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## Sine Qua Non: Trademark Infringement, Likelihood of Confusion, and the Business of Collegiate Licensing

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# SINE QUA NON: TRADEMARK INFRINGEMENT, LIKELIHOOD OF CONFUSION, AND THE BUSINESS OF COLLEGIATE LICENSING

## I. INTRODUCTION

Growing up, I thought that college football was the greatest game on earth. I based my reasoning primarily on the fact that college athletes played for the love of the game, not the motivation of a weekly paycheck. I now realize, however, that my earlier perspective was naïve; what I have seen on television and read in the daily sports section has taught me otherwise. Though I still consider college football to be the world's greatest sport, the truth is that money makes the world go 'round, and college athletics are not immune from this reality. In fact, in the world of college sports, money plays an especially important role. Take football as an example. A romantic purist often fails to consider the incredible costs associated with fielding a top-notch team. Upon careful examination, however, even the most idealistic fan cannot ignore the tremendous sums expended annually for luxuries—nowadays *necessities*—such as travel expenses, facility improvements, coaches' salaries, and of course, the scholarships which permit outstanding athletes to perform for the nation's entertainment. How do institutions of higher learning afford these costs? Ticket sales, concession proceeds, booster donations, and television revenues are the obvious answers.

One of the largest and most often-overlooked sources of revenue available to these institutions, however, is the sale of officially licensed collegiate merchandise. For many years, the sale of collegiate products was an untapped gold mine; colleges and universities have only recently begun to realize the extensive financial benefits of licensing programs.<sup>1</sup> The increased popularity of collegiate merchandise resulted from the advent of televised college sports during the 1970s and its growth in that medium during the 1980s.<sup>2</sup> Indeed, the ubiquity of collegiate

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<sup>1</sup> Robert Lattinville, *Logo Cops: The Law and Business of Collegiate Licensing*, 5 KAN. J.L. & PUB. POL'Y 81, 81 n.4 (1996) (citing Harvard University's application for a trademark of its name 355 years after its founding as evidence of the "recency of universities' awakening to the benefits of licensing"); see also *Bd. of Trs. of Univ. of Ark. v. Profl Therapy Servs., Inc.*, 873 F. Supp. 1280, 1283-84, 34 U.S.P.Q.2d (BNA) 1241, 1242 (W.D. Ark. 1995) (noting that local merchants were responsible for most of the unauthorized use of college marks prior to the 1970s, but that during the 1980s many institutions began instituting licensing programs to protect their marks).

<sup>2</sup> *Id.* at 81 (noting that by the mid-1980s, increased television coverage of college sports motivated many colleges and universities to establish licensing programs in order to exercise control over their marks); see also *Bd. of Trs. of Univ. of Ark.*, 873 F. Supp. at 1284 (stating that television coverage of collegiate sporting events "led to an enormous boom in the production and sale of goods bearing collegiate marks").

merchandise in modern American culture evidences the popularity of college athletics. For example, many people affix collegiate license plates, spare tire covers, and bumper stickers to their automobiles or hang flags from their front porches announcing their allegiance to a particular school. Nowadays, more and more schools are turning to these programs as a valuable source of revenue. Professional sports leagues began to establish profitable licensing programs years ago, and colleges have followed their lead, surpassing most of their professional counterparts in licensing revenue in recent years. In 1995, sales of collegiate licensed merchandise exceeded \$2.5 billion, eclipsing the revenues of every major professional sports league except the NFL.<sup>3</sup> In 1999, that figure climbed to \$2.7 billion.<sup>4</sup>

Despite the tremendous revenue that licensed collegiate merchandise provides, it nevertheless engenders problems. The focus of the aforementioned statistics was the sale of *licensed* merchandise, but there is also a market for the sale of *unlicensed* collegiate products. Every sale of these unlicensed products deprives the licensing college or university of revenue because colleges and universities own valuable assets in their trademarked names, logos, and other materials.<sup>5</sup>

Imagine that you are tailgating one Saturday morning before your school's big game. A merchant approaches and asks if you are interested in purchasing that week's "game shirt" featuring your school's official logo on the front and a picture of your mascot trampling, swatting, beating, or otherwise harassing your opponent's mascot on the back. Is that product licensed by your school? Does it matter? And perhaps most importantly, *should* it matter?

This Note explores the legal implications of collegiate licensing. Part II examines trademark law as it applies to college and university names, logos, and symbols and considers the applicable case law that forms the history of collegiate trademark protection. Part III provides a brief discussion of the business of collegiate licensing and the enforcement of trademark rights. Part IV discusses the decisive issue of "likelihood of confusion" in two different lines of cases. Moreover, it argues that in many situations where obvious violations of trademark rights appear to have occurred, the essential element of "likelihood of confusion" is actually lacking, and thus, colleges and universities have no remedy against the unlicensed users of their marks. Finally, Part V addresses the reasons why, in many cases, it should not matter that a particular item bearing a collegiate

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<sup>3</sup> Michael Hiestand, *College Merchandise Sales Near Head of Class*, USA TODAY, July 25, 1995, at 3C.

<sup>4</sup> Robin Hardin & Steven McClung, *Collegiate Sports Information: A Profile of the Profession*, PUB. REL. Q., July 1, 2002, at 35.

<sup>5</sup> See, e.g., Danielle Cooper, *UT Cracks Down on Illegal Merchandise*, DAILY TEXAN (Austin), Sept. 9, 1998 (stating that the University of Texas does not receive any compensation from unlicensed vendors).

trademark is licensed and also suggests that the United States Supreme Court grant certiorari in a future case to resolve the incongruities between the two divergent lines of cases identified in Part IV.

## II. BACKGROUND<sup>6</sup>

### A. TRADEMARKS AND THE LANHAM ACT

Federal trademark law affords protection to officially licensed collegiate merchandise.<sup>7</sup> The Lanham Act is the primary legislative device governing trademark law.<sup>8</sup> The Act sets forth the law of trademarks, establishes the criteria for their registration, and provides remedies for infringement.<sup>9</sup>

Three types of marks are particularly pertinent to the collegiate licensing industry: trademarks, service marks, and collective marks.<sup>10</sup> Under the Act, a trademark includes “any word, name, symbol, or device, or any combination thereof” used by a person, merchant, or manufacturer “to identify and distinguish his or her goods . . . from those manufactured or sold by others and to indicate the source of the goods. . . .”<sup>11</sup> Examples of collegiate trademarks include “University of Colorado,” “Ole Miss Rebels,” and “Nittany Lions.” A service mark, in contrast, is a mark, symbol, or word used to differentiate the services of one entity from another and to identify the source of such services.<sup>12</sup> Because colleges and universities also market services, the protection of service marks is equally important when considering the breadth of collegiate licensing. “Final Four” and “University of Virginia Lacrosse” are representative service marks. Trademarks and service marks employed by members of an organization constitute collective marks;<sup>13</sup> “Big Ten” and “Southeastern Conference” are examples. Finally, some marks qualify as both trademarks and service marks, depending on the context of their use. “Auburn Tiger Football” is a trademark when printed on a stadium cup but constitutes a service mark when used to promote an athletic event. For the purpose of this Note, the terms “trademark” or “mark” will refer to all three types of marks unless otherwise specified.

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<sup>6</sup> See generally Lattinville, *supra* note 1 (much of the author’s structural format for discussing background information has been adopted from Lattinville’s article).

<sup>7</sup> See U.S. CONST. art. I, § 8, cl. 8 (providing the constitutional basis for federal trademark law).

<sup>8</sup> Lanham Act, 15 U.S.C. §§ 1051-1129 (2000).

<sup>9</sup> *Id.*

<sup>10</sup> Lattinville, *supra* note 1, at 82.

<sup>11</sup> 15 U.S.C. § 1127 (2000).

<sup>12</sup> *Id.*

<sup>13</sup> *Id.*

Trademarks perform four primary functions.<sup>14</sup> First, a trademark differentiates one mark from another by virtue of its distinctiveness.<sup>15</sup> Second, a trademark establishes the universal quality of all goods and services bearing the mark.<sup>16</sup> Third, a trademark confirms that all goods and services bearing the mark derive from the same source.<sup>17</sup> Finally, a trademark serves as a marketing tool to assist in the sale of goods and services bearing that mark.<sup>18</sup>

A person seeking to register a trademark must file an application with the U.S. Patent and Trademark Office and pay the applicable fees.<sup>19</sup> The cost to register a trademark, ranging from approximately \$1,000 to \$1,500 for a trademark search and most fees, is minimal when compared to the potential revenue from licensing such marks.<sup>20</sup> A party's registration of a trademark is *prima facie* evidence of the mark's validity and the registrant's exclusive right to use that mark in commerce.<sup>21</sup>

## B. STRENGTH AND DISTINCTIVENESS

Trademarks receive protection based on a number of criteria, and varying levels of protection are afforded to marks depending on their strength. Simply put, stronger marks receive greater protection than weaker marks.<sup>22</sup> Courts determine the strength of a trademark primarily by assessing the mark's distinctiveness. In turn, courts ascertain distinctiveness by focusing on a mark's "capacity to distinguish a product or service which originates from one source from products or services originating from other sources."<sup>23</sup> Some marks are inherently distinctive and qualify for immediate protection while others first require proof of secondary meaning.<sup>24</sup> In order for a trademark to acquire

<sup>14</sup> Lattinville, *supra* note 1, at 82.

<sup>15</sup> *Id.*

<sup>16</sup> *Id.*

<sup>17</sup> *Id.*

<sup>18</sup> *Id.*

<sup>19</sup> 15 U.S.C. § 1051 (2000).

<sup>20</sup> Lattinville, *supra* note 1, at 82.

<sup>21</sup> 15 U.S.C. § 1115 (2000).

<sup>22</sup> See *Bd. of Trs. of Univ. of Ark. v. Profl Therapy Servs., Inc.*, 873 F. Supp. 1280, 1285, 34 U.S.P.Q.2d (BNA) 1241, 1243 (stating that "[a] strong and distinctive trademark is entitled to greater protection than a weak or commonplace one" (quoting *Squirtco v. Seven-Up Co.*, 628 F.2d 1086, 1091 (8th Cir. 1980)).

<sup>23</sup> Lattinville, *supra* note 1, at 83.

<sup>24</sup> See Celeste L. Geier, Comment, *Protection of University Symbols*, 38 BAYLOR L. REV. 661, 668-69 (1986) (stating that "[f]anciful or arbitrary marks and suggestive marks are considered inherently unique or distinctive").

distinctiveness, it must first serve as an indicator of source and not be merely decorative or functional.<sup>25</sup>

Courts have identified five categories of marks, depending on their distinctiveness: arbitrary or fanciful marks, suggestive marks, descriptive marks, and generic marks.<sup>26</sup> An arbitrary mark consists of words or symbols that suggest nothing about the product to which they refer.<sup>27</sup> Closely related are fanciful marks, which are comprised of words “invented or selected for the sole purpose of functioning as a trademark” and which are either “unknown in the language or are completely out of common usage . . . .”<sup>28</sup> “NIKE” and the NIKE “swoosh” are examples of arbitrary or fanciful marks because neither the name nor the symbol provides any information about Nike’s products. Suggestive marks convey the nature of the product “through an effort of the imagination on the part of the observer.”<sup>29</sup> For example, the name of Ford Motor Company’s “Taurus” model is suggestive because it prompts the consumer to form a mental connection between the product’s name and its purpose. Individuals and companies may register both arbitrary and suggestive marks under the Act.<sup>30</sup> A trademark which simply describes the function, size, provider, user, or characteristics of the good to which it refers is a descriptive mark.<sup>31</sup> “Sportscreme” is a prime example of a descriptive mark.<sup>32</sup> Finally, generic marks are words and symbols which identify an entire class of products without distinguishing one product from another. These marks simply state exactly what the product is.<sup>33</sup> Examples of generic marks are abundant and include terms such as “diet soda,” “iced tea,” and “wheat bran.” The Act disallows registration of generic marks.<sup>34</sup>

Again, some trademarks require proof of secondary meaning to acquire distinctive status. Generally, arbitrary and fanciful marks are distinctive by their

<sup>25</sup> Lattinville, *supra* note 1, at 83.

