trademark protection . . . guards against the overuse of resources while also providing incentives for the creation of new combinations of resources.”).

²³ 1 MCCARTHY, *supra* note 5, § 2:3 (discussing the economic functions of trademark).

²⁴ 15 U.S.C. § 1127 (2006); see also *TRADEMARK LAW & THE INTERNET* 77 (Lisa E. Cristal & Neal S. Greenfield, eds., 1999).

²⁵ Cristal & Greenfield, *supra* note 24, at 77.

²⁶ 3 MCCARTHY, *supra* note 5, § 19:108.

with the goods or their sale, and (B) the goods are sold or transported in commerce²⁷

Whether a mark has sufficiently been used in commerce is typically decided by a weighing of the following eight factors:

- [1] [T]he strength of [the mark],
- [2] the degree of similarity between the two marks,
- [3] the proximity of the products,
- [4] the likelihood that the prior owner will bridge the gap,
- [5] actual confusion, and
- [6] the reciprocal of defendant's good faith in adopting its own mark,
- [7] the quality of defendant's product, and
- [8] the sophistication of the buyers.²⁸

If a trademark owner properly "uses" his trademark, he will satisfy the eligibility requirements for registration with the U.S. Patent and Trademark Office.²⁹ This registration affords eligible owners a tremendous advantage: it establishes sufficient notice of the commercial use and registration of a trademark so that another user of the same or a confusingly similar mark cannot justify his conduct and avoid liability for infringement by claiming "innocence, good faith, or lack of knowledge."³⁰

2. *Geographical Terms.* The degree of relevance of geographical terms to the aforementioned set of facts is paramount. Trademark terms, such as American, Boston, and Denver,³¹ are geographical in nature. Because of the prevalence of attempts at trademarking geographical terms, the drafters of the Lanham Act directly addressed geographical terms.³² The Lanham Act refuses registration to a trademark if it consists of a mark that "(2) when used on or in connection with the goods of the applicant is primarily geographically descriptive of

²⁷ 15 U.S.C. § 1127 (2006).

²⁸ *Polaroid Corp. v. Polarad Elecs. Corp.*, 287 F.2d 492, 495 (2d Cir. 1961); *see also* *Cristal & Greenfield*, *supra* note 24, at 78 (discussing the application of "use in commerce").

²⁹ 15 U.S.C. § 1051(d)(1) (2002); *Cristal & Greenfield*, *supra* note 24, at 77.

³⁰ *Davidoff Extension S.A. v. Davidoff Comercio E Industria Ltda.*, 747 F. Supp. 122, 128 (D.P.R. 1990).

³¹ 2 MCCARTHY, *supra* note 5, § 14:6.50.

³² 15 U.S.C. § 1052 (2006).

them . . . [and] (3) when used on or in connection with the goods of the applicant is primarily geographically deceptively misdescriptive of them”³³

A “geographically descriptive term” is any word that designates a geographical location and is “regarded by buyers as descriptive of the geographic location of origin of the goods or services.”³⁴ A geographical term that serves a descriptive purpose can designate “any geographic location on earth, such as continents, nations, . . . geographical regions, states, . . . cities, . . . streets and addresses, rivers, maps, a nickname or abbreviation of a geographical area, [or] any other location referred to by a recognized name.”³⁵ Many concerns that are associated with affording trademark protection to geographic terms, such as the belief that certain terms should be “universally available to all residents of the locality involved,”³⁶ result in additional obstacles for potential trademark owners to overcome when attempting to trademark a word or phrase that includes geographical terms.³⁷ However, descriptive geographical terms can be eligible for trademark registration and, in many instances, achieve the status of protected, registered trademarks.³⁸ For example, the word “Georgia” is a registered trademark of the University of Georgia.³⁹ In order for a retailer to legally sell merchandise bearing the “Georgia” registered trademark, the merchant must obtain licensing through a formal licensing agreement with the University.⁴⁰

Typically, geographic terms are deemed to be valid descriptive marks (or trademarks) if they have taken on or assumed a secondary meaning.⁴¹ “A geographically descriptive word achieves a secondary meaning once the public no longer thinks of it as indicating a particular place, but rather associates it with a particular source.”⁴² Secondary meaning has also been defined as “the consuming public’s understanding that the mark, when used in context, refers, not to what the descriptive word ordinarily describes, but to the particular business that the mark is meant to identify.”⁴³ A lack of proof of secondary

³³ *Id.* § 1052(e)(2)–(3).

³⁴ 2 MCCARTHY, *supra* note 5, § 14:2.

³⁵ 2 *id.* § 14:3.

³⁶ PATTISHALL, HILLIARD & WELCH, *supra* note 11, § 2.05.

³⁷ *See id.*

³⁸ *See generally* 2 MCCARTHY, *supra* note 5, § 14:1.50.

³⁹ GEORGIA, Registration No. 3,031,191.

⁴⁰ UGAAA Licensing, GEORGIA DOGS.COM, <http://www.georgiadogs.com/genrel/062306aak.html> (last visited Apr. 12, 2012).

⁴¹ *See* PATTISHALL, HILLIARD & WELCH, *supra* note 11, § 2.05; *see also* Great E. Resort Corp. v. Virtual Resort Solutions, L.L.C., 189 F. Supp. 2d 469, 476 (W.D. Va. 2002).

⁴² *Great E. Resort*, 189 F. Supp. 2d at 476 (citing *Resorts of Pinehurst, Inc. v. Pinehurst Nat’l Corp.*, 148 F.3d 417, 421 (4th Cir. 1998)).

⁴³ *Perini Corp. v. Perini Constr., Inc.*, 915 F.2d 121, 125 (4th Cir. 1990).

meaning will prevent a geographical term from obtaining trademark protection.⁴⁴ This secondary meaning requirement comes into effect only if a geographical term is being used descriptively. If, however, a geographical term is not being used descriptively, no secondary meaning is required.⁴⁵

To determine if a geographical term is being used descriptively, the following series of questions needs to be asked of the mark in question: (1) Is the mark the name of the place or region from which the goods actually come? (2) Is the geographic term likely to denote to reasonable buyers that the goods come from the region or place named? (3) Is the place or region named noted for these particular goods?⁴⁶

The first question relates to whether the mark is the name of the geographic origin of the goods represented by the mark.⁴⁷ If question one is answered affirmatively, then the mark is likely being used in a descriptive sense, and secondary meaning is a prerequisite to obtaining trademark protection.⁴⁸ If, however, the answer to the first question is “no,” then the mark is likely being used in either a “misdescriptive” or “deceptive” sense or in an “arbitrary” sense.⁴⁹ If being used arbitrarily, the word or phrase will be eligible for trademark protection without proof of a secondary meaning.⁵⁰ A deceptive use of the term or phrase will call for proof of secondary meaning prior to trademark protection being granted.⁵¹

When deciding whether geographic terms or phrases are being used descriptively, the second question deals with whether the geographic term in question gives reasonable consumers the impression that the goods represented by the mark are actually from the geographic area being referenced. This inquiry ultimately hinges on the perception of the reasonable consumer viewing the mark.⁵² Generally, if this question is answered in the negative, then the

⁴⁴ See *Great E. Resort*, 189 F. Supp. 2d at 476; see also *Resorts of Pinehurst*, 148 F.3d at 421.

