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WHAT'S IN A NICKNAME? OR, CAN PUBLIC USE CREATE PRIVATE RIGHTS?

By Peter M. Brody*

I. INTRODUCTION

Popular brand names often acquire nicknames.¹ Familiar examples include “Coke” for COCA-COLA, “Big Blue” for IBM, “Hog” for HARLEY-DAVIDSON, and “Mickey D’s” for MCDONALD’S. Sometimes, a nickname is developed and used by, or on behalf of, the owner of the underlying brand. Just as often, if not more so, however, the nickname is coined by a member of the public or the press and catches on—sometimes even despite the brand owner’s efforts to suppress it.

When a nickname for a brand is developed and used by the owner of the underlying brand, the owner unquestionably gains enforceable rights in that name. But what about a nickname that the *public* has coined? What happens if a third party starts using that nickname as a mark for *its* goods or services? Can the owner of the underlying brand prevent that third-party use by asserting rights in the nickname, even if that brand owner has never used the nickname itself?

If the nickname is similar enough to the underlying brand, of course, the fact that the brand owner has not used the nickname would not preclude a finding of infringement. It has long been settled that “exact similitude is not required” between the parties’ respective marks.² With or without public use of the nickname, a

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1. See, e.g., *Anheuser-Busch, Inc. v. Stroh Brewery Co.*, 750 F.2d 631, 648 (8th Cir. 1984) (Bright, J., dissenting) (noting “penchant of the American public to adopt nicknames and other shortened appellations, including acronyms”) (citing *In re Abcor Dev. Corp.*, 588 F.2d 811, 815 (C.C.P.A. 1978) (Rich, J., concurring) (“[T]he users of language have a universal habit of shortening full names from haste or laziness or just economy of words.”)); Louis Altman and Rudolph Callmann, *Callmann on Unfair Competition, Trademarks and Monopolies*, § 18.4 (4th ed. 2005). In this article, the term “nickname” is intended to encompass true nicknames, as well as abbreviations, acronyms, and any other type of alternative name by which a brand may come to be known by the public.

2. *McLean v. Fleming*, 96 U.S. 245, 253 (1877); accord *Saxlehner v. Eisner & Mendelson Co.*, 179 U.S. 19 (1900); see generally 3 J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition* § 23:20, at 23-73 (4th ed. 2005) [hereinafter *McCarthy*].

brand owner has the right to prevent use of the nickname by a third party if that use is likely to cause confusion.

But what if the nickname is not similar to the underlying brand? What if the nickname is such that, if it had simply been adopted as a mark in the first instance by a third party, without the public having previously used it to refer to another brand, no likelihood of confusion would arise? Should intervening public use bestow rights on the brand owner vis-à-vis the third party that the brand owner otherwise would not have?

One of the “bedrock principles” of trademark law is that “ownership rights flow only from prior appropriation and actual use in the market.”³ Moreover, as between two users of a given mark, the prior or “senior” user has superior rights in the mark.⁴ This legal rule or principle, which in this article is called the “priority principle,” is a reflection of the longstanding conception of trademarks as a form of property.⁵ It would seem contrary to the

(“The degree of similarity of the marks needed to prove likely confusion will vary with the difference in the goods and services of the parties.”).

3. *Allard Enters., Inc. v. Advanced Programming Resources, Inc.*, 146 F.3d 350, 358 (6th Cir. 1998); accord, e.g., *Hydro-Dynamics, Inc. v. George Putnam & Co.*, 811 F.2d 1470, 1473 (Fed. Cir. 1987) (“trademark rights in the United States are acquired by . . . adoption and use, not by registration”); see also 2 *McCarthy*, supra note 2, §§ 16:1-2, 11, 18.

4. See, e.g., *Brookfield Comms., Inc. v. West Coast Entertainment Corp.*, 174 F.3d 1036, 1047 (9th Cir. 1999) (“It is axiomatic in trademark law that the standard test of ownership is priority of use”); see also 2 *McCarthy*, supra note 2, at § 16:4 (and cases cited therein). The federal intent-to-use (ITU) trademark registration provisions of the Lanham Act have modified the prior-use rule somewhat, by recognizing the concept of “constructive use” consisting of the filing of an ITU application. See 15 U.S.C. § 1051(b). Thus, the courts and TTAB do accord priority of right to an ITU applicant with regard to both use and registration, as against a party that begins actual use of a confusingly similar mark after ITU filing date but before the ITU applicant has made actual use of its mark (although an injunctive remedy arises only if and when ITU applicant’s actual use begins). See generally 3 *McCarthy*, supra note 2, at §§ 19:26-29, 19:31-31.1. On the other hand, a federal intent-to-use application (even if immediately followed by actual use) does not trump prior common law rights established by actual use prior to the filing date. See, e.g., *Marshak v. Treadwell*, 240 F.3d 184 (3d Cir. 2001); *Allard*, 146 F.3d at 366.

Foreign marks are another notable exception to the priority principle. First, under Section 44(e) of the Lanham Act, a foreign brand owner can, in certain circumstances, obtain a U.S. registration of its mark on the basis of a bona fide intention to use the mark in commerce, “but use in commerce shall not be required prior to registration.” 15 U.S.C. § 1126(e). Moreover, courts and the TTAB have recognized the so-called “famous mark” exception to the “territoriality principle,” under which a foreign mark that has become famous in the United States may be protected against third-party use in the United States even if the foreign owner has not itself used the mark in the United States. See, e.g., *Grupo Gigante S.A. de C.V. v. Dallo & Co.*, 391 F.3d 1088 (9th Cir. 2004); *Vaudable v. Montmartre, Inc.*, 193 N.Y.S.2d 332 (N.Y. Sup. Ct. 1959); *All England Lawn Tennis Club, Ltd. v. Creations Aromatiques, Inc.*, 220 U.S.P.Q. 1069, 1072 (T.T.A.B. 1983); *Mother’s Rests. Inc. v. Mother’s Other Kitchen, Inc.*, 218 U.S.P.Q. 1046, 1048 (T.T.A.B. 1983).

5. See *Hanover Star Milling Co. v. Metcalf*, 240 U.S. 403, 413 (1916) (“Common-law trade-marks, and the right to their exclusive use, are of course to be classed among property rights.”); see also *College Sav. Bank v. Florida Prepaid Postsecondary Educ. Expense Bd.*, 527 U.S. 666, 673 (1999) (indicating that trademarks are protected property under the

concept of property rights to accord ownership of, and protection in, a nickname that the claimant has not itself invented or used, particularly as compared with another party that has adopted the name. From the standpoint of the priority principle, the public's invention and use of the nickname arguably is irrelevant to the question of which party—the owner of the underlying brand or the nickname adopter—has superior rights in the nickname.

Of course, trademark law—along with its close relative, the law of unfair competition—does not merely define and allocate private property rights based on priority of use. An equally essential principle of the law of trademark infringement and unfair competition is the prevention of consumer confusion over sources of goods and services.⁶ This principle will be called the “consumer protection principle.”

In the case of public-coined nicknames, the consumer protection principle would appear in conflict with the priority principle. When a publicly-coined nickname for a brand is appropriated by another party and consumer confusion results, the consumer protection principle would militate in favor of according the brand owner superior rights in the nickname, even though the brand owner was not the first of the two parties to use the nickname (and may never have used it at all).