<sup>26</sup> Univ. of Ga. Athletic Ass’n v. Laite, 756 F.2d 1535, 1540, 225 U.S.P.Q. (BNA) 1122, 1126 (11th Cir. 1985).

<sup>27</sup> 2 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 11:11, at 16 (4th ed. 2003).

<sup>28</sup> *Id.* § 11:5, at 12.

<sup>29</sup> *Id.* § 11:64, at 126 (quoting Gen. Shoe Corp. v. Rosen, 111 F.2d 95, 45 U.S.P.Q. (BNA) 196 (4th Cir. 1940), *reh’g denied*, 112 F.2d 561, 45 U.S.P.Q. (BNA) 590 (4th Cir. 1940)).

<sup>30</sup> See generally 15 U.S.C. § 1052 (2000).

<sup>31</sup> 2 MCCARTHY, *supra* note 27, § 11:16, at 21-22.

<sup>32</sup> Thompson Med. Co. v. Pfizer Inc., 753 F.2d 208, 216, 225 U.S.P.Q. (BNA) 124, 131 (2d Cir. 1985) (stating that the term “Sportscreme” is not suggestive but instead descriptive because “[n]o exercise of the imagination is necessary for the public to understand that the product is a cream useful in connection with sports. Marks that describe the use to which a product is put are descriptive.”).

<sup>33</sup> See generally 2 MCCARTHY, *supra* note 27, § 12.1, at 4-7.

<sup>34</sup> 15 U.S.C. § 1052 (2000).

nature, while descriptive marks require proof of secondary meaning.<sup>35</sup> Assessing secondary meaning requires consideration of the buyer's perceived connection or association between the product, the mark, and its source.<sup>36</sup> The *National Football League Properties, Inc. v. Wichita Falls Sportswear, Inc.*<sup>37</sup> opinion bears this out. There, the plaintiffs (NFLP and the Seattle Seahawks) brought suit against a sportswear manufacturer to enjoin the defendant from producing replica jerseys of NFL teams. The court found that, because the jerseys were decorated with descriptive terms, such as the name of the team or its home city, proof of secondary meaning was required before protection would be granted.<sup>38</sup> Primarily through the use of survey data, NFLP was able to satisfy the test for secondary meaning by showing that a substantial percentage of those surveyed associated the jerseys with the NFL.<sup>39</sup>

In contrast, the court in *University of Pittsburgh v. Champion Products, Inc.* found that the plaintiff had failed to prove that the "Pitt" insignia had acquired secondary meaning in the soft goods (e.g., t-shirts, sweatshirts, caps) market.<sup>40</sup> Applying a test identical to that employed in *Wichita Falls*, the court found that Pitt had failed to show "a substantial association in the public's mind between the use of Pitt insignia on soft goods and a sense that Pitt was in some way affiliated with the source of the products."<sup>41</sup>

In order to qualify for protection under federal trademark law, a mark may not be merely functional.<sup>42</sup> Functionality is that feature of a good which constitutes the benefit that consumers seek.<sup>43</sup> Functional goods include not only the item itself (e.g., a baseball cap) but often the aesthetically pleasing elements of the

<sup>35</sup> See *Bd. of Trs. of Univ. of Ark. v. Profl Therapy Servs., Inc.*, 873 F. Supp. 1280, 1285-86, 34 U.S.P.Q.2d (BNA) 1241, 1244 (stating that "[a] general rule is that arbitrary marks are inherently distinctive and strong, while descriptive marks are not due any protection at all, unless the mark owner can prove that the mark has acquired secondary meaning").

<sup>36</sup> Stephen N. Geise, *A Whole New Ballgame: The Application of Trademark Law to Sports Mark Litigation*, 5 SETON HALL J. SPORT L. 553, 559 (1995).

<sup>37</sup> 532 F. Supp. 651, 215 U.S.P.Q. (BNA) 175 (W.D. Wash. 1982).

<sup>38</sup> See generally *id.* at 656-57.

<sup>39</sup> *Id.* at 658.

<sup>40</sup> 566 F. Supp. 711, 219 U.S.P.Q. (BNA) 834 (W.D. Pa. 1983).

<sup>41</sup> *Id.* at 721. Despite the remarkable factual similarities between *Wichita Falls* and *University of Pittsburgh*, the courts reached opposite conclusions. The discrepancies between these two cases, as well as inconsistencies in other decisions, will form the basis of the argument presented in Part IV.

<sup>42</sup> Geier, *supra* note 24, at 672.

<sup>43</sup> *Wichita Falls*, 532 F. Supp. at 662 (describing the functional features as those benefits the consumer wishes to purchase, "as distinguished from an assurance that a particular entity made, sponsored, or endorsed a product"); see also *Univ. of Pittsburgh*, 566 F. Supp. at 720 (citing *Inwood Labs., Inc. v. Ives Labs., Inc.*, 456 U.S. 844, at 851 n.10 (wherein the Supreme Court defined functionality as "essential to the use or purpose of the article" or affecting "the cost or quality of the article"))).

product (e.g., the design embroidered on the cap's fabric). Trademark law does not prevent the replication of the functional features of a product,<sup>44</sup> and the plaintiff in an infringement suit bears the burden of proving nonfunctionality.<sup>45</sup> Even if a mark is found to be functional, protection is not automatically precluded.<sup>46</sup> A functional product may also obtain secondary meaning if the customer purchased the item not only for its functional characteristics but also because she believed that the trademark indicated an association between the product and the mark's owner.<sup>47</sup>

When a college or university registers a valid trademark, it normally does so in connection with its provision of educational services.<sup>48</sup> When used in a manner unrelated to educational services, the purpose of the mark gains significance and whether the mark is functional or serves as an indicator of source becomes important.<sup>49</sup> For example, the depiction of a school's mascot is not related to the provision of educational services. Thus, one must determine whether the mascot image indicates a source of origin or merely serves as an aesthetically pleasing feature.

#### C. CAUSES OF ACTION UNDER THE LANHAM ACT

The Lanham Act provides two primary causes of action for the violation of a trademark owner's rights: an action for unfair competition<sup>50</sup> and an action for the infringement of a registered mark.<sup>51</sup> The success of either type of claim requires proof of many of the same elements.

Chapter 15, section 1125, of the United States Code establishes a cause of action for unfair competition. One primary difference exists between section 1125 and section 1114, the code section which provides remedies for trademark infringement; the former offers protection for unregistered trademarks while the latter does not.<sup>52</sup> Under section 1125, an unfair competition cause of action may

<sup>44</sup> *Wichita Falls*, 532 F. Supp. at 662; see also *Univ. of Pittsburgh*, 566 F. Supp. at 720 (stating that a product's functional features receive no protection under the Lanham Act).

<sup>45</sup> *Univ. of Pittsburgh*, 566 F. Supp. at 720.

<sup>46</sup> *Wichita Falls*, 532 F. Supp. at 663.

<sup>47</sup> *Id.* (citing *Int'l Order of Job's Daughters v. Lindeburg & Co.*, 633 F.2d 912, 208 U.S.P.Q. (BNA) 718 (9th Cir. 1980)).

<sup>48</sup> Lattinville, *supra* note 1, at 84.

<sup>49</sup> *Id.*

<sup>50</sup> 15 U.S.C. § 1125 (2000).

<sup>51</sup> *Id.* § 1114.

<sup>52</sup> 15 U.S.C. § 1125 (2000) provides in pertinent part:

(a)(1) Any person who, on or in connection with any goods or services . . . uses in commerce any word, term, name, symbol, or device, or any combination thereof, or any false designation of origin, false or misleading description of fact,



involve claims of false designation of origin, false advertising, or disparagement.<sup>53</sup> In *University of Pittsburgh*, the court declared that a plaintiff must prove four elements in a suit for unfair competition: (1) nonfunctionality, (2) secondary meaning, (3) prior use, and (4) likelihood of confusion.<sup>54</sup> The elements of functionality and secondary meaning apply as discussed above. In discussing the third element, priority of use, the court in *University of Pittsburgh* required Pitt to prove not only its prior use of the insignia but also its prior use *in commerce*. Following the guidance of the Restatement of Torts,<sup>55</sup> the court found, as a matter of fact, that Pitt was not using its insignia in commerce prior to Champion's entrance into the market.<sup>56</sup> The fourth element of an action for unfair competition is likelihood of confusion on the part of the consumer. Because likelihood of confusion is a crucial element not only in unfair competition cases but also in trademark infringement cases—indeed, it is “the keystone to any trademark infringement action”<sup>57</sup>—this Note will discuss it below in connection with that action.

Under chapter 15, section 1114, the owner of a registered trademark has a cause of action against any person who uses a reproduction, counterfeit, copy, or colorable imitation of the mark in commerce where such use is likely to cause confusion, mistake, or deception.<sup>58</sup> Again, unlike section 1125, section 1114 applies only to the misappropriation of *registered* trademarks. Thus, in every successful action for trademark infringement, two questions must be answered in

or false or misleading representation of fact, which (A) is likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association of such person with another person, or as to the origin, sponsorship, or approval of his or her goods, services, or commercial activities by another person . . . shall be liable in a civil action by any person who believes that he or she is or is likely to be damaged by such act.

<sup>53</sup> *Id.* § 1125(a)(1).

<sup>54</sup> *Univ. of Pittsburgh v. Champion Prods., Inc.*, 566 F. Supp. 711, 719, 219 U.S.P.Q. (BNA) (W.D. Pa. 1983).

<sup>55</sup> RESTATEMENT OF TORTS § 719 (1938). Section 719 provides: “A designation is not a trademark until it is adopted for the purpose of denominating the goods to which it is affixed *and is so used in marketing them.*” (emphasis added).

<sup>56</sup> *Univ. of Pittsburgh*, 566 F. Supp. at 722.

<sup>57</sup> *Natl Football League Props., Inc. v. Wichita Falls Sportwear, Inc.*, 532 F. Supp. 651, 659, 215 U.S.P.Q. (BNA) 175, 182 (W.D. Wash. 1982).