⁴⁵ 2 MCCARTHY, *supra* note 5, § 14:7.

⁴⁶ 2 *id.*

⁴⁷ 2 *id.*

⁴⁸ 2 *id.*

⁴⁹ 2 *id.* Misdescriptive is derivative of misdescription, which is defined as “[a] . . . falsity that deceives, injures or materially misleads one.” BLACK’S LAW DICTIONARY 1020 (8th ed. 2007). A deceptive act is defined as “conduct that is likely to deceive a consumer acting reasonably under similar circumstances.” *Id.* at 435. Arbitrary means “[d]epending on individual discretion.” *Id.* 112.

⁵⁰ See 2 MCCARTHY, *supra* note 5, § 14:7; see also RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 14 (1995).

⁵¹ See 2 MCCARTHY, *supra* note 5, § 14:7; see also RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 14 (1995) (“[G]eographically misdescriptive . . . designations . . . have traditionally been protected only upon proof of secondary meaning.”).

⁵² See 2 MCCARTHY, *supra* note 5, § 14:7.

geographic term is being used arbitrarily and is, therefore, not required to obtain secondary meaning prior to becoming eligible for trademark protection.⁵³ If, alternatively, the answer to this second question is “yes,” then secondary meaning will be required prior to a word or phrase being eligible for trademark protection.⁵⁴

The third and final question relating to the descriptive nature of a geographic term asks whether the geographic area denoted in the word or phrase is actually famous or known for the particular goods associated with the word or phrase. This inquiry hinges on whether buyers care if the good in question is actually a derivative of the region or place being referenced in the word or phrase considered for trademark protection.⁵⁵ If buyers are unconcerned with the actual origin of the good, then the geographic term will be deemed arbitrary, indicating that no secondary meaning need be proven prior to trademark protection.⁵⁶ On the other hand, if buyers are concerned with the geographic origin of the good as an inducement to purchase, then secondary meaning must be shown prior to the word or phrase being afforded trademark protection.⁵⁷

3. *Trademark Infringement.* In order for the economic goals of trademark law to be of any significance, protection and enforcement of trademark law are both necessary and desirable. To guard the sanctity of trademark, the Lanham Act provides a cause of action for trademark infringement, which is explained as follows:

[A]ny person who shall, without the consent of the registrant . . . use in commerce any reproduction, counterfeit, copy, or colorable imitation of a registered mark in connection with . . . which such use is likely to cause confusion, or to cause mistake, or to deceive . . . shall be liable in a civil action by the registrant . . .⁵⁸

⁵³ 2 *id.*; see also RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 14 (1995).

⁵⁴ See 2 MCCARTHY, *supra* note 5, § 14:7.

⁵⁵ *Id.*

⁵⁶ *Id.*

⁵⁷ *Id.* § 14:9.

⁵⁸ 15 U.S.C. § 1114(1) (2006); see also Dan Sarel & Howard Marmorstein, *The Effect of Consumer Surveys and Actual Confusion Evidence in Trademark Litigation: An Empirical Assessment*, 99 TRADEMARK REP. 1416, 1417–18 (2009) (discussing the factors considered when evaluating likelihood of confusion in a trademark infringement claim).

This cause of action ultimately embodies Congress's desire to prevent fraud, which stems from its belief that "[n]o one has any right to represent his goods as the goods of another."⁵⁹

In the United States, likelihood of confusion serves as the test for trademark infringement.⁶⁰ Typically, likelihood of confusion exists when consumers, who are the primary users of the marks, are likely to associate a certain trademark with the source of another good or service that is identified by a similar-looking mark.⁶¹ Proof of likelihood of confusion can be established in any of the following three ways: "(1) [s]urvey evidence; (2) [e]vidence of actual confusion; and/or (3) [a]rgument based on a clear inference arising from a comparison of the conflicting marks and the context of their uses."⁶² Therefore, a likelihood of confusion is not impossible to establish, as actual confusion on the part of consumers is not a mandatory requirement but instead is only one of three factors considered when establishing likelihood of confusion.⁶³

Likelihood of confusion is evaluated and determined by a weighing of the following eight factors as identified by the Ninth Circuit in *AMF Inc. v. Sleekcraft Boats*:

1. strength of the mark;
2. proximity of the goods;
3. similarity of the marks;
4. evidence of actual confusion;
5. marketing channels used;
6. type of goods and the degree of care likely to be exercised by the purchaser;
7. defendant's intent in selecting the mark; and
8. likelihood of expansion of the product lines.⁶⁴

⁵⁹ PATTISHALL, HILLIARD & WELCH, *supra* note 11, § 1.02.

⁶⁰ 15 U.S.C. § 1114(a); *see also* Sarel & Marmorstein, *supra* note 58, at 1417; E. & J. Gallo Winery v. Gallo Cattle Co., 967 F.2d 1280, 1290 (9th Cir. 1992) ("The core element of trademark infringement is the likelihood of confusion, i.e., whether the similarity of the marks is likely to confuse customers about the source of the products.").

⁶¹ Scott Paper Co. v. Scott's Liquid Gold, Inc., 589 F.2d 1225, 1229 (3d Cir. 1978), *superseded by rule* 1985 FED. R. CIV. P. 52(a), *as recognized in* Shire US Inc. v. Barr Labs., Inc., 329 F.3d 348 (3d Cir. 2003).

⁶² 4 MCCARTHY, *supra* note 5, § 23:2.50.

⁶³ AMF Inc. v. Sleekcraft Boats, 599 F.2d 341, 353 (9th Cir. 1979), *abrogated in part on other grounds recognized by* Mattel, Inc. v. Walking Mountain Prods., 353 F.2d 792 (9th Cir. 2003) (replacing the *Sleekcraft* eight factor analysis with a nominative fair use test in the context of a fair use defense); *see also* Sarel & Marmorstein, *supra* note 58, at 1419.