Over the past 120 years, the courts and the Trademark Trial and Appeal Board (TTAB) have had occasion to consider whether the public's invention and use of a nickname for a brand bestows enforceable rights on the owner of the brand, as against a party that has adopted the nickname for its own goods or services. With some degree of uniformity, those decisions have resolved the disputes in favor of the owner of the underlying brand, apparently holding that the consumer protection principle trumps the priority principle. Arguably, these decisions, taken together, constitute authority for a legal rule, which this article terms the “Public Use Rule.”

This article examines the cases, from earliest to most recent, that address whether public use of a nickname for a brand gives rise to enforceable rights on the part of the owner of the underlying brand. The article considers whether the cases authoritatively establish a Public Use Rule and, if so, what rationales have been

Takings Clause because trademark rights include “right to exclude others,” which is “[t]he hallmark of a protected property interest”); *K Mart Corp. v. Cartier, Inc.*, 485 U.S. 176, 185-86 (1988) (“Trademark law, like contract law, confers private rights, which are themselves rights of exclusion. It grants the trademark owner a bundle of such rights.”); *Jacob Siegel Co. v. FTC*, 327 U.S. 608, 611-12 (1946) (trademarks are “valuable business assets,” which it is “policy of the law to protect”).

6. *Dart Drug Corp. v. Schering Corp.*, 320 F.2d 745, 748 (D.C. Cir. 1963); *accord, e.g., HMH Publishing Co. v. Brincat*, 504 F.2d 713, 716 (9th Cir. 1974); *Safeway Stores, Inc. v. Safeway Properties, Inc.*, 307 F.2d 495, 497 (2d Cir. 1962).

offered to justify the Rule and what the scope and limitations of the Rule may be. The article concludes that the Public Use Rule does exist, but judicial reluctance to embrace the rule persists. The article proposes a rationale for the Rule that may serve to overcome that reluctance.

II. THE COCA-COLA CASES AND THE ORIGIN OF THE PUBLIC USE RULE

The first reported case considering rights in a publicly-coined nickname arose over a century ago and involved one of the most famous of all brands, COCA-COLA. The story begins in 1886, when J. S. Pemberton began the manufacture of a syrup known by that name.⁷ In 1892, rights in that mark were transferred to the newly formed Coca-Cola Company, which registered the mark with the United States Patent Office.⁸ The Coca-Cola Company began heavily advertising the product, and sales grew quickly.⁹ Soon after the product's launch, the abbreviation and nickname "Koke" was coined by an anonymous member of the public; the nickname caught on, and within several years it was commonly used throughout the nation by consumers and dealers—although not by the Coca-Cola Company itself—to refer to the product.¹⁰

In 1911, a newly formed rival business, called the "Koke Company of America," began selling a cola syrup bearing the brand name KOKE.¹¹ The Coca-Cola Company sued Koke Company of America for trademark infringement and unfair competition. In an interesting wrinkle, Koke Company of America defended the suit on the basis that the Coca-Cola Company's mark, COCA-COLA, was deceptive and unworthy of protection because the product no longer contained cocaine, as it originally had.¹² The district court rejected this defense and held that KOKE infringed Coca-Cola Company's rights in the mark COCA-COLA because of the public's association between the trademarked product and the nickname "Koke."¹³ In reaching this decision, the district court appears to have been heavily influenced by evidence indicating the defendant's bad faith: the court noted that "when the witness Mayfield adopted the name 'Koke,' he did so with the

7. *Coca-Cola Co. v. Koke Co. of Am.*, 235 F. 408, 409 (D. Ariz. 1916), *rev'd*, *Koke Co. of Am. v. Coca-Cola*, 255 F. 894 (9th Cir. 1919).

8. *Id.* at 409.

9. *Id.*

10. *Id.*

11. *Id.* at 410.

12. *Id.* at 413.

13. *Id.* at 413-14.

deliberate purpose of representing his goods to be the product and manufacture of the Coca-Cola Company.”¹⁴

On appeal, the Ninth Circuit reversed the district court’s decision, holding that, as the defendant had asserted, the mark COCA-COLA was deceptive and unenforceable because “long prior to the bringing of the present suit the drug cocaine was practically eliminated from the drink, and the caffeine, of which it has since been mainly composed, still comes mainly, if not entirely, from other sources than the cola nut.”¹⁵ The Ninth Circuit’s decision was reversed by the United States Supreme Court.¹⁶ Writing for the Court, Justice Holmes rejected the deceptiveness argument, stating: “Whatever may have been its original weakness, the mark for years has acquired a secondary significance and has indicated the plaintiff’s product alone.”¹⁷

The Supreme Court then affirmed and reinstated the district court’s decision, holding:

It is found that defendant’s mixture is made and sold in imitation of the plaintiff’s and that the word Koke was chosen for the purpose of reaping the benefit of the advertising done by the plaintiff and of selling the imitation as and for the plaintiff’s goods. The only obstacle found by the Circuit Court of Appeals in the way of continuing the injunction granted below was its opinion that the trade-mark in itself and the advertisements accompanying it made such fraudulent representations to the public that the plaintiff had lost its claim to any help from the Court.¹⁸

In the KOKE litigation, the alleged infringer does not appear to have questioned Coca-Cola Company’s right to enjoin use of KOKE even though Coca-Cola Company itself had never used the name, much less registered it as a trademark. The three courts that considered the case appear to have assumed such a right, without analysis. To the extent the trial court and the Supreme Court rationalized their decisions, their opinions relied on core principles of unfair competition and, in particular, the consumer protection principle and the need to redress the defendant’s inequitable conduct.

The late 1930s and early 1940s saw further litigation over a trio of COCA-COLA imitators. In the first of these, *The Coca-Cola*

14. *Id.* at 414.

15. *Koke Co. of Am. v. Coca-Cola Co.*, 255 F. 894, 896 (9th Cir. 1919), *rev’d*, *Coca-Cola v. Koke Co. of Am.*, 254 U.S. 143 (1920).

16. *Coca-Cola Co. v. Koke Co. of Am.*, 254 U.S. 143 (1920).

17. *Id.* at 145.

18. *Id.*

Company v. Los Angeles Brewing Company,¹⁹ Coca-Cola Company successfully sued another beverage company from marketing a cola called COKE. In the course of a decision granting Coca-Cola's request for a preliminary injunction, the court stated:

There is the principle, I think, that should govern us in the decision here. If we ask ourselves, "Why has the Los Angeles Brewing Company made use of the word 'coke' on its beverage?" there can be only one answer, truthfully, and that is that a tremendous good will has been built up by the complainant in this case by that term. The public have used it synonymously with 'Coca Cola.' A boy or girl, and perhaps a man or woman, who goes into an establishment to get a drink of Coca Cola, will in many instances ask the dispenser for a coke and the dispenser in nine cases out of ten will give them a Coca Cola. There are some instances adverted to in these affidavits that indicate to the contrary but I think in nine cases out of ten they will be served with Coca Cola. It seems to me that to permit that sort of practice would divest the complainants of perhaps one of the most valuable elements of their property right and it would be unconscionable, it seems to me, to do so. It would be lending the weight of a court of equity to a deceptive matter. It would be irreparably injurious to the complainant.²⁰

Thus, in this case, the court more directly linked Coca-Cola's right to enjoin the defendant's use of COKE with the public's use of that same term as a nickname for COCA-COLA than had the courts in the earlier Coca-Cola litigation.