<sup>58</sup> 15 U.S.C. § 1114(1)(a) (2000). The statute provides in relevant part:

(1) Any person who shall, without the consent of the registrant (a) use in commerce any reproduction, counterfeit, copy, or colorable imitation of a registered mark in connection with the sale, offering for sale, distribution, or advertising of any goods or services on or in connection with which such use is likely to cause confusion, to cause mistake, or to deceive . . . shall be liable in a civil action by the registrant . . .

the affirmative: (1) is there a valid mark, and if so, (2) is the defendant's use of the mark likely to cause consumer confusion?<sup>59</sup> Formal registration of a trademark under the Act serves as *prima facie* evidence of the validity of the mark,<sup>60</sup> and thus, the answer to the first question is, in most cases, easily ascertained. The crux of an action for trademark infringement, as well as for an action for unfair competition as discussed above, therefore rests on the answer to the second question. Simply put, likelihood of confusion is the *sine qua non* of the action.<sup>61</sup>

The test for likelihood of confusion varies by jurisdiction, but the various approaches are similar enough that a discussion of one case should suffice for demonstrative purposes. In *Board of Trustees of the University of Ark. v. Professional Therapy Services, Inc.*,<sup>62</sup> (the "Razorback case") the court used a six-factor test to determine whether the therapy clinic's unauthorized use of the University's Razorback nickname and logo constituted trademark infringement. Specifically, in finding that the clinic's actions did infringe the University's registered mark, the court considered (1) the strength of the owner's mark, (2) the similarity between the owner's mark and the alleged infringer's mark, (3) the degree to which the products are in competition with one another (i.e., the "competitive proximity" of the products), (4) the intent of the alleged infringer to portray the owner of the mark as the source of the goods, (5) the incidents of actual confusion, and (6) the degree of care likely to be exercised by potential customers.<sup>63</sup>

The court considered each of these factors in turn, and an analysis of the court's findings with respect to each is helpful not only in understanding the decision in that case but also in evaluating other cases under a similar test. In the Razorback case, the court assessed the strength of the University's mark by examining its distinctiveness, as discussed above,<sup>64</sup> and found that the Razorback marks were strong and worthy of protection.<sup>65</sup> The court next analyzed the similarity between the University's mark and that of the clinic. The court found that the marks were identical and that this similarity was enhanced by the clinic's use of the color red, the university's color, and by a running Razorback hog logo.<sup>66</sup> The court also determined that the relatedness of the type of services

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<sup>59</sup> *Bd. of Trs. of Univ. of Ark. v. Prof'l Therapy Servs., Inc.*, 873 F. Supp. 1280, 1285, 34 U.S.P.Q.2d (BNA) 1241, 1243 (W.D. Ark. 1995).

<sup>60</sup> 15 U.S.C. § 1115 (2000).

<sup>61</sup> *Univ. of Pittsburgh v. Champion Prods., Inc.*, 566 F. Supp. 711, 719, 219 U.S.P.Q. (BNA) 834, 841 (W.D. Pa. 1983).

<sup>62</sup> 873 F. Supp. 1280.

<sup>63</sup> *Id.* at 1285.

<sup>64</sup> See *supra* notes 26-34 and accompanying text.

<sup>65</sup> 873 F. Supp. at 1285.

<sup>66</sup> *Id.* at 1290-91. In 1989, the clinic changed its name from the Physical Therapy Clinic to

provided by the parties favored a finding for the University in light of the competitive proximity of the services.<sup>67</sup>

Though the record was inconclusive on the clinic's intent to deceive, evidence that the clinic changed its name after two University football trainers joined the clinic's staff and the clinic's emphasis on its relationship with the University over a number of years suggests that a deceptive intent was present.<sup>68</sup> Regarding actual confusion, the court noted that neither party had offered probative evidence on this factor but stated that "actual confusion is strong evidence of a likelihood of confusion."<sup>69</sup> Finally, in discussing the degree of care used by consumers, the court noted that while doctors prescribing the clinic's services might not be confused as to the true source of the services, the patients consuming the services exercise a lower degree of care.<sup>70</sup> The court then stated that factors such as the kind of product, its cost, and the conditions of purchase are determinative in deciding whether consumers exercise a high degree of care. The court also noted, however, that the exercise of a high degree of care on the part of consumers is less probative when the other factors favor a finding of infringement.<sup>71</sup>

Courts have used variations of this test elsewhere. For example, in *University of Georgia Athletic Association v. Laite*,<sup>72</sup> the court employed a similar test considering seven factors and focusing on marketing channels.<sup>73</sup> Likewise, in *University of Pittsburgh*, while the court did not utilize a formal test, it considered many of the same factors as other jurisdictions, including the strength of the mark, intent to deceive, and incidents of actual confusion.<sup>74</sup>

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Razorback Sports and Physical Therapy Clinic. The University has used the name "Razorbacks" as a nickname for its sports teams since 1909.

<sup>67</sup> *Id.* at 1290.

<sup>68</sup> *Id.* at 1284-85.

<sup>69</sup> *Id.*

<sup>70</sup> *Bd. of Trs. of Univ. of Ark.*, 873 F. Supp. at 1292.

<sup>71</sup> *Id.*

<sup>72</sup> 756 F.2d 1535, 225 U.S.P.Q. (BNA) 1122 (11th Cir. 1985).

<sup>73</sup> *Id.* at 1542 (stating that "this circuit has recognized seven factors as relevant to the determination of a 'likelihood of confusion' between two trade or service marks: (1) the type of mark at issue, (2) the similarity of design between the two marks, (3) the similarity of the product, (4) the identity of retail outlets and purchasers, (5) the identity of advertising media utilized, (6) the defendant's intent, and (7) actual confusion between the two marks").

<sup>74</sup> See generally *Univ. of Pittsburgh v. Champion Prods., Inc.*, 566 F. Supp. 711, 219 U.S.P.Q. (BNA) 834 (W.D. Pa. 1983). It should be noted, however, that although the court in *University of Pittsburgh* found that the University failed to meet its burden, the court's decision was vacated after the parties reached a settlement agreement, and the case is of no precedential value. *Lattinville*, *supra* note 1, at 86-87.

## D. DEFENSES

A defendant might assert several affirmative defenses in order to defeat an action for unfair competition or trademark infringement. Three notable examples are abandonment, the “zone of expansion” defense, and the functionality defense. This subsection considers the viability of each of these defenses in turn.

The Lanham Act itself provides for a defense of abandonment.<sup>75</sup> Specifically, nonuse coupled with an intent not to resume use indicates abandonment.<sup>76</sup> The Act requires that “use” be evidenced by good faith and be “made in the ordinary course of trade, and not merely to reserve a right in a mark.”<sup>77</sup> Further, with regard to use, a defendant may point to nonuse for three consecutive years as *prima facie* evidence of abandonment.<sup>78</sup> Finally, it should also be noted that, despite the good faith use of a trademark, the Act states that abandonment may occur when the owner causes the mark to become generic.<sup>79</sup> In other words, a mark is abandoned when it loses its significance as an indicator of origin.<sup>80</sup>

The defense of abandonment may be difficult to prove because the proponent of abandonment bears a formidable burden. In *Board of Regents of the University System of Georgia v. Buzas Baseball, Inc.*,<sup>81</sup> the Georgia Institute of Technology (“Georgia Tech”) sued a minor league baseball team for trademark infringement because the Utah team sold merchandise bearing the name “Buzz” and a specific bee logo, both of which were registered trademarks of Georgia Tech. Buzas Baseball raised a number of defenses, including a claim that Georgia Tech had abandoned its trademark rights. Specifically, the defendant contended that Georgia Tech had abandoned its marks by failing to enforce its rights against three Georgia high schools using the marks.<sup>82</sup> The court determined, however, that the high schools were not infringers but rather third-party users which

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<sup>75</sup> 15 U.S.C. § 1127 (2000).

<sup>76</sup> *Id.*

<sup>77</sup> *Id.*

<sup>78</sup> *Id.*

<sup>79</sup> The statute provides in relevant part:

A mark shall be deemed to be ‘abandoned’ if . . . (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.

*Id.*

<sup>80</sup> Lattinville, *supra* note 1, at 86.

<sup>81</sup> 176 F. Supp. 2d 1338 (N.D. Ga. 2001).

<sup>82</sup> *Id.* at 1349.

Georgia Tech had tolerated or of which the school was unaware.<sup>83</sup> Furthermore, even if the high schools had been infringers, a failure on the part of Georgia Tech to institute legal proceedings would have been insufficient to constitute abandonment.<sup>84</sup> Most importantly, however, in granting Georgia Tech's motion for summary judgment on the issue of abandonment, the court in *Buzas Baseball* stated that "[t]he defense of abandonment requires strict proof," as the defendant must prove both that the plaintiff actually abandoned the use of the mark and the plaintiff *intended* this abandonment.<sup>85</sup>

Despite this, in some cases the defendant's burden in asserting abandonment is less than it may seem. In certain situations, courts place a burden on the plaintiff to prove intent *not* to abandon rather than placing a burden on the defendant to prove intent to abandon. In *Major League Baseball Properties, Inc. v. Sed Non Olet Denarius, Ltd.*,<sup>86</sup> the plaintiffs, Major League Baseball Properties and the Los Angeles Dodgers baseball team, sued a restaurant group in Brooklyn, New York, for its use of the name "The Brooklyn Dodger" for its restaurants. The court found that the plaintiffs had abandoned the trademark "Brooklyn Dodgers" because, among other reasons, the plaintiffs had failed to use the trademark in commerce for over twenty years.<sup>87</sup> The plaintiffs' lack of use easily met the Lanham Act's prima facie threshold for abandonment by nonuse (which was only two years at the time). The court noted that such a prima facie establishment of abandonment creates a rebuttable presumption of abandonment.<sup>88</sup> In order to rebut this presumption, the plaintiffs had to produce evidence that there was intent to resume the use of the trademark.<sup>89</sup> Thus, the burden shifted; since the defendant met its burden by providing prima facie evidence of intent to abandon, the plaintiff, rather than proving that it did not intend to abandon its mark, had to prove that it intended to *resume* use of the mark.<sup>90</sup> The court noted that "[l]ack of intent to resume use may be inferred from the circumstances surrounding the nonuse of the mark."<sup>91</sup> Because the plaintiffs had not evinced intent to resume

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<sup>83</sup> *Id.*

<sup>84</sup> *Id.* ("[F]ailure to institute legal action against an infringer is insufficient to establish abandonment of a trademark." (quoting *Babbitt Elecs., Inc. v. Dynascan Corp.*, 38 F.3d 1161, 1180 (11th Cir. 1994))).

<sup>85</sup> *Id.*

<sup>86</sup> 817 F. Supp. 1103, 26 U.S.P.Q.2d (BNA) 1731 (S.D.N.Y. 1993).

<sup>87</sup> *Id.* at 1134.

<sup>88</sup> *Id.* at 1127.

<sup>89</sup> *Id.* at 1130.

<sup>90</sup> *Id.*

<sup>91</sup> *Major League Baseball*, 817 F. Supp. at 1130.

commercial use of the mark within the statutory period, the court held that the mark had been abandoned.<sup>92</sup>

The “zone of expansion” defense considers the scope of the plaintiff’s trademark as it relates to the defendant’s use of the mark.<sup>93</sup> This defense essentially provides that if the registered owner of a mark and an unauthorized user of a mark operate in two “sufficiently distinct and geographically separate” markets and if there is no likelihood that the registered owner will enter into the unauthorized user’s market (thus eliminating a likelihood of confusion), the registered owner may not enjoin the other’s use.<sup>94</sup> In *Major League Baseball*, the court recognized the validity of the “zone of expansion” defense where the plaintiffs had not demonstrated an interest or intent to enter the restaurant business in Brooklyn.<sup>95</sup>

Finally, it should be noted that while functionality may prevent a mark from qualifying for protection under the Lanham Act, as discussed above, functionality may also serve as an affirmative defense. For example, in *Wichita Falls*, the defendant argued that the plaintiff’s mark was functional and therefore not entitled to protection. In rejecting the defendant’s argument, the court noted that even functional features may serve as trademarks.<sup>96</sup> In contrast, the *University of Pittsburgh* court found that Champion’s use of the Pitt insignia on soft goods did qualify as functional use.<sup>97</sup>

#### E. THE RECENT TREND

Despite decisions such as the one in *University of Pittsburgh*, the recent trend seems to favor the protection of colleges’ and universities’ marks. It is of note that the court’s decision in *University of Pittsburgh* is of no precedential value,<sup>98</sup> and a substantial number of cases since have been decided in favor of trademark owners.<sup>99</sup> As will be discussed in Part IV, however, depending on the uses made

<sup>92</sup> 817 F. Supp. at 1131.

<sup>93</sup> Lattinville, *supra* note 1, at 86.