⁶⁴ *Sleekcraft*, 599 F.2d at 348–49.

Although each factor is taken into account when determining whether a likelihood of confusion actually exists, the third *Sleekcraft* factor, similarity of the marks, may actually serve as the most important indicator of a likelihood of confusion.⁶⁵ Generally, if a consumer's perception is the same when reading and evaluating both of the marks in question, the chance that a likelihood of confusion exists greatly increases.⁶⁶

4. *Trademarks and the Internet.* To fully comprehend the impact that trademark law has on the issue at hand, namely the CLC's attempt at stifling small business owners' online marketing techniques, a discussion of the interaction between trademark law and the Internet is necessary. Because of the vital importance of Internet commerce, the Lanham Act has rapidly adapted and conformed to the use of trademarks on the World Wide Web.⁶⁷ Also many courts have grappled with the application of established trademark law to the Web.⁶⁸ For example, the *Sleekcraft* balancing test used to determine whether a trademark is being used in commerce is much more difficult to apply in the context of Internet commerce.⁶⁹

In early 2000, the Ninth Circuit determined that the three most important *Sleekcraft* factors for likelihood of confusion in the context of the Internet (also known as the Internet trinity) were: "(1) the similarity of the marks, (2) the relatedness of the goods or services, and (3) the 'simultaneous use of the Web as a marketing channel.'"⁷⁰ In 2002, however, the Ninth Circuit expanded its previous view on likelihood of confusion with regard to the World Wide Web by holding that "[w]hen this 'controlling troika,' or 'internet trinity,' suggests confusion is likely, the other factors must 'weigh strongly' against a likelihood of confusion to avoid the finding of infringement."⁷¹

⁶⁵ *Ford Motor Co. v. Summit Motor Prods., Inc.*, 930 F.2d 277, 293 (3d Cir. 1991).

⁶⁶ *Opticians Ass'n of Am. v. Indep. Opticians of Am.*, 920 F.2d 187, 195 (3d Cir. 1990).

⁶⁷ See Deborah F. Buckman, Annotation, *Lanham Act Trademark Infringement Actions in Internet and Website Context*, 197 A.L.R. FED. 17, 17 (2004).

⁶⁸ See *Interstellar Starship Servs., Ltd. v. Epix, Inc.*, 304 F.3d 936, 942 (9th Cir. 2002) (discussing the process of evaluating a likelihood of confusion on the internet); *GoTo.com, Inc. v. Walt Disney Co.*, 202 F.3d 1199, 1205–07 (9th Cir. 2000) (discussing problems arising from trademark claims on the Internet).

⁶⁹ *Cristal & Greenfield*, *supra* note 24, at 78.

⁷⁰ *GoTo.com*, 202 F.3d at 1205 (quoting *Brookfield Commc'ns, Inc. v. W. Coast Entm't Corp.*, 174 F.3d 1036, 1054 n.16 (9th Cir. 1999)); see also LOUIS ALTMAN & MALLA POLLACK, 3A CALLMAN ON UNFAIR COMPETITION, TRADEMARKS, AND MONOPOLIES § 21:13 (4th ed. 2011) (discussing the *Sleekcraft* factors in the context of the Internet).

⁷¹ 3A CALLMAN, *supra* note 70, § 21:13 (quoting *Interstellar*, 304 F.3d at 942).

Of the *Sleekcraft* factors that comprise the “Internet trinity,” similarity of the marks is arguably the most important factor.⁷² Similarity of marks is measured by a number of different variables, including “color and physical appearance, typeset, design and overall packaging, the specific words used as part of the mark, placement of the words, and use of other descriptive words or brand names in conjunction with the mark.”⁷³ In the Internet context, however, the ability of consumers to distinguish between different trademarks becomes increasingly diminished.⁷⁴ For instance, the Ninth Circuit has recognized that “‘even services that are not identical are capable of confusing the public’ in cyberspace.”⁷⁵

Specifically, trademarks’ appearances are more similar when used in a single medium, namely websites, because the marks “tend to vary less than trademarks which are used on different types of media, including packages, containers, displays, magazine advertisements, etc.”⁷⁶ The singular medium problem becomes particularly apparent and more easily understood when analyzing it from the perspective of sellers of diverse goods, who are equipped with the knowledge that web pages are available to an entire universe of consumers.⁷⁷ This knowledge makes it incredibly tempting for sellers to link their products to the sites of other sellers, often leading to consumer confusion.⁷⁸ Because of consumers’ difficulty in distinguishing seemingly similar trademarks on the World Wide Web, courts and trademark owners alike attempt to mitigate judicial confusion related to this matter by placing a greater emphasis on whether the mark itself has been used in commerce.⁷⁹

The last variable outlined by the Ninth Circuit as a key *Sleekcraft* factor for purposes of the World Wide Web is synchronized use of the Internet as a marketing conduit.⁸⁰ Over time, however, this factor has become less important for purposes of determining whether, in fact, a likelihood of

⁷² See *Interstellar*, 304 F.3d at 942; see also *Brookfield Commc’ns, Inc. v. W. Coast Entm’t Corp.*, 174 F.3d 1036, 1054 (9th Cir. 1999) (“The similarity of the marks will always be an important factor.”).

⁷³ Molly S. Cusson, Note, *Reverse Confusion: Modifying the Polaroid Factors to Achieve Consistent Results*, 6 FORDHAM INTELL. PROP. MEDIA & ENT. L.J. 179, 210 (1995).

⁷⁴ See *Cristal & Greenfield*, *supra* note 24, at 78–79 (noting consumers’ “increased difficulty in distinguishing marks on the internet”).

⁷⁵ *Halo Mgmt., LLC v. Interland, Inc.*, 308 F. Supp. 2d 1019, 1036 (N.D. Cal. 2003) (quoting *GoTo.com*, 202 F.3d at 1206).

⁷⁶ *Cristal & Greenfield*, *supra* note 24, at 79.