In *The Coca-Cola Company v. Christopher*,²¹ the court went still further. In that case, Coca-Cola sought to enjoin sales of a beverage called LA COQ. In its findings of fact, the court, echoing the earlier decisions, stated:

For many years plaintiff's trade-mark has been commonly abbreviated by dealers and the public to "coke". The use of this name for plaintiff's product has been common in Detroit and vicinity. Counsel for the defendant conceded ". . . that when I asked for 'coke', however it is spelled, I expect to get Coca-Cola . . .". Soft drinks are usually ordered by spoken word, and a call for "coke" is a call for Coca-Cola, and is so understood by dealers and the public.²²

19. 1 F.R.D. 67 (D. Cal. 1939).

20. *Id* at 69-70.

21. 37 F. Supp. 216 (D. Mich. 1941).

22. *Id*.

As in the preceding two Coca-Cola cases, the court also found evidence of bad motive, stating: “The defendant testified as a witness in his own behalf, and from his testimony and his demeanor upon the witness stand I am forced to conclude that from the outset he intended to palm off his goods as those of the plaintiff, and that he selected the name ‘La Coq’ for the purpose of deceiving the public.”²³

In deciding to enjoin the defendant’s use of LA COQ, however, the court did not rely solely on the principles of unfair competition. Rather, the court explicitly held that, “The plaintiff is the owner of the trade-mark ‘Coca-Cola’, and is entitled to its exclusive use *and to the exclusive use of the word ‘coke’, the abbreviation of its trade-mark ‘Coca-Cola’.*”²⁴ Thus, the court affirmatively accorded rights in the nickname “Coke” to Coca-Cola, despite the lack of use of that nickname by the owner of the underlying brand. The decision thus can be seen as a step further in the progression of the law toward recognition of the Public Use Rule.

Finally, in *Coca-Cola Co. v. Busch*,²⁵ the court confronted an infringement claim by Coca-Cola against a company using the mark KOKE-UP for a cola beverage. As in the earlier cases, the court observed that the name “Koke” was “used as an abbreviation by the purchasing public for the trademark.”²⁶ And again, the court found that “the defendant adopted the name ‘Koke-Up’ with the purpose and intention of taking advantage of the reputation and good will of the complainant’s product, ‘Coca-Cola’” and that such a practice “would enure to his benefit as well as to the deception of the public.”²⁷ Concluding that to permit the defendant “to palm off the defendant’s product as that of the plaintiff” would be “unconscionable and would be lending the weight of a court of equity to a deceptive matter,”²⁸ the court enjoined the defendant’s use of the nickname.

The *Busch* case is notable in that, for the first time, a court explicitly recognized the apparent conflict between the consumer protection principle and the priority principle posed by a brand owner’s request for protection from the use by another of a nickname that the brand owner had not used. The court observed that the nickname “Koke” had been “given to the product ‘Coca-Cola’ *solely* by the purchasing public” and that it was “never copyrighted, appropriated nor adopted by the plaintiff company in

23. *Id.* at 217.

24. *Id.* (emphasis added).

25. 44 F. Supp. 405 (D. Pa. 1942).

26. *Id.* at 407-08.

27. *Id.* at 408, 410.

28. *Id.* at 411.

the manufacture, sale or distribution of its product.”²⁹ Given Coca-Cola’s lack of use of the nickname, the court reasoned, “a strict construction of the authorities on common law trade infringement would seem to hold that there could be no infringement.”³⁰ Thus, as a matter of pure trademark law, the court declined to recognize Coca-Cola’s rights in a nickname it had never used. Rather, the court opined, “it is to the broader field of unfair competition that we must look to for redress, if any.”³¹

The court began its analysis of the unfair competition issue by canvassing cases concerning abbreviations or nicknames. In general, the court stated, the precedents were “rather few and on the whole not altogether satisfactory.”³² The court did note, however, that “the leading English cases show that the courts grant redress where there is a use of nicknames or an abbreviation of a trademark which have a likelihood of resulting in confusion.”³³ The court then observed that “[t]he American cases are few in number and some while seemingly opposed to the view here adopted, upon careful examination, reveal no inconsistency with the position here taken.”³⁴ Ultimately, the court concluded, “the abbreviation of the trademark which the public has used and adopted as designating the product of the complainant is equally as much to be protected as the trademark itself.”³⁵ This holding may be viewed as the first explicit articulation of the Public Use Rule by an American court.

One fact apparently not deemed significant, or perhaps not considered at all, by any of the courts in the Coca-Cola nickname cases is that Coca-Cola initially sought to discourage the use of “Coke” and “Koke” among other nicknames, partially because of the risk of imitation. Thus, one early advertisement warns consumers to “[a]sk for Coca-Cola by its full name” because “nicknames encourage substitution.”³⁶ It was only in the early 1940s, when the nickname “Coke” had become established as the

29. *Id.* at 407-08 (emphasis added).

30. *Id.*

31. *Id.* at 407.

32. *Id.* at 408.

33. *Id.*

34. *Id.* at 409.

35. *Id.* at 410.

36. See *Coca-Cola: About Coke*, available at www.coca-cola.com.au/about_origin.asp (last visited Oct. 31, 2005). In the litigations discussed above, the fact that Coca-Cola actively opposed use of the nickname apparently was not raised by the defendants or, if it was raised, did not weigh against recognition of the brand owner’s right to enjoin third parties from using that name. As will be seen, however, later decisions suggest that a brand owner’s opposition to a nickname may well pose an obstacle to obtaining relief against a third party’s use of that nickname.

full equivalent of the brand name and repeatedly had been accorded protection from imitation, that Coca-Cola changed its strategy, embracing that nickname in various marketing efforts, the most notable of which was the creation of a new character (later known as the “Sprite Boy”) in 1942 for the express purpose of “introducing” the “Coke” nickname to the public.³⁷ Advertisements informed consumers that:

Coke = Coca-Cola. It’s natural for popular names to acquire friendly abbreviations. That’s why you hear Coca-Cola called “Coke.”³⁸

In 1944, Coca-Cola filed an application for registration of “COKE” as a trademark, claiming continuous use of the mark in commerce since December, 1941. In 1945, the application was granted and the transformation of COKE from a publicly-used nickname discouraged by the brand owner to a federally protected trademark of that same brand owner was complete.

III. SUBSEQUENT JUDICIAL TREATMENT OF PUBLIC-COINED NICKNAMES

A. *The “HoJo” Case*

After *Busch*, some 25 years passed until the next reported case to address a nickname arose. In that case, Howard Johnson sued to enjoin a campsite from use of the name “HoJo,” a familiar nickname for Howard Johnson dating back several decades.³⁹ In granting the injunction, the court took note of the public’s long use of that nickname. The court, however, did not expressly rest its decision solely, or even primarily, on that fact and did not even mention any of the Coca-Cola cases. Rather, the court gave at least equal weight to the fact that the nickname had been adopted by Howard Johnson itself for certain food and beverage products served *in* its restaurants (although not for the restaurants or hotels themselves) well before the defendant began use of the name.⁴⁰ Citing the defendant’s use of Howard Johnson’s familiar blue and orange color scheme and other aspects of its trade dress, the court also plainly was influenced by evidence of the defendant’s

37. See *Coca-Cola—Our Company—What’s New*, available at www2.coca-cola.com/ourcompany/wn20021101_sprite.html (last visited Oct. 31, 2005).

38. See *Text of Coke Ad, 1944*, available at <http://www.library.csi.cuny.edu/dept/history/lavender/coketext.html> (last visited Oct. 31, 2005) quoting the back cover of *Life Magazine* (March 13, 1944).