<sup>94</sup> 817 F. Supp. at 1133.

<sup>95</sup> *Id.* at 1134. It is interesting to note, however, that the court recognized the “zone of expansion” defense in this case despite the fact that the court held that the plaintiffs had effectively abandoned the “Brooklyn Dodgers” trademark. Why would the court seek to provide protection for an unauthorized user in a case in which the court had determined that the defendant was not, in fact, an unauthorized user?

<sup>96</sup> Nat’l Football League Props., Inc. v. Wichita Falls Sportswear, Inc., 532 F. Supp. 651, 663, 215 U.S.P.Q. (BNA) 175, 184 (W.D. Wash. 1982).

<sup>97</sup> 566 F. Supp. 711, 720, 219 U.S.P.Q. (BNA) 834, 838 (W.D. Wash. 1983).

<sup>98</sup> See *supra* note 74.

<sup>99</sup> See, e.g., Univ. of Ga. Athletic Ass’n v. Laite, 756 F.2d 1535, 225 U.S.P.Q. (BNA) 1122 (11th Cir. 1985); Bd. of Trs. of Univ. of Ark. v. ProFl Therapy Servs., Inc., 873 F. Supp. 1280, 34

by non-registrants, it is conceivable, and hopeful, that courts will hold as the court did in *University of Pittsburgh* and allow the unlicensed use of college and university marks when such use does not create a likelihood of confusion.

### III. THE BUSINESS OF COLLEGIATE LICENSING

#### A. INTRODUCTION

The prevalence of collegiate licensing has skyrocketed in recent years. Today, approximately three hundred colleges and universities actively license the use of their names and registered trademarks.<sup>100</sup> What began with a primitive licensing arrangement at the University of California at Los Angeles (UCLA) in the 1930s has blossomed into a multi-billion dollar industry.<sup>101</sup>

Institutions typically engage in one of two primary types of licensing programs, or in some cases, a hybrid of the two. Some schools opt for an independent licensing program. Under that arrangement, the licensing function is entirely self-contained. It operates as an in-house activity of the institution.<sup>102</sup> The internal licensing program at the University of Notre Dame is an excellent example of a highly efficient independent arrangement.<sup>103</sup> Conversely, a college or university may establish external licensing programs, employing the services of licensing agents. Today, two companies control the bulk of the collegiate licensing market: The Collegiate Licensing Company and The Licensing Resource Group. The Collegiate Licensing Company (CLC) was formed in 1981 and currently represents over two hundred colleges, universities, athletic conferences, and bowl games, as well as the National Association of Collegiate Athletics (NCAA)<sup>104</sup> and the Heisman Trophy.<sup>105</sup> The Licensing Resource Group (LRG), founded in 1991,<sup>106</sup> represents over one hundred colleges and universities.<sup>107</sup>

The primary advantage offered by an independent licensing program is control.<sup>108</sup> Specifically, this arrangement allows the school to manage all aspects

U.S.P.Q.2d (BNA) 1241 (W.D. Ark. 1995); *Bd. of Regents Univ. Sys. of Ga. v. Buzas Baseball, Inc.*, 176 F. Supp. 2d 1338 (N.D. Ga. 2001).

<sup>100</sup> Jack Revoyr, *Non-Definitive History of Collegiate Licensing*, 88 TRADEMARK REP. 370, 370 (1998).

<sup>101</sup> *Id.* at 371.

<sup>102</sup> See generally Lattinville, *supra* note 1, at 87.

<sup>103</sup> *Id.*

<sup>104</sup> David A. Markiewicz, *Full-Court Press: Authorities Take Action to Stop Sale of Bogus Apparel*, ATLANTA J.-CONST., Mar. 28, 2002, at E1.

<sup>105</sup> At <http://www.clc.com/Pages/home2.html> (last visited Jan. 6, 2004).

<sup>106</sup> At <http://www.lrgusa.com/about.php> (last visited Jan. 6, 2004).

<sup>107</sup> At <http://www.lrgusa.com/clients/index.php> (last visited Jan. 6, 2004).

<sup>108</sup> Lattinville, *supra* note 1, at 87.

of the licensing program, including the registration process, licensee selection, artwork approval, and product quality control.<sup>109</sup> Another consideration is cost. Licensing agents may charge upwards of forty to fifty percent of royalty revenues,<sup>110</sup> although a fee of approximately twenty percent is probably more realistic.<sup>111</sup> Additionally, the use of an independent licensing program offers the institution greater discretion in handling disputes with unregistered users. For example, a minor trademark infringement by a good-faith retailer may not result in litigation if the school operates an independent program.<sup>112</sup>

Again, the University of Notre Dame is the poster child of how an independent licensing program should operate.<sup>113</sup> Notre Dame has a large national following and is independent, meaning it is not affiliated with any particular athletic conference. These two factors contribute to the school's ability to negotiate its own contracts.<sup>114</sup> Notre Dame typically ranks first or second each year in total royalty income.<sup>115</sup>

While independent programs can certainly be profitable, many colleges and universities choose to outsource their licensing functions to licensing agents. CLC, LRG, and other licensing agents provide valuable services such as specialization, expertise, and better visibility.<sup>116</sup> From the licensee's perspective, the major advantage flowing from the school's use of a licensing agent is that the licensee need only sign one contract to gain the rights to the registered marks of all the schools represented by that agent.<sup>117</sup> The disadvantage to the college or university, as compared to the use of an independent program, is the loss of control.<sup>118</sup> Licensing agents currently represent approximately seventy-five percent of all institutions with licensing programs.<sup>119</sup>

<sup>109</sup> *Id.*

<sup>110</sup> *Id.*

<sup>111</sup> Revoyr, *supra* note 100, at 396.

<sup>112</sup> Lattinville, *supra* note 1, at 87.

<sup>113</sup> See Revoyr, *supra* note 100, at 389 (suggesting that "Notre Dame probably has the best organizational arrangement of any university in licensing").

<sup>114</sup> *Id.* at 388; see also, e.g., Tony Barnhart, *ACC Eyes Irish*, ATLANTA J.-CONST., Sept. 25, 2003, at F1 (discussing licensing arrangements as a barrier to Notre Dame joining the Atlantic Coast Conference).

<sup>115</sup> Revoyr, *supra* note 100, at 389.

<sup>116</sup> Andrea Corey, *Missouri University Signs Product Deal with Atlanta-Based Licensing Firm*, COLUM. DAILY TRIB. (Missouri), Apr. 20, 1999, available at LEXIS, News Library, Krtbus File.

<sup>117</sup> Revoyr, *supra* note 100, at 387.

<sup>118</sup> See *id.* at 388 (stating "[t]he most common complaint of the colleges working with the agents is that some licensees were authorized to market products that may not have been of the best quality or taste, and may not be acceptable to some individual institutions").

<sup>119</sup> Lattinville, *supra* note 1, at 87.



Licensing agents provide other advantages as well, including greater consistency in administering licensing programs, emphasis on better service, expansion of licensing to a broader array of products, marketing support, and enforcement.<sup>120</sup>

#### B. ENFORCEMENT OF LICENSING RIGHTS BY LICENSING AGENTS

One of the most important advantages gained from employing a licensing agent is superior enforcement of licensing rights. Agents form alliances in order to police the market and thwart the efforts of counterfeiters.<sup>121</sup> Because of the nature of the question posed in the introduction of this Note,<sup>122</sup> enforcement is a crucial issue when determining both the rights of colleges and universities and the rights of individuals who seek to turn a quick profit through the sale of novelty items bearing an institution's mark.

The size of the collegiate licensing market, over \$2 billion annually,<sup>123</sup> makes counterfeiting both easy and profitable. It should be noted that, in this context, the term "counterfeiting" does not refer to merchandise that is "fake" but rather to merchandise that is not licensed by the trademark owner. In a market of this size, counterfeiters can produce items at a lower cost and sell them on the street.<sup>124</sup> The problem is not only that colleges and universities do not approve of the unlicensed use of their registered marks but also that each sale of an unlicensed item represents lost income.<sup>125</sup> This loss of revenue affects the institution involved as well as the ultimate consumer.<sup>126</sup> The costs associated with a licensing program increase the price of merchandise.<sup>127</sup> Moreover, the fact that

<sup>120</sup> *Id.* at 396; *see also* Coxe, *supra* note 116.

<sup>121</sup> Revoyn, *supra* note 100, at 396. Revoyn notes, however, that independent institutions were the leaders in initiating policing and enforcement programs. *Id.*

<sup>122</sup> Are the t-shirts sold on campus on game day licensed by the institution, and does it matter?

<sup>123</sup> Markiewicz, *supra* note 104, at E1.

<sup>124</sup> *Id.*

<sup>125</sup> Blake Dickinson, *Nettled by the Net: Schools Fight Unlicensed Use of Trademarks*, HERALD-SUN (Durham, NC), Nov. 3, 1996, at G3; *see also* Cooper, *supra* note 5 (stating that the University of Texas does not receive any compensation from unlicensed vendors).

<sup>126</sup> For instance, it has been noted that for

every one counterfeit T-shirt that sells, four parties are affected . . . the retailer, who plays by the rules and misses out on the money; the college or university, who misses the royalties of the otherwise-sold official product; the manufacturer, who does not receive money for the originals that are produced under licensed contract; and the consumers, who don't get their money's worth because it is a knockoff product.

Eryn Curfman, *As NCAA Teams Battle, Firm Fights Merchandise Knockoffs; Company Scours Events to Keep Bootleggers Away*, IDAHO STATESMAN (Boise), Mar. 16, 2001, at Business, 1.

<sup>127</sup> Cooper, *supra* note 5.

counterfeiters are able to undercut the prices charged by “legitimate” retailers might compel institutions to charge a higher licensing fee, as colleges and universities seek to recoup revenues lost on the sale of unlicensed goods.

Additionally, counterfeiters are likely to be more prevalent at schools with highly successful athletic programs and near the sites of important athletic events.<sup>128</sup> Indeed, institutions with top-notch athletic programs can realize as much as \$1 million annually in royalty revenue or even as much as \$3 million if a team wins a national championship.<sup>129</sup> Thus, the potential loss of hundreds of thousands of dollars in revenue prompts institutions to take the issue of enforcement seriously.

How exactly do colleges and universities go about enforcing their trademark rights against counterfeiters? With regard to large-scale infringers (as in the cases discussed in Part II), enforcement may involve sending the offending party a “cease and desist” letter followed by a lawsuit if corrective action is not taken. The task becomes more challenging, however, when the offending party is a small-time counterfeiter making the rounds on a college campus. Often, it may be difficult to identify the parties involved beyond the individuals actually selling the goods. These situations present an opportunity for institutions to capitalize on their use of a licensing agent.

One of a licensing agent’s primary responsibilities is to protect its client’s trademarks against infringement.<sup>130</sup> To this end, licensing agents regularly patrol campuses on game days in an attempt to confiscate counterfeit merchandise.<sup>131</sup> For example, CLC sends enforcement representatives to most major games each weekend during football season.<sup>132</sup> These agents scrutinize any unlicensed merchandise bearing the school’s name or symbol.<sup>133</sup> Usually, an arrest or the threat of a lawsuit is sufficient to “make the phony paraphernalia disappear.”<sup>134</sup>

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<sup>128</sup> Ruth Ingram, *Anti-Counterfeit Unit to be in Stands*, CLARION-LEDGER (Jackson, MS), Sept. 7, 2002, at 1B (stating that if a team “is having a lot of on-field success, there’s the tendency to have the counterfeiters come out. They go after the high-profile people.”); *see also* David Hendricks, *Fake Logos Hurt Colleges*, SAN ANTONIO EXPRESS NEWS, Mar. 20, 1997, at 1E (“Unlicensed college sports souvenirs and merchandise are probably a larger problem in cities where big-time college sports events are more common. . .”).