⁷⁷ *Id.*

⁷⁸ *Id.*

⁷⁹ *Id.*

⁸⁰ *GoTo.com*, 202 F.3d at 1205.

confusion exists.⁸¹ The Eleventh Circuit has gone so far as to view the similarity of marketing channels, namely use and maintenance of websites on the Internet, as a factor that weighs against a likelihood of confusion.⁸² That court reasoned that the parties' utilization of "separate and distinct" web pages represented to consumers that they were "two completely unrelated business entities."⁸³

To evaluate web-based trademark infringement, a weighing of the *Sleekcraft* factors (with emphasis added on the "Internet trinity"⁸⁴) is necessary and appropriate.⁸⁵ However, although paramount to trademark infringement, likelihood of confusion is often fleeting in nature.⁸⁶ Although the Lanham Act has been modified in order to adapt to the nuances of the Internet and to address challenges trademark owners face with regard to the Web, some critics still believe that trademark law should not be used to solve conflicts.⁸⁷ Ultimately, these critics of utilizing trademark law to solve web-based conflicts believe that "trademark law fails to take into account the unique nature of the Internet and the new sets of 'rights' which are created by its very existence and use."⁸⁸

⁸¹ See *Rearden LLC v. Rearden Commerce, Inc.*, 597 F. Supp. 2d 1006, 1024 (N.D. Cal. 2009) ("The vast majority of companies today utilize some form of an Internet site and, therefore, this factor alone cannot be determinative."); *Playboy Enters., Inc. v. Netscape Commc'ns Corp.*, 354 F.3d 1020, 1028 (9th Cir. 2004) ("Given the broad use of the Internet today, the same could be said for countless companies. Thus, [the marketing channels used] merits little weight.').

⁸² *Tana v. Dantanna's*, 611 F.3d 767, 778 (11th Cir. 2010) (discussing the effect of both parties using the Internet as a marketing medium).

⁸³ *Id.*

⁸⁴ *Interstellar Starship Servs., Ltd. v. Epix, Inc.*, 304 F.3d 936, 942 (9th Cir. 2002).

⁸⁵ *GoTo.com*, 202 F.3d at 1205 (quoting *Brookfield Commc'ns, Inc. v. W. Coast Entm't Corp.*, 174 F.3d 1036, 1054 (9th Cir. 1999)) ("[T]he eight-factor test is a pliant one, in which 'some factors are much more important than others.'").

⁸⁶ Michael Grynberg, *The Road Not Taken: Initial Interest Confusion, Consumer Search Costs, and the Challenge of the Internet*, 28 SEATTLE U. L. REV. 97, 97-98 (2004) ("Although a consumer may make an initial mistake about a product's source, affiliation, or sponsorship, she might still choose to buy the product after the true facts are known.').

⁸⁷ Milton Mueller, *Trademarks and Domain Names: Property Rights and Institutional Evolution in Cyberspace*, in COMPETITION, REGULATION AND CONVERGENCE: CURRENT TRENDS IN TELECOMMUNICATIONS POLICY RESEARCH 51 (Sharon Eisner Gillet & Ingo Vogelsang eds., 1999) ("The bias toward trademark owners has been exacerbated by dispute resolution procedures used by domain name registries that privilege trademark rights over all other claims to the right to use a name.').

⁸⁸ Cristal & Greenfield, *supra* note 24, at 79.

C. FAIR USE

Were the CLC correct in its assertions that locally-owned small businesses are infringing on its trademarks, the small businesses would not be without a defense. Fair use is a well-established defense to a claim of trademark infringement.⁸⁹ Although a mark may meet all federal registration requirements and may be considered a completely valid trademark, the Lanham Act acknowledges the following defense:

[T]he use of the name, term, or device charged to be an infringement is a use, otherwise than as a mark, of the party's individual name in his own business, or of the individual name of anyone in privity with such party, or of a term or device which is descriptive of and used fairly and in good faith only to describe the goods or services of such party, or their geographic origin⁹⁰

Additionally, the common law fair use defense recognizes that “[a] junior user is always entitled to use a descriptive term in good faith in its primary, descriptive sense other than as a trademark.”⁹¹

Section 33(b)(4) of the Lanham Act requires that three elements be established to successfully assert a fair use defense.⁹² The three elements are (1) defendant's use of the term is not as a trademark or service mark; (2) defendant uses the term “fairly and in good faith”; and (3) defendant uses the term “only to describe the goods or services.”⁹³

The first element of fair use, which requires that a defendant not use the term as a trademark or service mark,⁹⁴ seems relatively straightforward at first glance, but after a closer look, this element is a bit ambiguous. Use of the term at issue as an “attention-getting symbol” can signify infringing use.⁹⁵ However, when the term at issue is used in conjunction with a conspicuous visual of a defendant's own mark, the use is not deemed to be infringing.⁹⁶

⁸⁹ See 2 MCCARTHY, *supra* note 5, § 11:49.

⁹⁰ 15 U.S.C. § 1115(b)(4) (2006); see also 2 MCCARTHY, *supra* note 5, § 11:49.

⁹¹ Cairns v. Franklin Mint Co., 292 F.3d 1139, 1150–51 (9th Cir. 2002) (quoting 2 MCCARTHY, *supra* note 5, § 11:45).

⁹² See 2 MCCARTHY, *supra* note 5, § 11:49 (citing Seaboard Seed Co. v. Bemis Co., 632 F. Supp. 1133, 1138 (N.D. Ill. 1986)).

⁹³ 2 *id.*

⁹⁴ 2 *id.*

⁹⁵ 2 *id.* § 11:46.

⁹⁶ 2 *id.*

The second element of a valid fair use defense, which requires that a mark be “used fairly and in good faith” is somewhat ambiguous.⁹⁷ In order to satisfy this element, the party asserting the defense need not establish that the use of the mark was nonconfusing.⁹⁸ On the contrary, “the common law of unfair competition . . . tolerated some degree of confusion from a descriptive use of words contained in another person’s trademark.”⁹⁹ Ultimately, confusion alone does not negate an otherwise valid fair use defense.¹⁰⁰

Also related to the second element, a lack of good faith is evidenced by a secondary user’s “intent to trade on the good will of the trademark holder by creating confusion as to source or sponsorship.”¹⁰¹ According to the Third Circuit, an inference of a lack of good faith may additionally be drawn from a finding of the following two factors: “(1) defendant’s intentional breach of an agreement not to use the disputed mark; or (2) defendant’s use with the intent to ‘trade upon and dilute the good will’ represented by the plaintiff’s mark.”¹⁰² Additionally important with respect to the second element is the fact that constructive notice, which is established by the registration of a trademark, does not preclude the purely descriptive use of a registered mark by a junior user.¹⁰³

The third and final element of a fair use defense requires a secondary user to employ the trademarked term only to describe goods or services. However, describing the goods is not limited merely to words representing particular attributes, for example, quality or size.¹⁰⁴ In other words, actual, literal descriptive use of a trademarked term by a junior user is not an absolute requirement necessary for a party to invoke the protection of the fair use defense.¹⁰⁵

⁹⁷ 2 *id.*

⁹⁸ *KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc.*, 543 U.S. 111, 119 (2004); *see also* 2 MCCARTHY, *supra* note 5, § 11:49.