39. *Howard Johnson Co. v. Ho-Jo Campsite, Inc.*, 273 F. Supp. 447 (M.D. Fla. 1967).

40. *Id.* at 447-48.

intent to trade on the goodwill associated with the Howard Johnson brand.⁴¹ Thus, the “HoJo” case represented a fairly traditional likelihood of confusion analysis under trademark law, rather than a firm affirmation of the Public Use Rule. Certainly, the case did not present the apparent conflict between the consumer protection principle and the priority principle that the *Busch* court attempted to resolve.

B. The Volkswagen “Bug” Cases

Similarly ambiguous evidence of the existence of the Public Use Rule came in the form of series of cases in the 1970s involving third-party use of the word “Bug,” by then a well-known nickname for Volkswagen’s Beetle, a “small, distinctively shaped sedan.”⁴² The first of these cases involved a third party’s use of the name “The Bug Shop” for an auto repair shop specializing in Volkswagens. As the court found, the nickname “Bug” had emerged in the 1950s, a few years after Volkswagen began importing the car into the United States, and it rapidly became the universal designation for the car. Eventually, Volkswagen’s authorized dealers began to make use of the nickname in promotional materials and even in their trade names (*e.g.*, “The Bug House” for a dealership). There apparently was no evidence of Volkswagen’s own use of the mark before the court, however.

In 1967, the defendant opened its repair shop, which was not affiliated with the Volkswagen organization. In addition to using the name “The Bug Shop,” the defendant made extensive use of the name “Volkswagen” itself and the distinctive silhouette of the sedan in signage and advertising.

As the district court for the Northern District of Texas found:

There is a high degree of public association and identification of the word “Bug” with plaintiff and with the products and services sold under its sponsorship, both throughout the United States and in Dallas County, Texas. Among owners of small, imported cars this association is extremely high, and, among owners of Volkswagen cars, practically unanimous. Prior to defendants’ commencement of business under the trade name “The Bug Shop,” “Bug” had acquired a strong secondary meaning in the automotive field referring to plaintiff and the products and services marketed in the United States through the Volkswagen organization.⁴³

41. *Id.* at 448.

42. *Volkswagenwerk Aktiengesellschaft v. Rickard*, 175 U.S.P.Q. 563, 564 (N.D. Tex. 1972), *aff’d*, 492 F.2d 474 (5th Cir. 1974) (finding the district court to be “clearly correct” in its factual findings and analysis and slightly modifying the permanent injunction).

43. *Id.* at 564.

Thus, the court held that the use of the name “The Bug Shop” infringed Volkswagen’s trademark rights and constituted unfair competition.⁴⁴

In this case, the nickname at issue was a preexisting word in the English language that was at least suggestive, if not descriptive, of Volkswagen’s car. The court relied on the public’s long use of the nickname “Bug” to establish that the term had secondary meaning as a designation of Volkswagen cars in particular. But in holding that Volkswagen had the right to enjoin the defendant’s use of the nickname, the court did not rely on the fact of public use alone, but instead gave at least equal significance to the prior use of “Bug” by Volkswagen’s dealers.⁴⁵ Unlike the *Busch* court, the court in this first “Bug” case did not decide, because it did not have to, whether mere public use of a brand’s nickname would create enforceable rights on the part of the brand owner even absent its own use of the nickname. Nevertheless, by its reliance on public use of the “Bug” nickname to support a finding of secondary meaning, the court moved the analysis of nickname rights one step further than had *Busch*, in that the “Bug” court deemed public use to be relevant to *trademark* rights.

In a second case, Volkswagen brought suit in the federal district court for New Mexico to enjoin the defendant’s use of the trade name “Bug and Beetle Clinic” for its auto repair shop.⁴⁶ The court found that the defendant’s use of its trade name infringed Volkswagen’s trademark rights. As in the first “Bug” case, the court framed the significance of the public’s use of the “Bug” nickname in terms of secondary meaning:

Since importation of Volkswagen automobiles into the United States, members of the American public, both in writing and in speech, have referred to this Volkswagen sedan as the “Bug” and “Beetle.” The words “Bug” and “Beetle” have been used by the public synonymously with the word “Volkswagen” with reference to automobiles, automobile parts and

44. The court’s reliance on the doctrine of secondary meaning does not represent a novel doctrinal justification for the protection of nicknames, so much as an additional analytic step applicable, as it would be for ordinary trademarks, to names that have a preexisting (that is, “primary”) meaning, like “Bug.”

45. Under traditional principles, the appearance of the “Bug” nickname in promotional materials used by Volkswagen’s affiliates, rather than as a mark affixed to the vehicles themselves, could support an unfair competition claim by Volkswagen, but not a trademark infringement claim. See 2 *McCarthy*, *supra* note 2, §§ 16:22-26. With the erosion of the “affixation” rule and the distinction between trademark law and the law of unfair competition, however, the question whether the court in the Volkswagen case properly relied on the dealers’ use of “Bug” to find trademark infringement becomes academic. *Id.* at § 16:26.

46. *Volkswagenwerk Aktiengesellschaft v. Smith*, 471 F. Supp. 385 (D.N.M. 1979).

accessories, and servicing of automobiles. This use of “Bug” and “Beetle” is distinctive with respect to the trade involved.⁴⁷

The court also stated that Volkswagen “owns, uses, and has registered” various marks including “BUG” and “BEETLE.” The court, however, did not indicate the priority date of any such use or registrations, and it made no explicit finding that these uses or registrations predated the defendant’s use of its trade name.⁴⁸ Thus, it is unclear to what degree the court relied, or rightfully could have relied, on Volkswagen’s use or registration of the nicknames as marks.

In a third case, the court was more explicit in finding priority of use of “Bug” by Volkswagen and its affiliates.⁴⁹ In that case, Volkswagen sought, and obtained, an injunction against the defendants’ use of “The Bug Hospital” for a car repair shop and “The Bug House” for a used-car shop, a use that had begun in 1967. The court found that “[b]eginning some time before 1961 the [Volkswagen] cars came to be known as the ‘Bug.’”⁵⁰ The court, however, also found that Volkswagen’s U.S. subsidiary and importer “[t]hereupon . . . began using the word ‘Bug’ as a designate for the vehicle” and that the plaintiff (the German parent company) “at the latest in 1966, was using the name extensively in its advertising literature.”⁵¹ The court thus expressly found that “plaintiff began to use the word ‘Bug’ long before defendants did.”⁵² Thus, the case, like the preceding Volkswagen cases, is, at best, ambiguous authority for the Public Use Rule.

A subsequent “Bug” case produced a more explicit articulation of the Public Use Rule, with an important qualification. In *Volkswagenwerk Aktiengesellschaft v. Hoffman*,⁵³ Volkswagen sued another third party for use of “Bug” in the name of a car repair shop, this one being “The Bug House.” As in the earlier case, the court took notice of both the public’s longstanding use of the nickname and the somewhat less lengthy but “massive” promotional use of the nickname by Volkswagen and its dealers.⁵⁴ As in the earlier cases, the court stated that “[a] word can also develop secondary meaning by public usage of the word to

47. *Id.* at 386-87.

48. *Id.* at 387.

49. *Volkswagenwerk Aktiengesellschaft v. The Bug Hospital, Inc.*, 208 U.S.P.Q. 887 (D. Mass. 1979).

50. *Id.* at 887.

51. *Id.* (emphasis added).

52. *Id.*

53. 489 F. Supp. 678 (D.S.C. 1980).