<sup>129</sup> Markiewicz, *supra* note 104, at E1.

<sup>130</sup> *Id.*

<sup>131</sup> *See* Dickinson, *supra* note 125, at G3 (“Licensing companies, college officials and police regularly set up sting operations outside big athletic events and check on merchandise sold in T-shirt shops.”).

<sup>132</sup> Ingram, *supra* note 128, at 1B.

<sup>133</sup> *Id.*

<sup>134</sup> Dickinson, *supra* note 125, at G3.

These enforcement measures result in the confiscations of thousands of pieces of counterfeit merchandise.<sup>135</sup>

Another concern is that, while consumers may pay a lower price for counterfeit merchandise, the old adage "you get what you pay for" still applies. Most counterfeit merchandise is apparel, and counterfeit items are more likely to be of lower quality.<sup>136</sup> Presumably, licensed merchandise is of higher quality because schools do not usually authorize the use of their name or mark on inferior goods.<sup>137</sup> Several clues indicate that an item is licensed and therefore of acceptable quality. Perhaps most important is the presence of an "Officially Licensed Collegiate Product" (OLCP) label or hologram.<sup>138</sup> Additionally, labels or tags with the OLCP insignia are clear indicators that the product is genuine. The apparel tag should be intact, as ripped neck labels denote imperfect or irregular items.<sup>139</sup> Further, colleges and universities do not approve of the use of their marks in a distasteful manner, so the use of a mark in poor taste may be indicative of a counterfeit item.<sup>140</sup> Finally, the item should bear the name of the manufacturer and should have the appropriate trademark designation (e.g., "TM").<sup>141</sup> Though these factors are not exhaustive, they should certainly alert wary consumers to unlicensed merchandise.

#### IV. A HOUSE DIVIDED

This Note has thus far explored the background of trademark protection. It has discussed the statutory background of trademark protection under the Lanham Act and has examined several cases establishing the fundamental principles of collegiate mark protection as well as the collegiate licensing industry. This Note has further examined the different types of licensing programs that colleges and universities use, and it has discussed the functions of licensing agents, agent enforcement, and the characteristics of so-called "counterfeit" merchandise.

How, then, do the rules of trademark protection apply in reality? It is easy to answer the first question presented at the outset of this Note: how does one

<sup>135</sup> Markiewicz, *supra* note 104, at E1 (noting that CLC enforcement agents confiscated 5,000 counterfeit items at the 2002 Rose Bowl, 600 counterfeit items at the 2001 NCAA Final four, and 300 items from eight individuals at the 2000 Final Four).

<sup>136</sup> *Id.*

<sup>137</sup> See Ingram, *supra* note 128, at 1B (stating that officially licensed merchandise should bear an untorn tag and that the presence of a "torn or missing tag is evidence of a second-hand garment, one that probably would not meet the quality standards in place at the universities").

<sup>138</sup> *Id.*

<sup>139</sup> Curfman, *supra* note 126, at Business, 1.

<sup>140</sup> Ingram, *supra* note 128, at 1B.

<sup>141</sup> *Id.*

determine whether a particular item bearing a college or university mark is licensed? Now it is time to turn to the second question: does it matter whether such an item is officially licensed by the institution whose trademark it bears? Based on the Lanham Act provisions and the enforcement policies of licensing agents, it seems that any entity producing collegiate products without the permission of the institution whose marks they employ must be violating the law. The answer to the question really turns on one issue: likelihood of confusion. This issue has already been discussed for explanatory purposes, but now it is time to look at how courts actually apply this crucial element.

Cases involving claims of trademark infringement can be divided into two "families" based on the *reasoning* of the courts deciding them. On the one hand, there are cases in which courts have held that the defendant's use of the plaintiff's mark created sufficient likelihood of confusion to warrant a finding that the defendant had violated the plaintiff's trademark rights. At the other end of the spectrum are cases in which the courts have held that the defendant's use of the plaintiff's trademark created no likelihood of confusion. Ironically, the cases falling into these two categories share many factual similarities. By examining these two lines of cases, we can better understand what courts mean when they use the term "likelihood of confusion" and, more importantly, how they apply it.

An analysis of the decisions suggests that, in most cases in which one would expect the "counterfeiter" to have created sufficient likelihood of confusion, that element is, in reality, lacking. Further exploration of "likelihood of confusion" demonstrates that, in many instances, the sale of unlicensed goods bearing a college's or university's registered trademark is a completely legal activity, and the college or university has no remedy against such use.

#### A. THE "BOSTON HOCKEY" FAMILY OF CASES

Three sports licensing cases demonstrate the courts' analysis in finding that a defendant's use of a registered trademark has caused sufficient likelihood of confusion. This Note shall refer to this line of cases as the "Boston Hockey" cases, a name derived from the earliest of the three cases, *Boston Professional Hockey Association, Inc. v. Dallas Cap & Emblem Manufacturing, Inc.*<sup>142</sup> The related cases in this family are *National Football League Properties, Inc. v. Wichita Falls Sportswear, Inc.*<sup>143</sup> and *University of Georgia Athletic Association v. Laite*,<sup>144</sup> both of which this Note has already discussed to some degree. These cases explore the issue of likelihood of confusion as it relates to source of origin. In this regard, the courts in these cases

<sup>142</sup> 510 F.2d 1004, 185 U.S.P.Q. (BNA) 364 (5th Cir. 1975).

<sup>143</sup> 532 F. Supp. 651, 215 U.S.P.Q. (BNA) 175 (W.D. Wash. 1982).

<sup>144</sup> 756 F.2d 1535, 225 U.S.P.Q. (BNA) 1122 (11th Cir. 1985).

based their holdings on a finding that consumers could have mistakenly believed that the items in question were somehow sponsored, endorsed, or otherwise connected with the respective plaintiffs.

In *Boston Hockey*, the hockey league and its member teams sued to enjoin the defendant from producing unlicensed embroidered emblems bearing the teams' registered trademarks. Specifically, the defendant embroidered the plaintiffs' trademarks on patches to be sold for attachment to articles of clothing.<sup>145</sup> While the plaintiffs sought relief on the grounds of trademark infringement and unfair competition, the court stated that the same facts that support an action for trademark infringement would also be sufficient to satisfy the elements of unfair competition. In so holding, the court stated that the "whole basis of the law of 'unfair competition' . . . is that no one shall sell his goods in such a way as to make it appear that they come from some other source."<sup>146</sup> The court further noted that confusion as to the source of origin of a product is present when "the alleged unregistered trademarks used by the plaintiff are so associated with its goods that the use of the same or similar marks by another company constitutes a representation that its goods come from the same source."<sup>147</sup>

The *Boston Hockey* court essentially employed a market analysis in determining that there was likelihood of confusion; specifically, the court concluded that without the plaintiff's marks, the defendant would not have a market for its product.<sup>148</sup> Down below, the district court had found no likelihood of confusion since the typical purchaser was not likely to believe the emblems were manufactured by, or in some way connected to, the plaintiffs.<sup>149</sup> The Fifth Circuit rejected this argument that the confusion must be as to the source of the *manufacture*, declaring instead that the likelihood of confusion element is satisfied when the consumer knows that the plaintiff is the source of the *trademark*.<sup>150</sup> In so holding, the court implied that consumers will infer that an item bearing an entity's logo was in fact authorized by that entity.

The court also rejected the defendant's functionality defense on the ground that the items were purchased, not because of any aesthetic characteristic apart from the trademark itself, but because the trademark was the precise item being sold.<sup>151</sup> Functional items are not always entitled to the same protections as non-functional items, and in *Boston Hockey*, the distinguishing point was that the defendants sold patches which consisted *entirely* of the plaintiffs' trademark. In

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<sup>145</sup> Geier, *supra* note 24, at 674.

<sup>146</sup> *Boston Hockey*, 510 F.2d at 1010.

<sup>147</sup> *Id.*

<sup>148</sup> *Id.* at 1011.

<sup>149</sup> *Id.* at 1012.

<sup>150</sup> *Id.*

<sup>151</sup> *Boston Hockey*, 510 F.2d at 1013.

other words, a patch is quite different from, for example, a t-shirt or cap bearing a college or university mark. As indicated by the court, the former has little consumer demand without the trademark as there would be no product aside from a blank patch.<sup>152</sup> The latter, however, has consumer demand, even without the unlicensed mark.

*Boston Hockey*, therefore, stands for two principles. First, the consumer need not be confused as to whether the trademark owner sponsored the item bearing its mark; rather, the consumer need only believe that the trademark appearing on the item is the trademark of the entity with whom the consumer associates the product, regardless of who owns it. This proposition employs circuitous reasoning, and later decisions discussed below reject it. Clearly, the consumer believes the trademark depicted is the trademark of the entity with whom the consumer associates the item; that is precisely *why* the consumer purchases the item. For example, if a consumer wants to express her loyalty to Duke University, she seeks a t-shirt depicting a blue and white *Duke Blue Devil*, not just *any* devil, regardless of whether Duke owns the trademark. Regardless of whether the item is licensed, the consumer is unlikely to believe that the team owning the trademark actually produced the item and is also unlikely to believe that the company that actually did produce the item owns the trademark. The Fifth Circuit's reasoning therefore seems paternalistic.

Second, the issue of confusion as to sponsorship aside, the court noted that the difficulty in the case arose from the fact that the item sold is a tangible form of the registered mark and nothing else. This leaves open the question of whether the court would reject the functionality defense if the defendant had sold not only the patches bearing the plaintiffs' trademark but also the article of clothing to which it was attached, such as a jacket or cap.

In *National Football League Properties, Inc. v. Wichita Falls Sportswear, Inc.*, NFL Properties, the league's licensing agent, and the Seattle Seahawks, a member team, sought to enjoin the defendant from producing replica jerseys.<sup>153</sup> The court stated that the "ultimate test" for infringement or unfair competition is whether the consumer is likely to be deceived by the similarity of the marks.<sup>154</sup> Just as the court in *Boston Hockey* inferred that consumers will assume that an item bearing an entity's logo was authorized by the trademark owner, the *Wichita Falls* court held that likelihood of confusion in a sponsorship context depends on whether the public believes that a product bearing a team's mark originated with or was endorsed or sponsored by the team.<sup>155</sup>

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<sup>152</sup> See *id.* at 1011.

<sup>153</sup> 532 F. Supp. 651, 215 U.S.P.Q. (BNA) 175 (W.D. Wash. 1982).

<sup>154</sup> *Id.* at 657.

<sup>155</sup> *Id.* at 659.

The plaintiffs conducted a consumer survey showing that upon seeing a replica jersey, a large number of respondents believed that the company producing the jersey needed permission to make it.<sup>156</sup> The court found this evidence persuasive in holding that the products had secondary meaning and that the defendant had created actual confusion.<sup>157</sup> It is troubling that the court based its finding of actual confusion, which the court deemed a factor in determining likelihood of confusion, on the survey detailing the respondents' belief that the producer of the item needed permission to manufacture the item. The court's reasoning implies that authorization is required because the consumer *believes* that to be the case. The survey produced no evidence, however, that the consumer would be deceived *because* she thought the item was produced with permission.

If an unlicensed seller could somehow eliminate consumers' belief that the seller's product was manufactured with permission, would that also dispel any notion of confusion as to the sponsor? Would a disclaimer serve this function? In this case, the court modified an earlier injunction to require the defendant to place a disclaimer on the label of each jersey reading "Not authorized or sponsored by the NFL."<sup>158</sup> The court noted that these disclaimers were in inconspicuous locations or employed modified phrasing.<sup>159</sup> The court thus left open the question as to whether a properly and conspicuously placed disclaimer would have sufficed to alleviate any consumer confusion.