⁹⁹ *KP Permanent Make-Up*, 543 U.S. at 119.

¹⁰⁰ *Id.* at 120.

¹⁰¹ *EMI Catalogue P’ship v. Hill, Holliday, Connors, Cosmopolos Inc.*, 228 F.3d 56, 66 (2d Cir. 2000) (citing *Inst. for Scientific Info., Inc. v. Gordon & Breach, Sci. Publishers, Inc.*, 931 F.2d 1002, 1009–10 (3d Cir. 1991)); *see also id.* (“Any evidence that is probative of intent to trade on the protected mark would be relevant to the good faith inquiry.”); *J.A. Apparel Corp. v. Abboud*, 568 F.3d 390, 401 (2d Cir. 2009).

¹⁰² *Inst. for Scientific Info., Inc. v. Gordon & Breach, Sci. Publishers, Inc.*, 931 F.2d 1002, 1009 (3d Cir. 1991).

¹⁰³ *Wonder Labs, Inc. v. Procter & Gamble Co.*, 728 F. Supp. 1058, 1062 (S.D.N.Y. 1990) (“The fair use defense is available even when the plaintiff’s mark has become incontestable.”); BLACK’S LAW DICTIONARY 865 (8th ed. 2007) (“junior user” is defined as “[a] person other than the first person to use a trademark”).

¹⁰⁴ 2 MCCARTHY, *supra* note 5, § 11:49.

¹⁰⁵ 2 *id.*; *see generally* *Cosmetically Sealed Indus., Inc. v. Chesebrough-Pond’s USA Co.*, 125 F.3d

D. IMPORTANT TRADEMARK CASES DISCUSSING COLLEGIATE COLORS AND MARKS

A glimpse into the interaction between trademark law and collegiate colors and marks provides the necessary background to evaluate the CLC's claims of trademark infringement. This discussion primarily focuses on two important cases that discuss collegiate colors and marks and trademark law: *UGA Athletic Ass'n v. Laite* and *Bd. of Supervisors v. Smack Apparel*.¹⁰⁶

1. *University of Georgia Athletic Association v. Laite*. In *Laite*, the University of Georgia Athletic Association (UGAAA), brought suit against a beer wholesaler out of Macon, Georgia, that sold a brand called "Battlin' Bulldog Beer."¹⁰⁷ In its complaint, UGAAA alleged that the defendant's red and black beer cans, which portrayed the University of Georgia's mascot, an English bulldog wearing a sweater with a large "G," infringed on UGAAA's registered and unregistered marks.¹⁰⁸

In holding that the district court's decision concluding that the beer cans created a likelihood of confusion was not clearly erroneous, the Eleventh Circuit considered a variety of factors regarding the beer can, as opposed to finding that one particular factor was wholly determinative.¹⁰⁹ Ultimately, the *Laite* court took the following factors into consideration: the colors used on the can (the University of Georgia's school colors—red and black), the name of the beer, and the letter "G" on the sweater worn by the bulldog (as it seemingly indicated that the bulldog on the can was, in fact, the University of Georgia's mascot).¹¹⁰ Because all three attributes of the "Battlin' Bulldog Beer" can "misuse[d] [UGAAA's] reputation and good will,"¹¹¹ the Eleventh Circuit affirmed the district court's decision to enjoin Defendant Laite from further distributing or marketing the infringing beer cans.¹¹²

2. *Board of Supervisors for Louisiana State University Agricultural & Mechanical College v. Smack Apparel*. In *Smack Apparel*, the Fifth Circuit found in favor of the plaintiffs, the CLC, in addition to four universities, including Louisiana State University, Ohio State University, Oklahoma University, and University of Southern California, in their suit against Smack

28 (2d Cir. 1997); *Dessert Beauty, Inc. v. Fox*, 568 F. Supp. 2d 416 (S.D.N.Y. 2008).

¹⁰⁶ See generally *UGA Athletic Ass'n v. Laite*, 756 F.2d 1535 (11th Cir. 1985); *Bd. of Supervisors v. Smack Apparel Co.*, 550 F.3d 465 (5th Cir. 2008).

¹⁰⁷ *Laite*, 756 F.2d at 1537–38.

¹⁰⁸ *Id.*

¹⁰⁹ *Id.* at 1544.

¹¹⁰ *Id.* at 1544–45.

¹¹¹ *Id.* at 1547.

¹¹² *Id.*

Apparel Company, a manufacturer of t-shirts designed to flaunt collegiate colors and popular phrases in hopes of soliciting the support of college sports fans.¹¹³ The complaint alleged that Smack Apparel engaged in trademark infringement and unfair competition, claiming that Smack's goods were so analogous to the Universities' licensed products and competed directly with the Universities' goods at or close to the athletic competitions referenced on the shirts, thereby deceiving or misleading customers into thinking Smack's goods were actually licensed or produced by the Universities.¹¹⁴

The Fifth Circuit ultimately accepted the plaintiffs' argument, concluding that a likelihood of confusion did exist between "the presence of the Universities' marks and the Universities themselves. . . ."¹¹⁵ Important to the Fifth Circuit's decision was the court's belief that Smack Apparel's actual use of the collegiate colors (plus a variety of slogans and designs affixed on an assortment of t-shirts) stemmed from its desire to identify the respective universities as the key factors incorporated into shirts' designs.¹¹⁶ In concluding that a likelihood of confusion existed, the court relied heavily on Smack Apparel's goal of benefiting from the reputations of the Universities.¹¹⁷ Specifically, the court noted that

Smack's use of the Universities' colors and indicia [was] designed to create the illusion of affiliation with the Universities and essentially obtain a "free ride" by profiting from confusion among the fans of the Universities' football teams who desire[d] to show support for and affiliation with those teams. This creation of a link in the consumer's mind between the t-shirts and the Universities and the intent to directly profit therefrom result[ed] in "an unmistakable aura of deception" and likelihood of confusion.¹¹⁸

Ultimately, the Fifth Circuit based its decision in favor of the plaintiff Universities and the CLC on the conclusion that the consuming public likely believed that Smack Apparel's t-shirts were endorsed by the various universities.¹¹⁹

¹¹³ *Smack Apparel*, 550 F.3d at 471–72.

¹¹⁴ *Id.* at 473.

¹¹⁵ *Id.* at 485.