54. *Id.* at 681.

designate a particular product.”⁵⁵ The court then stated: “Thus, a nickname for a product is protectable as a trademark *if the owner of the product adopts it or allows the public to use it without protest.*”⁵⁶

This statement is significant for several reasons. First, it is the first express formulation of the Public Use Rule as a rule of *trademark* law, rather than merely a rule of unfair competition law.⁵⁷ Second, the statement recognizes that a brand’s nickname is protectable even if the owner of the underlying brand has not used the nickname itself—provided the brand owner has not “protested” such use. One may argue, of course, that this latter part of the statement was mere *dicta*, given that in this particular case, the court found “massive” promotional use of the nickname by Volkswagen and its dealers to support an injunction.⁵⁸ The court’s statement suggests, but of course does not prove, that the court would have reached the same outcome absent such “massive” use of the nickname by the brand owner.

The qualification of the Public Use Rule suggested by the *Hoffman* decision—that use by the public at least must have been allowed “without protest” by the brand owner—is notable, and not only because nothing in that case suggested the need for such a qualification. (Certainly, Volkswagen had not protested the public’s use of “Bug.”)⁵⁹ The decision appears to be the first, and one of the few, to suggest that a brand owner’s negative response to the emergence, among the public, of a nickname for the brand or the branded goods or services may limit the brand owner’s ability to rely on that public use to enjoin competitors from using the nickname for their goods or services.

Such a limitation can be rationalized as an application of equitable estoppel: the brand owner should not be entitled to claim rights in a name that it sought to eliminate from the marketplace. Or perhaps the qualification should be viewed as analogous to the doctrine of acquiescence or laches: those affirmative defenses ordinarily may apply where the brand owner has effectively permitted a third party’s use of the brand owner’s mark or one

55. *Id.* (citing *Coca-Cola Co. v. Koke Co. of America*, 254 U.S. 143 (1920); *Howard Johnson Co. v. Ho-Jo Campsites, Inc.*, 273 F. Supp. 447 (M.D. Fla. 1967)).

56. *Id.* (emphasis added).

57. The court cites the *Busch* decision, *see id.*, even though the court in that case *rejected* trademark law as a basis for enjoining a third party’s use of a brand’s nickname.

58. It also arguably is *dicta* in that Volkswagen had not, in fact, “protested” use of the nickname.

59. Ironically, had the *Busch* court considered and adopted such a qualification, it might have reached a different result, in light of Coca-Cola’s historic efforts to discourage public use of the nicknames “Koke” or “Coke.” *See supra* at notes 36-38 and accompanying text.

similar to it, and the third party can prove that, in reliance on the brand owner's actions, it had invested resources in developing goodwill in the mark.⁶⁰ Similarly, in the case of a nickname, a brand owner's opposition to a publicly-coined nickname could be viewed as an effective disclaimer of rights in the name, on which a third party could rely to its detriment, particularly if the public's use of the nickname has been ongoing for a considerable period of time. Although the brand owner's mere delay in asserting rights in a publicly-coined nickname should not suffice for the defendant to prevail on these equitable defenses,⁶¹ actions taken by the plaintiff to discourage use of the nickname would appear to satisfy the requirement of an "affirmative act" by the brand owner on which the defendant could reasonably rely in commencing or continuing use of the nickname as a mark.⁶²

But while the limitation perhaps can be justified on grounds such as estoppel, waiver, acquiescence, or laches, it clearly conflicts with the consumer protection principle. Regardless whether the owner of the underlying brand supports or protests

60. See generally 2 *McCarthy*, supra note 2, §§ 32:105-06.

61. See generally 3 *McCarthy*, supra note 2, §§ 20:32-35, 31:1-2.

62. See *Kellogg Co. v. Exxon Corp.*, 209 F.3d 562, 574 (6th Cir. 2000) ("To defeat a suit for injunctive relief, a defendant must also prove elements of estoppel which requires more than a showing of mere silence on the part of the plaintiff; defendant must show that it had been misled by plaintiff through actual misrepresentations, affirmative acts of misconduct, intentional misleading silence, or conduct amounting to virtual abandonment of the trademark."); *Sara Lee Corp. v. Kayser-Roth Corp.*, 81 F.3d 455, 462 (4th Cir. 1996) ("Although the doctrines of acquiescence and laches, in the context of trademark law, both connote consent by the owner to an infringing use of his mark, acquiescence implies active consent, while laches implies a merely passive consent."); *Elvis Presley Enters., Inc. v. Elvisly Yours, Inc.*, 936 F.2d 889, 894 (6th Cir. 1991) ("Acquiescence requires 'a finding of conduct on the plaintiff's part that amounted to an assurance to the defendant, express or implied, that plaintiff would not assert his trademark rights against the defendant.") (citing *Sweetheart Plastics, Inc. v. Detroit Forming, Inc.*, 743 F.2d 1039, 1046 (4th Cir. 1984)).

Other traditional defenses are also likely to arise in cases involving public-coined nicknames. For example, a third party user of a brand's nickname may successfully assert the fair use defense in certain circumstances, such as where the third party's use constituted a non-commercial parody protected by the First Amendment. See *Harley-Davidson v. Grottanelli*, 164 F.3d 806, 812 (2d Cir. 1999) ("We have accorded considerable leeway to parodists whose expressive works aim their parodic commentary at a trademark or a trademarked product . . . but have not hesitated to prevent a manufacturer from using an alleged parody of a competitor's mark to sell a competing product" as occurred in this case.); *Cliffs Notes, Inc. v. Bantam Doubleday Dell Publishing Group*, 886 F.2d 490, 497 (2d Cir. 1989) (vacating injunction and finding "that the parody cover of *Spy Notes*, although it surely conjures up the original and goes to great lengths to use some of the identical colors and aspects of the cover design to *Cliffs Notes*, raises only a slight risk of consumer confusion that is outweighed by the public interest in free expression, especially in a form of expression that must to some extent resemble the original"); see also *KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc.*, 125 S. Ct. 542 551, 72 U.S.P.Q.2d 1833 (2004) (holding that "the defendant has no independent burden to negate the likelihood of any confusion in raising the affirmative defense that a term is used descriptively, not as a mark, fairly, and in good faith.").

the public's use of the nickname, consumers still associate the brand or branded goods or services with the nickname and still may be confused by a third party's use of that nickname for its own goods or services.

C. The Harley-Davidson "Hog" Cases

Another series of cases with a fact pattern similar to the "Bug" cases involves the nickname "Hog" for the Harley-Davidson line of motorcycles. In the first such case, which arose in 1993, Harley-Davidson obtained an injunction against use of the name "The Hog Farm" for a motorcycle repair shop.⁶³ In that case, the court noted that, for unknown reasons, the nickname "Hog" had been bestowed on the Harley-Davidson line by appreciative riders in the 1950s.⁶⁴ After some ambivalence over the nickname, Harley-Davidson, in 1983, created an owners' club named "Harley Owners' Group" or "H.O.G." Harley also began using "Hog" on brand merchandise (not motorcycles) that year and, in 1986, began using the nickname on motorcycle parts and accessories. Harley registered the nickname as a mark for the owners' club in 1987 and for merchandise and parts in 1988.⁶⁵

In the meantime, the defendant, in 1986, had opened his motorcycle repair shop under the trade name "The Hog Farm." Harley-Davidson sued, citing both the public's invention and use of the nickname "Hog" and its own use of that name in promotional contexts (although not on any actual motorcycles). The district court for the Northern District of California held that the defendant's name infringed Harley's trademark rights, relying solely on Harley's prior use of the mark, and never mentioning the Public Use Rule.