Finally, the court rejected the defendant's argument that the jerseys were functional. Although the court stated that if a feature is an "important ingredient in the commercial success of the product," imitation is permitted,<sup>160</sup> the court dismissed the defendant's claim that the replica was unmarketable without the team's descriptive term on the ground that an attractive feature is not "per se functional."<sup>161</sup> The court contradicted the reasoning in *Boston Hockey* that functional items are marketable because of aesthetic characteristics apart from the trademark.<sup>162</sup> Here, the jerseys certainly had desirable aesthetic qualities apart from the team's trademark.

*Wichita Falls* infers that simply because consumers believe a product bearing a team's trademark is authorized, the consumer will somehow be "tricked" based on that assumption. Further, the court gave no weight to the notion that a jersey has functional appeal apart from the presence of the plaintiffs' mark. Finally, the

<sup>156</sup> *Id.* at 658.

<sup>157</sup> *Id.* at 659-61.

<sup>158</sup> *Wichita Falls*, 532 F. Supp. at 661.

<sup>159</sup> *Id.*

<sup>160</sup> *Id.* at 662.

<sup>161</sup> *Id.*

<sup>162</sup> See *Boston Prof'l Hockey Ass'n, Inc. v. Dallas Cap & Emblem Mfg., Inc.*, 510 F.2d 1004, 1013, 185 U.S.P.Q. (BNA) 364, 370 (5th Cir. 1975).

court left open the possibility that an appropriately conspicuous disclaimer would eliminate any likelihood of confusion.

In the final demonstrative case in the “Boston Hockey” family, *University of Georgia Athletic Association v. Laite*,<sup>163</sup> the University of Georgia sued the defendant to enjoin the sale of the defendant’s novelty beer. Specifically, the defendant marketed “Battlin’ Bulldog Beer” in red and black cans which portrayed an English bulldog wearing a red sweater with a black “G” and a football tucked under its arm, very similar to one of the University’s registered marks.<sup>164</sup> The court agreed with the district court that the defendant’s product created a likelihood of confusion because of the similarity between the plaintiff’s and defendant’s marks and the defendant’s intent.<sup>165</sup>

More important than the court’s reasons for finding likelihood of confusion, however, were the defendant’s arguments which the court rejected. Specifically, the defendant argued that any confusion regarding the beer related not to its origin but to whether it had been licensed by the school, and the defendant claimed that no consumer would actually think the school had entered the brewing business.<sup>166</sup> Citing *Boston Hockey*, the court maintained that confusion need not relate to the origin of the *product*, but rather, to the origin of the *trademark*.<sup>167</sup>

The defendant also claimed that his product could not truly cause consumer confusion since the cans contained a disclaimer stating “Not associated with the University of Georgia.”<sup>168</sup> The court rejected this argument because the disclaimers were inconspicuous and, again citing *Boston Hockey*, a disclaimer of this nature is insufficient when the case involves exact duplication.<sup>169</sup>

Thus, *University of Georgia* raises two of the criticisms previously discussed. First, as in *Boston Hockey*, and in fact relying on *Boston Hockey*, the court stated that a consumer need not believe that the university actually brewed the beer but only that the university owned the trademark appearing on the product. The court rejected the notion that, in order to be confused, a consumer must believe that the school had gone into the brewing business. This notion is subject to criticism, at least with respect to the idea that the only way a consumer could possibly be

<sup>163</sup> 756 F.2d 1535, 225 U.S.P.Q. (BNA) 1122 (11th Cir. 1985).

<sup>164</sup> *Id.* at 1537.

<sup>165</sup> *Id.* at 1543–45 (noting that the slight “differences between the two [marks were] so minor as to be legally, if not factually nonexistent” and that the defendant “candidly admitted . . . that ‘Battlin’ Bulldog Beer’ was intended to capitalize on the popularity of the University of Georgia football program”).

<sup>166</sup> *Id.* at 1546.

<sup>167</sup> *Id.* (citing *Boston Hockey*, 510 F.2d at 1012).

<sup>168</sup> *Univ. of Ga.*, 756 F.2d at 1547.

<sup>169</sup> *Id.* (citing *Boston Hockey*, 510 F.2d at 1013).



confused is if she believed that the school was in the business of brewing beer. Moreover, no reasonable consumer could reach such a conclusion. Even though schools do, in some instances, provide products and services aside from educational services, most of those products and services are education-related. While it is possible to argue that beer brewing could be related to education, that connection is, at best, remote. In reality, there is little likelihood that a consumer would be confused in this manner.

Second, with respect to the notion that the university sponsored, endorsed, authorized, or was otherwise associated with the sale of beer, an appropriate disclaimer should be enough to eliminate any confusion. In this case, the court noted the inconspicuous nature of the disclaimer.<sup>170</sup> Unlike the decision in *Wichita Falls*, which left open the question of whether a disclaimer would be sufficient if properly displayed, the *University of Georgia* court stated that no disclaimer may remedy illegal confusion when there is exact duplication of the owner's mark.<sup>171</sup>

The court's ruling on disclaimers is counterintuitive. Granted, if a product uses a certain trademark, it is conceivable that a consumer might be confused as to the source of the product (unless that conclusion is absurd, as in the case of a university entering the brewing business). If, however, a disclaimer is conspicuous and contains language clearly indicating that the trademark owner has not authorized the product, why is that measure incapable of dispelling confusion, even if there is exact duplication of the mark? In considering disclaimers, what difference should the degree of similarity between marks make? A disclaimer is a disclaimer. Regardless of the similarity between the marks, any disclaimer clearly stating that the trademark owner has not authorized, endorsed, or sponsored the product should eliminate confusion on the part of a reasonable consumer.

A court is nearly certain to find that trademark infringement has occurred if, as in the "Boston Hockey" family of cases, it requires only that the consumer make the logical assumption that the mark originates in the trademark owner without requiring that the consumer truly believe that the trademark owner was responsible for the product's manufacture. These cases have left open the question of whether a disclaimer is sufficient to eliminate consumer confusion, except in the case of exact duplication. Finally, these courts are reluctant to look favorably on a defense of functionality when the product prominently features another's registered mark. These cases might be aptly classified not as protective of the trademark owner but rather, as protective of the consumer. The "Boston Hockey" cases assume that consumers are relatively naïve and are unable to exercise even a marginal amount of common sense. In reality, reasonable

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<sup>170</sup> *Id.* at 1547 (noting that the disclaimers were "practically invisible when the cans are grouped together into six-packs").

<sup>171</sup> *Id.*

consumers are not likely to be deceived into thinking that an entity has produced an item wholly unrelated to its normal course of business. Further, reasonable consumers are not likely to believe that an entity has endorsed an item when a disclaimer clearly instructs them to the contrary.

#### B. THE "JOB'S DAUGHTERS" FAMILY OF CASES

In contrast to the "Boston Hockey" cases, the "Job's Daughters" cases provide a basis for finding that there is no likelihood of confusion in many situations involving unlicensed collegiate merchandise. In addition to the foundational case, *International Order of Job's Daughters v. Lindeburg & Co.*,<sup>172</sup> this family of cases is comprised of *Bi-Rite Enterprises, Inc. v. Button Master*,<sup>173</sup> *University of Pittsburgh v. Champion Products, Inc.*,<sup>174</sup> and *Board of Governors of the University of North Carolina v. Helpingstone*.<sup>175</sup> These cases have found a lack of likelihood of confusion based on a rejection of *Boston Hockey*'s monopolistic and endorsement standpoint, a finding of functionality, and the relationship between the intent of the defendant and belief of the consumer.

In *Job's Daughters*, the plaintiff, a young women's organization, sued the defendant for trademark infringement arising out of the defendant's manufacture and sale of jewelry bearing the plaintiff's insignia. The court recognized the same rationale underlying trademark law as the courts in the "Boston Hockey" cases (i.e., that trademark law is concerned with eliminating consumer confusion). The court refused to find that the plaintiffs had shown a sufficient likelihood of confusion, however, because the court deemed the items to be functional and did not believe that consumers would infer that the plaintiff's trademark served as a designation of origin.

The *Job's Daughters* court expressly rejected the reasoning of *Boston Hockey*<sup>176</sup> on two grounds. First, the court noted that "[i]nterpreted expansively, *Boston Hockey* holds that a trademark's owner has a complete monopoly over its use, including its functional use."<sup>177</sup> The court found no legislative intent to grant trademark owners such broad property rights.<sup>178</sup> Instead, the court read the Lanham Act only as protecting consumers from confusion and entitling

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<sup>172</sup> 633 F.2d 912, 208 U.S.P.Q. (BNA) 718 (9th Cir. 1980).

<sup>173</sup> 555 F. Supp. 1188, 217 U.S.P.Q. (BNA) 910 (S.D.N.Y. 1983).

<sup>174</sup> 566 F. Supp. 711, 219 U.S.P.Q. (BNA) 834 (W.D. Pa. 1983).

<sup>175</sup> 714 F. Supp. 167, 11 U.S.P.Q.2d (BNA) 1506 (M.D.N.C. 1989).

<sup>176</sup> 633 F.2d at 918.

<sup>177</sup> *Id.*

<sup>178</sup> *Id.*

trademark owners to a means by which to differentiate their products from those of other entities.<sup>179</sup>

Second, the court found no confusion as to the source of origin because the defendant had never indicated that its merchandise was “official.”<sup>180</sup> The *Boston Hockey* court opined that a consumer need not be confused as to the source of the manufacture of the products but only need recognize that a trademark owner owns the trademark appearing on the item in question. In contrast, the *Job’s Daughters* court noted that it would be “naïve to conclude that the name or emblem is desired because consumers believe that the product somehow originated with or was sponsored by the organization the name or emblem signifies.”<sup>181</sup> Further, the court maintained that the defendant could capitalize on a market fad created by another so long as he did not deceive the public so that they purchased the product with the mistaken belief that it was the product of the plaintiff.<sup>182</sup>

Thus, the case is distinguishable from *Boston Hockey*. The *Job’s Daughters* court took the position that consumers do not necessarily purchase a product because they believe that it originated with the trademark owner. As long as the consumer does not believe that the trademark owner is the source of the product, the defendant is permitted to capitalize on the market fad that the trademark owner has created, even if the defendant has used the plaintiff’s mark. In contrast to the “Boston Hockey” line of cases, the *Job’s Daughters* court placed more faith in the consumer. Whereas the “Boston Hockey” courts assumed that consumers desire products *because* they are associated with the trademark owner, the *Job’s Daughters* court asserted that consumers do not necessarily purchase an item simply because of a perceived connection between the item and the mark owner.

Furthermore, the *Job’s Daughters* court indicated a greater willingness than the “Boston Hockey” courts to recognize the functionality of the products. The court noted that the functional features of a product are those that comprise the actual benefit the consumer seeks, as distinguished from those features assuring consumers that a particular entity endorsed the product.<sup>183</sup> Moreover, the court stated that an interest in free competition permits the imitation of functional features unless those features are copyrighted or patented,<sup>184</sup> but the court did not extend this standard to trademarks.

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<sup>179</sup> Geier, *supra* note 24, at 678.

<sup>180</sup> *Id.*

<sup>181</sup> 633 F.2d at 918.

<sup>182</sup> *Id.* at 919.

<sup>183</sup> *Id.* at 917.