¹¹⁶ *Id.*

¹¹⁷ *Id.*

¹¹⁸ *Id.* at 483–84.

¹¹⁹ *Id.* at 485.

E. MARKETING TECHNIQUES USED BY BOUTIQUES

To effectively compete in the open market, most small retail clothing business owners realize that “[f]ashion boutiques are all about image and style, not only in the products you sell but also for the customers who wear your clothing line.”¹²⁰ Moreover, fashion retailers understand that “[a] hallmark of independent stores is their personal knowledge of customers.”¹²¹ In catering to customers in an effort to increase overall profits, local boutique owners have begun specializing in “custom customer service.”¹²² By designing and using online marketing schemes that make the shopping experience easier and more enjoyable for consumers, boutique owners are able to “kill two birds with one stone,” first by pleasing repeat customers and second by prompting those repeat customers to tell other potential customers how much they enjoyed their experience at a particular store.¹²³

Wearing the colors of your favorite college football team to a popular athletic event is not optional for die-hard fans, especially in the South. Collegiate allegiance has an immense impact on the types of purchases made by the consuming public and is often exemplified by those consumers via wardrobe choices.¹²⁴ Fashion retailers, cognizant of the societal commitment to wearing school colors to athletic events, have responded in kind to the demand by competing against one another to provide consumers with the desired commodities.¹²⁵ Complete responsiveness on the part of local boutiques to the desires of its clientele via online marketing techniques designed to enhance the overall shopping experience is precisely the type of marketing scheme that embodies “custom customer service.” Such detailed customer service aids

¹²⁰ *Fashion Boutique Marketing: Branding*, PS PRINT, <http://www.psprint.com/resources/business-marketing-plans/fashion-boutiques/fashion-boutique-marketing-branding.asp> (last visited Apr. 12, 2012).

¹²¹ Christina Binkley, *How Boutiques Pamper Top Customers*, WALL ST. J., July 21, 2011, at D20.

¹²² Jay Simcic, *Small Business Marketing—How Boutiques Pamper Top Customers And What It Means To Your Business*, PROFIT CONVERGENCE, INC., <http://www.profitconvergenceinc.com/520/small-business-marketing-how-boutiques-pamper-top-customers-and-what-it-means-to-your-business/> (last visited Apr. 12, 2012).

¹²³ *Id.* (“[W]hen you begin doing things out of the ordinary and doing things that catches [sic] people’s attention, you will be talked about. And when you’re talked about you will inevitably get more business.”); see Gerald T. Tschura, *Likelihood of Confusion and Expressive Functionality: A Fresh Look at the Ornamental Use of Institutional Colors, Names and Emblems on Apparel and Other Goods*, 53 WAYNE L. REV. 873, 874 (2007) (“Showing one’s pride for, love of, and/or affiliation with a particular college or university is not only commonplace, it is woven into our cultural fabric.”).

¹²⁴ Tschura, *supra* note 123, at 874.

¹²⁵ *Id.*

boutique owners in competing with larger department stores, especially during the current economic downturn.¹²⁶

Additionally, a well-functioning website is crucial to these small businesses, in furtherance of excellent customer service.¹²⁷ “When it comes to boutique marketing you simply cannot underestimate the importance of the Internet and World Wide Web.” Stellar display of merchandise coupled with easy navigation for consumers are two of the most important goals for boutique owners to keep in mind when creating a first-rate website.¹²⁸ Today, many boutiques are taking note of these goals and are achieving them by utilizing hyperlinks to direct customers to specific groupings of clothing and accessories.¹²⁹

III. ANALYSIS

By alleging trademark infringement against a boutique that strategically groups items on its website,¹³⁰ the CLC oversteps the boundaries of trademark protection. The CLC’s allegations are based on a common practice¹³¹ employed by boutiques, namely the use of a sidebar or drop-down menu that utilizes a phrase (“Be the talk of the tailgate!”),¹³² along with a shortened version of university names used as hyperlinks to direct customers to other pages, where clothing and accessories are grouped together based on the school’s respective colors.¹³³ This marketing technique is the latest target of the CLC. The CLC lacks the legal foundation for categorizing this marketing technique as trademark infringement and unfair competition, especially since this informational technique, were it used in person by a sales associate guiding a customer to a particular area of the store that is grouped according to school colors, would be completely legal.

Though the geographical and other shortened collegiate terms are registered trademarks, trademark infringement and unfair competition are not valid claims against these boutique owners for a number of reasons. First and most

¹²⁶ Binkley, *supra* note 121.

¹²⁷ Everlin Wong, *Boutique Marketing – How to Make Your Business a Success* (June 11, 2008), <http://ezinearticles.com/?Boutique-Marketing---How-to-Make-Your-Business-a-Success&id=1241578> (“When it comes to boutique marketing you simply cannot underestimate the importance of the Internet and World Wide Web.”).

¹²⁸ *Id.*

¹²⁹ See generally *THE RED DRESS BOUTIQUE*, *supra* note 2; see also *DRESS U*, *supra* note 2.

¹³⁰ *THE RED DRESS BOUTIQUE*, *supra* note 2.

¹³¹ See generally *id.*; see also *DRESS U*, *supra* note 2.

¹³² *THE RED DRESS BOUTIQUE*, *supra* note 2.

¹³³ *Id.*

importantly, these boutiques¹³⁴ are merely using some trademarked terms in their marketing techniques, not affixing trademarked terms to any goods actually being sold by the boutiques. Even if stores are using registered trademarks in an otherwise infringing manner, because of the boutiques' pure marketing use of the protected marks on the World Wide Web, a court's balancing of the *Sleekcraft* factors in the context of the Internet will likely weigh in favor of the boutiques. Second, were the CLC to be successful in asserting claims of trademark infringement against the boutiques, the small business owners would likely be able to assert a fair use defense. Third and finally, prior trademark infringement cases that established the common law within the realm of college colors and marks are distinguishable from the issue at hand. Each reason thereby clarifies the high probability that the boutiques will enjoy the last laugh and say "game over" to the CLC's claims.

A. CLC 0; BOUTIQUES 1—PURE MARKETING USE VIA THE INTERNET

1. *Goals of Trademark Law.* Small business owners are playing to their strengths and utilizing methods of marketing designed to accommodate their customers. The CLC's attempt to stifle boutique owners' online marketing techniques likely will not succeed initially because it does not square with the goals of trademark law, namely (1) protecting consumers in such a way that they can be confident that the purchases they make are the ones they intended to make, and (2) protecting the owner of a trademark from infringement by those hoping to free ride on the efforts of the owner.¹³⁵ These goals are not inhibited by this marketing technique, namely the custom grouping of clothing and accessories according to college team colors on boutiques' websites, employed by local boutique owners.