A subsequent case in the Second Circuit concerning the "Hog" nickname had a different outcome.⁶⁶ Like its predecessor, this case involved a challenge by Harley-Davidson to a third-party's use of "The Hog Farm" for a repair shop for Harley-Davidsons. The defendant also made use of the Harley-Davidson brand and logo in advertising and signage. In this case, the defendant argued that "Hog" had become a generic designation for any large motorcycle and introduced evidence of use of the term in this manner by the public and press. The defendant also introduced evidence that, during the first several decades after the public had begun using "Hog" as a nickname for Harley-Davidson motorcycles, the brand

63. *Harley-Davidson Inc. v. Seghieri*, 29 U.S.P.Q.2d 1956 (N.D. Cal. 1993).

64. *Id.* at 1957.

65. *Id.* at 1956-57.

66. *Grottanelli*, 164 F.3d 806.

owner had attempted to “disassociate” itself from the nickname.⁶⁷ Harley had done so apparently because of the unsavory connotation of the name, as well as of certain elements of the riding population that favored its use.

On the basis of this evidence, the Second Circuit held that whatever distinctiveness “Hog” might once have had, it had become a generic term, in part because of Harley’s own efforts to distance its brand and products from the nickname.⁶⁸ In the course of its decision, the court gave an ambiguous nod to the Public Use Rule, stating:

Harley-Davidson suggests, albeit in a footnote, that it is entitled to trademark use of “HOG” as applied to motorcycles because a substantial segment of the relevant consumers began to use the term specifically to refer to Harley-Davidson motorcycles before the company made trademark use of the term. Some decisions have invoked this principle to accord a company priority as to its subsequent trademark use of a term. Whether or not we would agree with these decisions, they present a significantly different situation.⁶⁹

In particular, the court noted, the prior nickname cases had not involved “a generic term in the language” for the category of goods or services at issue in those cases.⁷⁰ “By contrast, ‘hog’ was a generic term in the language as applied to large motorcycles before the public (or at least some segments of it) began using the word to refer to Harley-Davidson motorcycles.”⁷¹ The court concluded:

The public has no more right than a manufacturer to withdraw from the language a generic term, already applicable to the relevant category of products, and accord it trademark significance, at least as long as the term retains some generic meaning.⁷²

The proposition that a brand owner’s negative response to a publicly coined nickname might contribute to the “genericization” of the nickname certainly sounds plausible. But again, even though a brand owner may have tried to disassociate itself from a publicly coined nickname, a significant number of consumers still may associate that nickname with the brand owner or its goods or services, and still may be confused by third party use of that nickname for other goods or services. Thus, the Second Circuit’s

67. *Id.* at 809.

68. *Id.* at 812.

69. *Id.*

70. *Id.*

71. *Id.*

72. *Id.*

reasoning appears to ignore the consumer protection principle. But, of course, that is true of the genericness doctrine in general: the fact that a senior user's mark may serve "to identify and distinguish" that party's goods or services from those of another, and that consumers thus may be confused by a junior user's use of the senior user's mark, is legally irrelevant if the senior user's mark is deemed generic.⁷³

Moreover, the Second Circuit did not go so far as to say that the *mere* disapproval of the nickname "Hog" by Harley-Davidson was sufficient to establish its generic status; rather, that disapproval was just one factor considered by the court, albeit a relatively influential one. Nevertheless, the Second Circuit's holding may give pause to brand managers and trademark professionals faced with the problem of the public's adoption of an unflattering nickname. The owner of the underlying brand faces something of a dilemma. If the brand owner permits the nickname to gain recognition (or, going further, even adopts the nickname for its own use) the negative connotations of the nickname may undermine the value of the brand itself. If, on the other hand, the brand owner eschews use of the nickname itself and attempts to suppress the public's use of the nickname, a third party that adopts the nickname for its own goods or services may be able to defend itself successfully from challenge by the brand owner, at least in part on the very basis of the brand owner's hostility to the nickname.

Another aspect of the decision bears mention. The Second Circuit did enjoin the defendant's use of the Harley name and logo, but apparently concluded that, once no longer conjoined with those brand elements, the name "Hog" could be used without creating confusion.⁷⁴ One might question this conclusion: the defendant having used the Harley name, logo, and nickname for some 30 years, the relevant purchasing public would likely continue to associate the defendant and the name "Hog" with Harley-Davidson even after the brand HARLEY-DAVIDSON and the logo were eliminated.

73. See 2 *McCarthy*, *supra* note 2, § 12:47, at 12-115 ("Once a term is proven to be generic, evidence of purported buyer association of the term with a single source will not change the result. Any such evidence is often viewed as mere evidence of 'de facto secondary meaning.'). Thus, even if a brand owner has not attempted to disassociate itself with a brand's nickname, the fact that the nickname is a generic term would prevent the brand owner from enforcing rights in it. See *Archer Daniels Midland Co. v. Narula*, No. 99 C 6997, 2001 WL 804025, at *9 (N.D. Ill. July 12, 2001) ("[A] trade name (or nickname/abbreviation for that trade name) must be inherently distinctive, or have attained secondary meaning, to be entitled to protection").

74. *Grottanelli*, 164 F.3d at 813-14.

D. The “St. Louis Rams” Case

Only one regional federal circuit court has addressed the protectability of nicknames used exclusively by the public, but its decision constitutes important evidence for the existence of the Public Use Rule. In *Johnny Blastoff, Inc. v. Los Angeles Rams Football Co.*,⁷⁵ the Seventh Circuit confronted a dispute over the ownership of the mark ST. LOUIS RAMS arising out of the relocation of the Los Angeles Rams football franchise to St. Louis.⁷⁶ The relocation was a frequent topic of discussion in the press and general public as early as late 1993, and was officially announced at a press conference in January 1995, with extensive media coverage continuing over the next several months.⁷⁷ For various reasons, however, the team owners did not themselves use the ST. LOUIS RAMS mark in commerce until at least April 1995, when “officially licensed vendors” began selling merchandise containing the mark and the owners filed trademark applications for the mark.⁷⁸

The plaintiff, a small Wisconsin corporation, was engaged in the business of creating and marketing cartoon characters, the best-known of which was Johnny Blastoff.⁷⁹ Johnny Blastoff cartoons are set in the fictional location of Tower City, which hosted a fictional football team called the “Tower City Rams.”⁸⁰ In February 1995, perhaps hoping to capitalize on the defendants’ relocation to St. Louis, the plaintiff filed for and received (on the same day) a Wisconsin trademark registration for the mark ST. LOUIS RAMS and then, in March 1995, filed two federal intent to use applications for the mark.⁸¹ All of these activities occurred several weeks before the defendants filed their federal intent to use applications or used the ST. LOUIS RAMS mark in commerce.⁸²

In granting the team owners’ motion for summary judgment, the trial court found that they had acquired protectable common law trademark rights in the ST. LOUIS RAMS mark prior to the plaintiff’s registration of the mark. In analyzing the trial court’s decision, the Seventh Circuit first restated the priority principle, noting that “a party may acquire a protectable right in a

75. 188 F.3d 427 (7th Cir. 1999).

76. *Id.* at 428-29.

77. *Id.* at 431.

78. *Id.* at 432.

79. *Id.* at 431.

80. *Id.*

81. *Id.* at 432.