<sup>184</sup> *Id.*

In this case, the court found that the plaintiff's marks were aesthetic characteristics of the jewelry and did not serve as a designation of origin.<sup>185</sup> The jewelry in question featured the Order's insignia, yet the court found the insignia to be a functional and aesthetic characteristic of the item. How is this any different from a t-shirt, cap, or sweater bearing a university's name or athletic trademark? One might argue that apparel is even more functional than jewelry, and if jewelry portraying another entity's trademark does not deceive consumers as to the source of origin, then neither does an item of apparel. This is especially true when the seller of an allegedly infringing product does not denote the product as being official, a factor the court found persuasive.

In *Bi-Rite Enterprises v. Button Master*,<sup>186</sup> the plaintiffs, various performing artists and their exclusive licensee, sued the defendants for the unlicensed sale of novelty items bearing the likenesses of the performers. Defendants sold their novelty items outside concerts and in retail outlets.<sup>187</sup> In holding that the defendant had not engaged in trademark infringement, the court focused on the issues of monopoly, free competition, and functionality.<sup>188</sup>

The court first noted that while copyright and patent laws grant the creators of original expression and ideas a monopoly over their use, the law of trademarks does not share a similar purpose;<sup>189</sup> the *Job's Daughters* court also expressed this notion.<sup>190</sup> Instead, trademark laws serve "to protect the individual reputation and good-will that parties build for their goods in the market."<sup>191</sup> The court reasoned that trademark law does not grant a monopoly to the trademark owner but instead encourages competition.<sup>192</sup>

Employing an economic analysis based on a model of competition, the *Bi-Rite* court noted that copying prevents monopoly.<sup>193</sup> Through copying, the prices of goods are reduced, and the items become more widely accessible.<sup>194</sup> As in *Job's Daughters*, the court agreed that capitalizing on a fad or market created by another is permissible as long as it is not accomplished by deceiving the public that the item is the product of the competitor.<sup>195</sup> Thus, the court used an economic

<sup>185</sup> *Id.* at 918.

<sup>186</sup> 555 F. Supp. 1188, 217 U.S.P.Q. (BNA) 910 (S.D.N.Y. 1983).

<sup>187</sup> *Id.* at 1191.

<sup>188</sup> *Id.* at 1194-95. However, the court did grant summary judgment to the plaintiffs on the ground that the defendants had violated the plaintiffs' right to publicity. *Id.* at 1201.

<sup>189</sup> *Id.* at 1194.

<sup>190</sup> See 633 F.2d at 918-19.

<sup>191</sup> *Bi-Rite*, 555 F. Supp. at 1194.

<sup>192</sup> *Id.* at 1194-95.

<sup>193</sup> *Id.* at 1195.

<sup>194</sup> *Id.*

<sup>195</sup> See *id.* (citing *Am. Footwear Corp. v. Gen. Footwear Co., Ltd.*, 609 F.2d 655, 204 U.S.P.Q. (BNA) 609 (2d Cir. 1979)).

analysis to justify copying so long as the consumer is not confused as to the source of origin of the product. It therefore stands to reason that as long as the purchaser of an unlicensed item bearing the mark of a college or university does not mistakenly believe that the institution is the source of the product, then production of the item is permissible under the *Bi-Rite* analysis.

The court also entertained the defendants' functionality argument, noting that "buttons tend primarily to be a medium for communicating ideas or positions; they are not commodities sold to serve any other functional purpose."<sup>196</sup> The buttons, therefore, failed to serve as indicators of origin.<sup>197</sup> To the court, functionality meant that consumers desired the defendants' products for their intrinsic value, not as a designation of origin.<sup>198</sup> This concept might be better termed "communicative functionality." When items are used to communicate ideas, they are functional and do not receive protection under unfair competition laws.<sup>199</sup> As the *Job's Daughters* court aptly noted:

We commonly identify ourselves by displaying emblems expressing allegiances. Our jewelry, clothing, and cars are emblazoned with inscriptions showing the organizations we belong to, *the schools we attend*, the landmarks we have visited, *the sports teams we support*, the beverages we imbibe. Although these inscriptions frequently include names and emblems that are also used as collective marks or trademarks, it would be naïve to conclude that the name or emblem is desired because consumers believe that the product somehow originated with or was sponsored by the organization the name or emblem signifies.<sup>200</sup>

This logic, as discussed in considering *Job's Daughters* and emphasized here, provides the single best rationale for finding that the college or university's mark constitutes a communicative and functional feature on a piece of apparel or novelty item and that such use of a mark does not qualify as an example of trademark infringement. There is no likelihood of confusion because the consumer desires the item for its communicative functionality and not because it indicates a source of origin.

<sup>196</sup> *Bi-Rite*, 555 F. Supp. at 1195.

<sup>197</sup> Geier, *supra* note 24, at 676.

<sup>198</sup> *Bi-Rite*, 555 F. Supp. at 1195.

<sup>199</sup> *Id.*

<sup>200</sup> *Int'l Order of Job's Daughters v. Lindeburg & Co.*, 633 F.2d 912, 918, 208 U.S.P.Q. (BNA) 718, 724 (9th Cir. 1980) (emphasis added).

Communicative functionality was also an issue in *University of Pittsburgh v. Champion Products, Inc.*<sup>201</sup> This case has already been discussed extensively in examining the fundamentals of trademark law; thus, examination here will focus on the court's rationale in finding no likelihood of confusion. In bringing suit against Champion, Pitt sought to enjoin the defendant from marketing soft goods bearing the school's insignia. The court found, however, that such use was functional, allowing the wearer to express "identity, affiliation, or allegiance to Pitt."<sup>202</sup> Deeming the insignia to be an essential feature of the product, the court concluded that the product could not perform its function without the college's trademark.<sup>203</sup>

As discussed, courts often look for evidence of actual confusion when determining whether a defendant's use of the plaintiff's mark is likely to cause confusion. In *Wichita*, the court seemed satisfied with the plaintiff's survey indicating that a substantial portion of respondents believed that the NFL authorized production of the replica jerseys.<sup>204</sup> In *University of Pittsburgh*, the court noted, however, that the plaintiff had failed to provide any evidence of actual confusion where a consumer had purchased soft goods in the mistaken belief that Pitt had endorsed the product.<sup>205</sup> Courts seem to favor survey evidence, though it is certainly questionable as to whether permission to use a trademark is required simply because the consumer thinks it must be. In any event, the court found that Pitt had not provided any evidence indicating consumer confusion.<sup>206</sup>

Of course, consumers are even less likely to assume that an entity has sponsored or endorsed a product when that product's label or packaging clearly indicates the opposite. If *Wichita* and *University of Georgia* left open the question of whether disclaimers can sufficiently eliminate consumer confusion as to the source of the goods, the court in *University of Pittsburgh* seems to have answered it. The court noted that Champion's labels and packaging clearly identified Champion as the source of the goods, that Champion's label was conspicuously placed, and that Champion had made reasonable efforts to indicate the true source of origin.<sup>207</sup> Further, the court found no evidence that Champion had ever indicated that its merchandise was "official."<sup>208</sup> At last, a court was willing to recognize that reasonable measures on the part of the defendant to indicate that

<sup>201</sup> 566 F. Supp. 711, 219 U.S.P.Q. (BNA) 834 (W.D. Pa. 1983).

<sup>202</sup> *Id.* at 716.

<sup>203</sup> *Id.*

<sup>204</sup> Nat'l Football League Props., Inc. v. Wichita Falls Sportswear, Inc., 532 F. Supp. 651, 658, 215 U.S.P.Q. (BNA) 175, 179-80 (W.D. Wash. 1982).

<sup>205</sup> 566 F. Supp. at 713.

<sup>206</sup> *Id.* at 714.

<sup>207</sup> *Id.* at 714-15.

<sup>208</sup> *Id.* at 717.

it was not the source of origin of the *trademark* were sufficient to dispel any likelihood of confusion.

The court also rejected the paternalistic attitude toward consumers embodied in the “Boston Hockey” cases, recognizing instead that no evidence indicated that consumers attached any significance to the question of whether Pitt had actually sponsored or endorsed the soft goods.<sup>209</sup> Additionally, there was “no evidence that the consumer cares who has made the soft goods or whether they were made under license.”<sup>210</sup> If the consumer does not care about the source of origin, then there can be no confusion.

Lastly, the court found that Pitt had failed to prove secondary meaning with respect to the soft goods. The university, primarily in the business of providing educational services, had made no showing that the Pitt insignia had taken on a secondary meaning in the soft goods market prior to Champion’s entry into that market and had failed to demonstrate a substantial association in the public’s mind between the defendant’s use of the Pitt insignia and the notion that the school was somehow affiliated with the source of the goods.<sup>211</sup> That finding “implies that it might be difficult for any university to overcome the descriptive-secondary meaning hurdle.”<sup>212</sup>

Although the ensuing settlement vacated the *University of Pittsburgh* decision, it still stands for several important principles. First, the court recognized the concept of communicative functionality. Unlicensed apparel or novelty items bearing a college or university’s mark which communicates the purchaser’s support of that school satisfies the requirements for a defense of functionality. Second, the court answered the question left open in *Wichita* and *University of Georgia* as to whether an appropriate and conspicuous disclaimer could sufficiently eliminate likelihood of confusion. If a product is not advertised as “official,” and if the item’s label or packaging clearly indicates the item’s true source of origin, then the risk of confusion is greatly reduced. Finally, *University of Pittsburgh* stands for the proposition that if consumers do not care whether an academic institution sponsors or endorses a particular product, then the issue of likelihood of confusion is moot.

The final case in the “Job’s Daughters” lineage, *Board of Governors of the University of North Carolina v. Helpingstine*,<sup>213</sup> examines the issue of likelihood of confusion from a different perspective. In that case, like the others, the plaintiff sued the defendant to enjoin the unlicensed use of its registered trademark.

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<sup>209</sup> *Id.* at 716.

<sup>210</sup> *Univ. of Pittsburgh*, 566 F. Supp. at 721.

<sup>211</sup> *Id.*

<sup>212</sup> Geier, *supra* note 24, at 671.

<sup>213</sup> 714 F. Supp. 167, 11 U.S.P.Q.2d (BNA) 1506 (M.D.N.C. 1989).

Though both parties' motions for summary judgment on the issue of trademark infringement were denied,<sup>214</sup> the court offered some important insights regarding likelihood of confusion. Specifically, the court focused on the noncompetitive nature of the goods at issue and the fact that the defendant had used an exact duplication of the plaintiff's mark.<sup>215</sup>

The court did not flatly reject the reasoning of *Boston Hockey* but instead noted that *Boston Hockey* was "at one extreme" on the issue of likelihood of confusion.<sup>216</sup> The court recognized that, in some instances, the alleged infringer's use of the plaintiff's mark with the knowledge that the public is aware of the mark's origin satisfies the test for likelihood of confusion, while in other situations, likelihood of confusion occurs only when the consumer is confused about the origin of the goods themselves.<sup>217</sup> To the *University of North Carolina* court, however, a "middle ground" was preferable, wherein likelihood of confusion exists where there is confusion as to the "source, sponsorship, or endorsement of the goods."<sup>218</sup> Thus, the court began its discussion of the issue by hinting that it was not willing to find that confusion existed simply because the consumer was aware that the seller of the unlicensed items did not own the trademark. The court thus aligned itself with *Job's Daughters*<sup>219</sup> while distancing itself from *Boston Hockey*.

The court held that the case involved "non-competitive" goods; in other words, "the supposed infringer put[s] a mark on an item which is too remote from any item that the owner would be likely to make or sell."<sup>220</sup> In that situation, according to the court, the use of an exact replica of a registered mark is insufficient to establish likelihood of confusion. In denying the University's motion for summary judgment, the court held that it was a question of fact as to whether consumers view the use of such marks as an indicator of sponsorship.<sup>221</sup> The "Boston Hockey" cases rejected the argument that confusion was less likely when the item in question is not one the trademark owner would be expected to produce.<sup>222</sup> The *University of North Carolina* court's recognition of "non-competitive" goods, however, embraces this concept. Though this argument is not

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<sup>214</sup> *Id.* at 177.