Regarding the first goal of trademark law, here, consumers are protected and assisted by use of this marketing strategy because boutique owners employing this technique afford customers a heightened shopping experience via custom customer service.¹³⁶ The marketing technique is not a way to confuse consumers as to the particular brand of a good. On the contrary, this method is simply a grouping mechanism designed to make shopping simpler and more efficient for the customer.

¹³⁴ See generally *id.*; see also Entourage Clothing and Gifts, <http://www.entourageathens.com/index.php/about> (last visited Mar. 6, 2012).

¹³⁵ Rogers, *supra* note 5, at 181–82; see also 1 MCCARTHY, *supra* note 5, § 2.2 (discussing the dual goals trademark law seeks to further).

¹³⁶ Kickoff Cutie, *supra* note 2.

The second goal of trademark law is also not constrained by local boutique owners' use of this strategic marketing technique, as the merchants are not attempting to free ride on the efforts of the original trademark holders, the universities.¹³⁷ The store owners' uses of registered trademarks, such as "Georgia,"¹³⁸ are not attempts at free riding. The boutique owners are not using the trademarks to trick consumers into spending money in a particular boutique, as opposed to in a school bookstore, based on what they think are "Georgia" licensed products. Instead, they use the shortened name of the university to assist customers based on which particular school each customer chooses to support, thereby increasing overall customer satisfaction.

2. *Trademarks and the Internet.* Because this challenged marketing technique is used over the Internet, the chances for a successful trademark infringement claim are further diminished. Determining likelihood of confusion for trademarks within the realm of the Internet depends on: "(1) the similarity of marks, (2) the relatedness of goods, and (3) the 'simultaneous use of the web as a marketing channel.'"¹³⁹

The first and most important factor, similarity of the marks, is determined by a number of different variables, ranging from design, to color and placement.¹⁴⁰ Although consumers' ability to distinguish between different trademarks becomes increasingly difficult in the context of the Internet,¹⁴¹ here, merchants' actual use of the trademark makes it quite simple for users to delineate between the store and the various universities, as evidenced by the fact that the trademark being used to assist customers in their shopping experience is color neutral and does not include the schools' mascots. Ultimately, the neutral state of these marks does not confuse or trick consumers into believing that they are actually purchasing a good from the college selected from a drop-down menu. For these reasons, the CLC will likely be unable to satisfy the first of the "Internet trinity" factors.

The second "Internet trinity" factor, relatedness of the goods,¹⁴² likely weighs in favor of the boutiques. The boutiques are simply using the trademarks as web-based tools to guide customers to the stores' main products, clothing and accessories, while the universities use the trademarks to identify themselves as collegiate institutions. Additionally bolstering the boutique

¹³⁷ Rogers, *supra* note 5.

¹³⁸ GEORGIA, *supra* note 39.

¹³⁹ GoTo.com, Inc. v. Walt Disney Co., 202 F.3d 1199, 1205–07 (9th Cir. 2000) (quoting Brookfield Commc'ns, Inc. v. W. Coast Entm't Corp., 174 F.3d 1036, 1054 n.16 (9th Cir. 1999)).

¹⁴⁰ Cusson, *supra* note 73, at 210.

¹⁴¹ Cristal & Greenfield, *supra* note 24, at 78–79.

¹⁴² GoTo.com, 202 F.3d at 1205.

owners' argument is the reality that the allegedly infringing trademark is not present on the actual articles of clothing or other accessories being marketed and sold, removing all doubt in consumers' minds that the goods are licensed by the various universities. This difference in goods weighs in favor of the boutiques, and the CLC will likely be unable to satisfy this second prong of the Internet trinity.

The third and final Internet trinity factor, "simultaneous use of the web as a marketing channel,"¹⁴³ also tips in favor of owners of retail clothing stores. Although both universities¹⁴⁴ and boutique owners¹⁴⁵ utilize the World Wide Web, their uses are so different that consumers would likely never be harmed by the marks co-existing on the Internet. Further, merchants are simply using the mark as a tool to guide clients to the different wardrobe and accessory choices available from a variety of different designers for upcoming athletic events, not to trick them into buying a good they think is licensed by a university. The CLC will, in all likelihood, be unsuccessful under the third prong of the Internet trinity.¹⁴⁶ Since all three Internet trinity factors probably cannot be satisfied by the CLC's claims, a court will likely rule in favor of a small business owner, should the CLC decide to pursue a trademark infringement claim against boutique owners.

B. CLC 0; BOUTIQUES 2—FAIR USE DEFENSE

Assuming the CLC were able to successfully plead trademark infringement against a boutique, the store owner still has another option, namely the fair use defense as long as the owner used a "descriptive term in good faith in its primary descriptive sense, other than as a trademark."¹⁴⁷ The first fair use element, requiring that the mark not be used as a trademark,¹⁴⁸ is relatively self-explanatory. This element is satisfied here, as boutique owners are clearly not using the universities' trademarks as the boutiques' trademarks or as identifying marks in any other capacity on the stores' websites.

Satisfying the second element of a valid fair use defense, that the mark be "used fairly and in good faith,"¹⁴⁹ is a bit trickier.¹⁵⁰ Confusion alone does not

¹⁴³ *Id.* at 1205–07.

¹⁴⁴ See generally <http://www.georgiadogs.com/> (last visited Nov. 17, 2011).

¹⁴⁵ See generally THE RED DRESS BOUTIQUE, *supra* note 2.

¹⁴⁶ *GoTo.com*, 202 F.3d at 1205, 1207.

¹⁴⁷ *Cairns v. Franklin Mint Co.*, 292 F.3d 1139, 1150 (9th Cir. 2002).

¹⁴⁸ See *Seaboard Seed Co. v. Bemis Co.*, 632 F. Supp. 1133, 1138 (N.D. Ill. 1986).