82. *Id.*

trademark only through use of the mark in connection with its product.”⁸³ The court recognized, however, that “abbreviations and nicknames of trademarks or names used *only* by the public give rise to protectable rights in the owners of the trade name or mark which the public modified.”⁸⁴ Here, the public had been using the “St. Louis Rams” name in connection with the football franchise for several weeks before the filing of the plaintiff’s registration applications. This public use, the court held, “is deemed to be on behalf of the mark’s owners” and allowed them to establish prior common law trademark rights in the ST. LOUIS RAMS mark.⁸⁵

The *Blastoff* case would appear to provide an unequivocal endorsement of the Public Use Rule. Not only did the court expressly cite the rule and its antecedents, but also the outcome of the case cannot be readily explained by reference to other factors or doctrines considered by the court, in contrast to the earlier cases. For example, the owners did not argue that their use of the mark in announcements at press conferences gave rise to protectable rights, and hence the court made no findings on this issue.

The “St. Louis Rams” case did not actually involve a nickname. Rather, the term “St. Louis Rams” used by the public was the same mark that the brand owner ultimately adopted itself. In the court’s articulation, moreover, the Public Use Rule is not limited to nicknames, but covers “abbreviations and nicknames of trademarks *or names* used only by the public.”⁸⁶

IV. THE TREATMENT OF PUBLICLY-COINED NICKNAMES IN REGISTRATION DISPUTES

Assuming *arguendo* that the owner of a brand name may obtain an injunction against the use, by another party, of a nickname for the brand based solely on the public’s use of the nickname prior to the other party’s use, can the brand owner also *register* the nickname as a trademark based merely on public use? And does mere public use constitute a basis for the brand owner to oppose or seek to cancel registration of the nickname by another?

83. *Id.* at 433.

84. *Id.* at 434.

85. *Id.* at 434. In rationalizing the application of the Public Use Rule with the notion that public use of a nickname “is deemed to be on behalf of the mark’s owners,” the Seventh Circuit relied on an earlier decision by the Federal Circuit Court of Appeals in *National Cable Television Ass’n, Inc. v. American Cinema Editors, Inc.*, 937 F.2d 1572 (Fed. Cir. 1991). This rationale, and the *National Cable Television* case in which it was first articulated, are discussed in Part IV.B.

86. *Johnny Blastoff*, 188 F.3d at 434 (emphasis added).

These questions recall the issue first raised in *Busch*, of whether a brand owner has a genuine *trademark* right against infringement of a nickname of its brand that has been used only by the public. As the *Busch* court reasoned, “a strict construction of the authorities on common law trade infringement would seem to hold that there could be no infringement.”⁸⁷ Thus, the court in *Busch* found it necessary to look to “the broader field of unfair competition” for redress for a third party’s appropriation, for its own benefit, of a public-used nickname for another’s goods.⁸⁸ But while injunctive relief can be, and has been, predicated at least in part on principles of unfair competition, those principles are essentially irrelevant to the resolution of registration rights.

Section 1(a) of the Lanham Act provides that “[t]he owner of a trademark used in commerce” may apply for registration of the mark by the Patent and Trademark Office.⁸⁹ This provision does not explicitly require that the owner of the mark be the person that “used” the mark. Yet that would seem the only logical and natural reading of the provision, consistent with case law.⁹⁰ Moreover, the intent-to-use application provisions in Section 1(b)-(d) do explicitly stipulate that the application be filed by “[a] person who has a bona fide intention . . . to use a trademark in commerce” and that the same person ultimately must submit evidence of his own use of the mark to obtain a registration.⁹¹ Presumably, courts should construe the priority and intent-to-use provisions consistently. In short, mere use of a nickname for a brand or for branded goods by the public arguably does not satisfy the statutory requirement of actual use necessary for registration by the owner of the underlying brand.

What about standing to oppose or cancel registration of a mark that confusingly resembles a nickname used only by the

87. *Coca-Cola Co. v. Busch*, 44 F. Supp. 405, 407 (D. Pa. 1942).

88. *Id.* at 407.

89. 15 U.S.C. § 1051(a)(1).

90. *Cf., e.g., Allard Enters., Inc. v. Advanced Programming Resources, Inc.*, 146 F.3d 350, 358 (6th Cir. 1998) (declaring that “[o]ne of the bedrock principles of trademark law is that trademark . . . ownership rights flow only from prior appropriation and actual use in the market.”); *Zazu Designs v. L’Oreal S.A.*, 979 F.2d 499, 503 (7th Cir. 1992) (stating that “[t]he Lanham Act allows only trademarks ‘used in commerce’ to be registered.”); *Blue Bell, Inc. v. Farah Mfg. Co., Inc.*, 508 F.2d 1260, 1267 (5th Cir. 1975) (indicating that “[m]ere adoption of a mark without bona fide use, in an attempt to reserve it for the future, will not create trademark rights.”).

91. 15 U.S.C. § 1051(b)(1); *id.* at § 1051(c) (“At any time during examination of an application filed under subsection (b) of this section, an applicant who has made use of the mark in commerce may claim the benefits of such use for purposes of this chapter, by amending his or her application to bring it into conformity with the requirements of subsection (a) of this section.”); *id.* at § 1051(d)(1) (within six months after issuance of notice of allowance, applicant must file a statement “that the mark is in use in commerce and specifying the date of the applicant’s first use of the mark”) (emphasis added).

public? The language of Section 2(d) of the Lanham Act, together with Sections 13 and 14, permits opposition to, or cancellation of, a registration of a mark that:

consists of or comprises a mark which so resembles a mark *registered* in the Patent and Trademark Office, or a mark or trade name previously *used* in the United States *by another* and not abandoned, as to be likely, when used on or in connection with the goods of the applicant, to cause confusion, or to cause mistake, or to deceive.⁹²

The reference to a “mark registered” or “mark or trade name previously used in the United States by another” traditionally has been understood to mean a mark or name used by the party opposing or seeking cancellation of the registration in question, or in the case, for example, of a licensed mark or a certification mark, a mark or name whose use by others has been authorized by that party. Absent a license or some other relationship, Party A cannot oppose or seek to cancel a registration of a mark by Party B on the ground that Party B’s mark confusingly resembles Party C’s trademark unless Party A has been licensed or otherwise authorized to use Party C’s mark.⁹³ If use “by another” generally does not include use by a third party trademark owner, arguably it also should not include use by a member of the public.

Despite what the Lanham Act says about registration requirements and what is ordinarily deemed necessary for standing to oppose or petition to cancel a mark, the Trademark Trial and Appeal Board (TTAB) and the Federal Circuit have shown some receptivity to the notion that use of a nickname by the public can suffice to create protectable trademark rights for the owner of the underlying brand. As with the court cases, however, the decisions generally have rested on alternative grounds as well, and thus it is premature to conclude that the application of the Public Use Rule to registration disputes is firmly established at this time.

A. The TTAB’s Initial Nickname Decisions

1. The “Bunny Club” Case

The first decision regarding registration rights in a nickname was in a cancellation proceeding brought against Playboy Enterprises concerning its mark BUNNY CLUB, which was registered in connection with nightclubs.⁹⁴ The petitioner was the owner of a nightclub established in 1964 called “Bunny Club.” The

92. 15 U.S.C. § 1052(d) (emphasis added).