<sup>215</sup> *Id.* at 172-73.

<sup>216</sup> *Id.* at 172.

<sup>217</sup> *Id.*

<sup>218</sup> *Univ. of N. Carolina*, 714 F. Supp. at 172.

<sup>219</sup> *Id.*

<sup>220</sup> *Id.*

<sup>221</sup> *Id.*

<sup>222</sup> For example, the court in *University of Georgia* dismissed the defendant's argument that no one would truly believe that a college had gone into the brewing business. *Univ. of Ga. Athletic Ass'n v. Laite*, 756 F.2d 1535, 1546, 225 U.S.P.Q. (BNA) 1122, 1130 (11th Cir. 1985).



conclusive in all cases, it is nevertheless significant that a court has actually made a point to recognize it.

The fact that the plaintiff has a valid mark “does not mean that another’s use of a similar or even the same mark will always meet the likelihood of confusion test necessary to establish infringement.”<sup>223</sup> Rather, the court found that “similarity or even identity of marks is not sufficient to establish confusion where non-competitive goods are involved” and rejected the position that “intent to capitalize on popularity is sufficient to establish infringement.”<sup>224</sup> In *University of Georgia*, the court found that Laite’s intent to capitalize on the popularity of the school’s football program, coupled with the similarity of the marks, was sufficient to support a finding of likelihood of confusion.<sup>225</sup> The court in *University of North Carolina* dismissed that reasoning, noting the *University of Georgia* court’s heavy reliance on *Boston Hockey* and the fact that the “broad language of *Boston Hockey* has been narrowed in subsequent Fifth Circuit decisions.”<sup>226</sup>

Finally, the court, like the others in the “Job’s Daughters” family, recognized the concept of communicative functionality. The court was “skeptical that those individuals who purchase unlicensed tee-shirts bearing UNC-CH’s marks care one way or the other whether the University sponsors or endorses such products or whether the products are officially licensed.”<sup>227</sup> Instead, the court found it equally likely that consumers bought the products to profess their support for the institution.<sup>228</sup> The court seemed to side with the *University of Pittsburgh* court in finding that if the consumer does not care whether the college or university sponsored the product, then likelihood of confusion is significantly diminished.

This case stands opposed to the “Boston Hockey” cases and supports the notion that likelihood of confusion is more difficult to establish when the registered owner’s mark is on a product not normally associated with the owner’s normal business activities. Further, the court rejected the idea that the use of an exact replica of a registered mark or intent to capitalize on another’s popularity is sufficient to establish likelihood of confusion.

When considered in the aggregate, the “Job’s Daughters” family of cases stands in stark contrast to the “Boston Hockey” cases. While the latter courts were quite willing to find that trademark infringement had occurred, the former courts were far more reluctant to so find. Primarily, the “Job’s Daughters” cases

<sup>223</sup> *Univ. of N. Carolina*, 714 F. Supp. at 170 (emphasis added).

<sup>224</sup> *Id.* at 173.

<sup>225</sup> 756 F.2d at 1545.

<sup>226</sup> 714 F. Supp. at 173 n.3 (stating that *Boston Hockey* had been narrowed in *Supreme Assembly, Order of Rainbow for Girls v. J.H. Ray Jewelry Co.*, 676 F.2d 1079, 217 U.S.P.Q. (BNA) 757 (5th Cir. 1982)).

<sup>227</sup> *Id.* at 173.

<sup>228</sup> *Id.*

refuse to concede that consumers purchase unlicensed promotional items bearing registered trademarks *because* they believe that the mark owner sponsored the goods. Instead, these opinions adopt the notion that consumers buy those items in an attempt to express allegiance to, or support for, the entity whose mark is used, irrespective of whether that entity actually endorsed the product or owned the trademark. This seems the more reasonable approach to the issue of likelihood of confusion. If consumers do not care and do not base their purchase upon whether the goods are licensed, then *there can be no confusion*. Further, these courts dismissed the idea that the Lanham Act grants to a trademark owner a monopoly over the mark's use but instead noted that market competition is preferable and that even the use of an identical reproduction of a registered mark is not sufficient to establish likelihood of confusion. Although the "Boston Hockey" and "Job's Daughters" cases are relatively contemporaneous, it appears that, at least in the spirit of competition and expression, the "Job's Daughters" cases present a more reasonable approach.

## V. CONCLUSION

At the outset of this Note, three questions were presented. First, how does one know if a particular item bearing a college or university's trademark is licensed? Part III identified a number of clues that might alert consumers to unlicensed goods. Second, does it matter whether items bearing collegiate marks are licensed? Part IV provided the perspectives of two different lines of cases; the answer depends on which perspective one finds preferable. The third and final question is whether it *should* matter if the use of a college or university's mark is licensed. Part IV argued that, in at least some circumstances, the answer is "no."

Persons and entities expend time, money, and energy popularizing their trademarks, and these expenditures deserve protection. The Lanham Act provides for this protection, most notably in sections 1114 and 1125 of chapter fifteen of the U.S. Code. The success of an action for unfair competition or trademark infringement is predicated, however, on the finding of a number of factors, the most important of which is likelihood of confusion.

Likelihood of confusion can be a difficult concept to comprehend, especially when courts seem to disagree on exactly what the term means and how it applies. As shown here, the courts deciding the "Boston Hockey" cases had a different interpretation of likelihood of confusion than did those courts involved in the "Job's Daughters" cases. In accordance with the latter line of cases, likelihood of confusion seems to be present only when the consumer believes that the trademark owner either manufactured the item bearing its mark or endorsed the use of its mark on the item and only when the consumer would be deceived *because of this belief*.

Whether the consumer believes that the trademark originated in the entity owning it is irrelevant; of course, the consumer believes that to be the case. That assumption does not indicate that the consumer buys the product *because* of such a belief. The reasoning of the “Job’s Daughters” family of cases is therefore preferable because those courts recognized that consumers generally do not purchase items with the belief, mistaken or not, that the entity whose trademark appears thereon sponsored the products. The “Job’s Daughters” courts themselves noted that consumers often do not even care whether an item is sponsored by the entity whose trademark is used or whether the item is licensed. Therefore, if consumers do not care whether the item is sponsored by the entity, then there is no likelihood of confusion.

Consumers are not always indifferent to the source of origin of a particular product, and therefore protecting the consumer’s expectations is a reasonable and worthwhile endeavor.<sup>229</sup> To those consumers who truly do base their decision to purchase an item on whether the entity whose trademark is used sponsored the product (and even to those consumers who do not care one way or the other), a simple disclaimer indicating the true source of the goods and denying any association with the trademark owner should sufficiently dispel any confusion regarding the source of origin. Although the “Boston Hockey” cases rejected this concept, the “Job’s Daughters” decisions, especially *University of Pittsburgh*, embrace it.

The “Job’s Daughters” courts also viewed *Boston Hockey* and its progeny as granting a monopoly to trademark owners over the use of their marks. In contrast, the “Job’s Daughters” courts did not interpret the Lanham Act so broadly, instead expressing the idea that competition will make goods available to a wider customer base because imitation tends to lower prices. Indeed, Professor Heald notes that in “situations where consumers are not likely to be confused as to source or sponsorship, either because they are indifferent or because of an effective disclaimer, trademark owners are hard-pressed to identify a reason why they should be able to charge monopoly prices.”<sup>230</sup>

Finally, the courts deciding *Job’s Daughters*, *Bi-Rite*, *University of Pittsburgh*, and *University of North Carolina* were far more willing to recognize the defense of functionality than their “Boston Hockey” counterparts. These courts acknowledged that consumers purchase collegiate items for their functional features and not as an indicator of source of origin. A functional product may obtain the necessary secondary meaning to qualify for Lanham protection *if* the consumer purchases the good not only for its functional features but also because he

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<sup>229</sup> Paul J. Heald, *Filling Two Gaps in the Restatement (Third) of Unfair Competition: Mixed-Use Trademarks and the Problem with Vanna*, 47 S.C. L. REV. 783, 788 (1996).

<sup>230</sup> *Id.* at 788-89.

believes the trademark indicates an association between the product and the mark's owner.<sup>231</sup> That situation occurs, for example, when a consumer buys a Ralph Lauren "Polo" shirt because of Ralph Lauren's reputation for quality and status, but that is rarely the case when one purchases, for example, a University of Georgia shirt. In most cases, consumers buy collegiate merchandise because they want to express their support for and allegiance to a particular college or university, not because they view the phrase "Go Dawgs!" as an indication that the University of Georgia was the source of the product. Again, if consumers do not care whether the school authorized the item, then there is no confusion.

The "Boston Hockey" cases present a number of questions to which the "Job's Daughters" decisions suggest answers. No matter how persuasive one might find the reasoning of the *Job's Daughters*, *Bi-Rite*, *University of Pittsburgh*, and *University of North Carolina* courts, an incongruity between the two lines of cases still exists. A grant of certiorari from the United States Supreme Court in a future case would perhaps be the best solution to this split of authority. With at least some sense of finality, the Court should provide answers to the questions presented in these cases. Specifically, the Court should first determine whether the consumer must be confused as to the sponsorship of the product or as to whether the trademark appearing on the product is the trademark of the entity with whom the consumer associates the item, regardless of ownership. Second, the Court should determine whether the use of another's trademark constitutes infringement when one displays the mark on a product having other functional features, especially when used to communicate ideas or express allegiances. Third, the Court should provide an answer to the question of whether permission to use a registered trademark is required simply because consumers assume it must be. Fourth, the Court should resolve the dispute regarding disclaimers. Is a conspicuously and appropriately placed disclaimer sufficient to remove any likelihood of confusion when the producer of an item has in no way indicated that his product is "official" or otherwise sponsored by the entity whose trademark appears thereon? Finally, the Court should determine whether an action for trademark infringement exists when another's registered mark is used in conjunction with "non-competitive" goods, which are so unrelated to the owner's normal business activities that confusion is nearly impossible. By answering these questions, the Supreme Court could make great strides in resolving the inconsistencies between the "Boston Hockey" and "Job's Daughters" cases.

Naturally, one might expect that any decision fashioned by the Supreme Court would embrace a resolution based on the compatible reasoning of each line of

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<sup>231</sup> Nat'l Football League Props., Inc. v. Wichita Falls Sportswear, Inc., 532 F. Supp. 651, 633, 215 U.S.P.Q. (BNA) 175, 184 (W.D. Wash. 1982) (citing Int'l Order of Job's Daughters v. Lindeburg & Co., 633 F.2d 912, 208 U.S.P.Q. (BNA) 718 (9th Cir. 1980)).

cases. The "Job's Daughters" cases are preferable, however, because they are more firmly rooted in reality and take a more reasonable approach in assessing likelihood of confusion. The seller of an unlicensed product who makes no claim that the item is "official" or who has taken reasonable steps to ensure that no consumer could possibly purchase the item in the mistaken belief that a college or university sponsored or endorsed the product should not be enjoined from an otherwise legal activity. When the seller has removed all confusion from the mind of a reasonable consumer, then he has also defeated the trademark owner's cause of action for unfair competition or trademark infringement. Likelihood of confusion is the *sine qua non* of the action, and where there is no confusion, there likewise can be no cause of action.<sup>232</sup>

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<sup>232</sup> *Univ. of Pittsburgh v. Champion Prods., Inc.*, 566 F. Supp. 711, 719, 219 U.S.P.Q. (BNA) 834, 841 (W.D. Pa. 1983).