¹⁴⁹ *Id.*

¹⁵⁰ *K.P. Permanent Makeup, Inc. v. Lasting Impressions I, Inc.*, 543 U.S. 111, 119 (2004).

invalidate an otherwise effective fair use defense.¹⁵¹ Confusion stemming from boutique owners' use of the schools' trademarks via online marketing is highly improbable as visitors of the boutiques' websites are looking for fashionable gameday attire, not for licensed collegiate memorabilia. However, even if some confusion did occur, the fair use defense would still be valid, as some level of confusion is tolerated, and here, few, if any, consumers would suffer confusion from the dual use of these terms.¹⁵² Ultimately, a finding of some consumer confusion, standing alone, would not preclude the boutique owner from putting on a valid fair use defense.¹⁵³

With regard to the good faith portion of the second fair use element, courts look to a junior user's intent to profit from the trademark's good will with the creation of consumer confusion regarding the sponsorship or source of a good.¹⁵⁴ Additionally, the following two factors indicate a lack of good faith: (1) intentional breach of a contract between a trademark owner and a junior user in which the junior user agreed not to use the mark, and (2) a junior user's utilization of the trademark coupled with his intent to free ride and dilute the good will denoted by original owner's mark.¹⁵⁵ Here, each factor indicates that the boutique owners showed no lack of good faith since (1) it is highly unlikely that a contract between the boutiques and the universities exists, and (2) the boutique owners have neither intended nor attempted to free ride on the universities' marks or to dilute them. Instead of hoping to better their reputations in the eyes of consumers by feigning licensure from universities, the stores are simply using the marks via a marketing technique designed to enhance customers' shopping experiences, thereby increasing profits. The second fair use defense element is likely satisfied.

The third and final element of a valid fair use defense, the requirement that the mark be used in a purely descriptive sense,¹⁵⁶ is also satisfied. Even a showing of constructive notice, which is established by registering a trademark, does not prevent a junior user from utilizing a trademark for a purely descriptive purpose.¹⁵⁷ The fact that store owners use the universities' marks

¹⁵¹ *Id.* at 119–20.

¹⁵² *Id.*

¹⁵³ *Id.*

¹⁵⁴ 2 MCCARTHY, *supra* note 5, § 11:49; *see also* E.M.I. Catalogue P'ship v. Hill, Holliday, Connors, Cosmopolos, Inc., 228 F.3d 56, 66 (2d Cir. 2000) ("Any evidence that is probative of intent to trade on the protected mark would be relevant to the good faith inquiry.').

¹⁵⁵ 2 MCCARTHY, *supra* note 5, § 11:49 (quoting *Inst. for Scientific Info., Inc. v. Gordon & Breech, Sci. Publishers, Inc.*, 931 F.2d 1002, 1009 (3d Cir. 1991)).

¹⁵⁶ 2 *id.*

¹⁵⁷ 2 *id.*

¹⁵⁷ 2 *id.* (citing *Wonder Labs, Inc. v. Procter & Gamble Co.*, 728 F. Supp. 1058, 1062 (S.D.N.Y.

simply to describe the *grouping* of the clothing and accessories sold by the boutiques and not to describe the goods themselves emphasizes the purely harmless use of the marks to the trademark's value and good will. At the heart of the boutique owners' objective is their desire to create an efficient, enjoyable shopping experience for customers through use of "custom customer service," which is facilitated through the descriptive use of universities' trademarked terms in guiding customers to the correct grouping of color-coordinated clothing and accessories.¹⁵⁸ Boutiques seek not to take advantage of and harm the goodwill represented by the universities' marks, precluding any claim of bad faith on the part of store owners. For these reasons, the third and final fair use defense element is probably satisfied. Because all three elements are likely satisfied, the probability of the boutique owners asserting a successful fair use defense is high.

C. GAME OVER: CLC 0; BOUTIQUES 3—CLEAR DISTINCTION FROM PRECEDENT

Although no precedent directly on point with the issue at hand exists, the *Laite* and *Smack Apparel* cases can be used to hypothesize about the success or failure of the CLC's potential trademark infringement claims. While the colors and mascot on the beer can in *Laite* created confusion among consumers,¹⁵⁹ in this case, the only factor that could potentially indicate a likelihood of confusion is the use of the mark itself. No additional attributes of the store owners' marketing technique, other than the fact that the clothing and accessories linked to a given college's trademark are comprised of said college's school colors, would result in a likelihood of confusion because consumers visit the websites to find fashionable game day attire, not to locate goods licensed by a particular university. Because of the lack of likelihood of confusion in the present case, the *Laite* court would likely find no trademark infringement.

Second, this case is different from *Smack Apparel*, in which the infringing t-shirts competed directly with products licensed by the Universities.¹⁶⁰ Here, the store owners are using the universities' marks not to create an illusion of endorsement by the respective colleges but instead to aid clients in finding the perfect outfit in which to show support for their respective schools. These local businesses' websites could not be construed as attempting to indicate illegitimate sponsorship by the various universities. Because the boutique

1990) ("The fair use defense is available even when the plaintiff's mark has become incontestable.")).

¹⁵⁸ Simcic, *supra* note 122.

¹⁵⁹ UGA Athletic Ass'n v. Laite, 756 F.2d 1535, 1544–45 (11th Cir. 1985).

¹⁶⁰ Bd. of Supervisors v. Smack Apparel Co., 550 F.3d 45, 473 (5th Cir. 2008).

owners are merely using the schools' marks to better serve their customers and not to create the illusion of endorsement, the *Smack Apparel* court would likely also hold that the boutique owners are not liable for trademark infringement.

IV. CONCLUSION

Think back to the beginning of this Note and remember the description of a sea of red and black at a University of Georgia football game. In the stands, just before the team runs out onto the field, over 90,000 fans are going crazy with anticipation, waiting to get that first glimpse of their favorite team on game day. Behind the scenes, enhancing this special game day experience are numerous boutiques who make the Bulldog faithful's dream ensembles a reality. In order to seamlessly bridge the gap from boutique to consumer, savvy small business owners have executed a marketing technique that easily connects clients with game day ensembles comprised of their favorite college team's colors.

The CLC is attempting to prevent boutique owners from using this legal, web-based marketing technique by threatening them with trademark infringement litigation via the issuance of heavily-worded cease and desist letters. Basically, the "big guys" (the CLC and universities) are trying to use their size and resources to intimidate the "little guys" (local store owners) and to prohibit them from utilizing this perfectly legal, ingenious marketing system. However, because of (1) the boutique owners' pure marketing use of the marks via the Internet, (2) a valid fair use defense, and (3) distinguishable precedent, the CLC's likelihood of success in asserting a valid trademark infringement claim is almost nonexistent.

The CLC should be barred from the continuation of such aggressive, unwarranted harassment. Store owners' (and their employees') in-store, verbal use of university trademarks, a common practice devoted to guiding customers toward outfits and accessories representing certain school colors, would never be considered trademark infringement; therefore, the use of this technique online should also be permissible. Ultimately, the CLC crossed the line in alleging frivolous claims of trademark infringement against boutique owners.

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