93. See 3 *McCarthy*, *supra* note 2, § 20:7.

94. *Pieper v. Playboy Enterprises, Inc.*, 179 U.S.P.Q. 318 (T.T.A.B. 1973).

petitioner alleged prior use of the mark in connection with nightclubs. The TTAB found that Playboy had not itself used the mark before the petitioner but had used the bunny symbol on its magazines and paraphernalia since the mid-1950s and had begun opening clubs staffed by “bunnies” in 1960. News articles referred to the clubs as “Bunny Club.” Eventually (albeit after the petitioner’s club opened), Playboy began to feature that appellation on club souvenirs and merchandise.

The TTAB dismissed the petition and maintained Playboy’s registration. The TTAB explained that “the term ‘BUNNY CLUB’ was used publicly to refer to respondent long prior to any use of that term in Columbus, Nebraska and it seems to us that a good will in ‘BUNNY CLUB’ resided *in respondent* as a result of such use, and still resides in respondent.”⁹⁵ By this statement, the TTAB appeared to adopt the same rationale for the Public Use Rule articulated in the “St. Louis Rams” case, namely, that the public’s use of a brand’s nickname inures to the benefit of the brand owner. This reasoning also solves the problem of the statutory registration requirement of “use” in commerce: the public’s use of a nickname for a brand effectively constitutes *constructive* use by the owner of the underlying brand.

Yet, the TTAB did not rely exclusively on the public’s association of the term BUNNY CLUB with Playboy’s clubs to justify denial of the cancellation petition. Rather, the TTAB also cited Playboy’s own prior use of the bunny motif (albeit not for its clubs) as an important fact in demonstrating Playboy’s priority rights in the mark. In this regard, the Playboy case is similar to, for example, the decisions in the Volkswagen “Bug” cases that relied on use of the term “Bug” in dealers’ advertising. Thus, the Playboy case does not stand as unambiguous authority for the proposition that public use of a nickname will support registration of the nickname by a brand owner that has not used the nickname in any way.

2. The TTAB’s “Bug” Cases

Several years after the BUNNY CLUB case, the TTAB, in its own trio of “Bug” cases, had its first opportunity to address the question whether public use constitutes a basis for opposing or petitioning to cancel a mark. In the first, *Volkswagenwerk Aktiengesellschaft v. Thermo-Chem Corp.*,⁹⁶ Volkswagen opposed registration of BUG COOLER for a car engine cooling system. The applicant alleged use of the mark since 1969. The TTAB, like the courts, found extensive prior use of “Bug” by the public as a

95. *Id.* at 320 (emphasis added).

96. 185 U.S.P.Q. 561 (T.T.A.B. 1975).

nickname for the Volkswagen sedan, as well as substantial prior use by “opposer’s organizations”—namely, Volkswagen dealers and Volkswagen itself—in advertising and promotion, although never as a mark on the cars. Citing the court decisions in *Busch* and the first of the “Bug” court decisions, the TTAB held that the public’s use of the nickname, reinforced by the advertising use by Volkswagen, established Volkswagen’s prior rights in the nickname, at least for purposes of opposing the applicant’s registration.

The second case in the TTAB’s trio of “Bug” cases was *Volkswagenwerk Aktiengesellschaft v. Lieffring Industries, Inc.*⁹⁷ In that case, Volkswagen opposed registration of the mark WUNDERBUG and design for “conversion kits for changing the appearance of the front portion of a motor vehicle.”⁹⁸ In fact, the kits were specifically designed for Volkswagen sedans, were so advertised, and were sold through, among others, Volkswagen dealers. The TTAB again accepted the evidence of “opposer’s long and extensive use in its advertising and promotional material, many years use in a similar manner in the trade and by the news media, and public recognition and association.”⁹⁹ On that basis, the TTAB held that “opposer has acquired a proprietary and hence a protectable right in ‘BUG’ as an associative term for its vehicles long prior to applicant’s first use of ‘WUNDERBUG’ and design notwithstanding that opposer has never used ‘BUG’ alone in a trademark sense.”¹⁰⁰ Finding that the applicant’s mark posed a likelihood of confusion, the TTAB sustained the opposition.

Finally, in *Volkswagenwerk Aktiengesellschaft v. Advance Welding & Mfg. Corp.*,¹⁰¹ Volkswagen petitioned to cancel a registration of TULE BUG for a four-wheel-drive off-road vehicle. The TTAB recited the by-then familiar facts regarding use of the “Bug” nickname for Volkswagen sedans by the public and use in advertising and promotion by the Volkswagen organization. In this case, for some reason, the TTAB believed the public’s use of “Bug” to have been “[a]s a result of” promotional use by the Volkswagen organization, although its earlier decisions had found the reverse to be true. In any event, the TTAB granted the petition on the same basis as the earlier decisions, namely, that Volkswagen had a proprietary right in the nickname as “as associative term” for its vehicles notwithstanding its lack of use of the nickname as a

97. 188 U.S.P.Q. 650 (T.T.A.B. 1975).

98. *Id.* at 653.

99. *Id.*

100. *Id.* The Board also relied on Volkswagen’s registration of the related mark GLITTER BUG.

101. 193 U.S.P.Q. 673 (T.T.A.B. 1976).

trademark and that such right was sufficient to require cancellation of the registrant's mark.¹⁰²

In each of the TTAB's "Bug" cases, the TTAB appeared to acknowledge the Public Use Rule. Yet in none of the cases did the TTAB rely exclusively on that rule in deciding for Volkswagen. Instead, the TTAB relied at least as heavily on use of the nickname (albeit, not "trademark use") by Volkswagen and its dealers. In that regard, the TTAB was on well-trod ground. Because Section 2(d) of the Lanham Act prohibits registration of any mark that is confusingly similar to any previously used "mark or trade name,"¹⁰³ the TTAB consistently has held that an *inter partes* plaintiff need not establish prior use of a name "in a technical trademark or service mark sense," but rather may rely on uses "analogous" to trademark use.¹⁰⁴ The types of uses of the "Bug" nickname by Volkswagen described in the TTAB's three decisions regarding that nickname fit comfortably within the category of "analogous use."

3. The "OXY" Case

In *The Norac Company, Inc. v. Occidental Petroleum Corp.*,¹⁰⁵ a manufacturer of organic peroxide and related chemical compositions sold under the brand OXY petitioned to cancel a series of registrations of marks consisting of or containing OXY owned and used by Occidental Petroleum for chemical compounds, petroleum products, and other materials. The TTAB found that Occidental had used the name OXY for petroleum products prior to the petitioner's first use for fertilizers and that "the expansion of [Occidental's] business activities into the fields of fertilizers and agricultural and industrial chemicals was a normal expansion, rather than a diversification."¹⁰⁶

The TTAB also took note of the history of public and trade use of "OXY" as a nickname for the Occidental Petroleum Company, as

102. *Id.* at 675.

103. 15 U.S.C. § 1052(d) (emphasis added).

104. *Liquacon Corp. v. Browing-Ferris Indus., Inc.*, 203 U.S.P.Q. 305, 308 (T.T.A.B. 1979); accord, e.g., *Herbko Int'l, Inc. v. Kappa Books, Inc.*, 308 F.3d 1156 (Fed. Cir. 2002); *Shalom Children's Wear, Inc. v. In-Wear A/S*, 26 U.S.P.Q. 2d 1516, 1519 (T.T.A.B. 1993); see also *T.A.B. Sys. v. PacTel Teletrac*, 77 F.3d 1372, 1375 (Fed. Cir. 1996) (setting forth test for analogous use).

105. 197 U.S.P.Q. 306 (T.T.A.B. 1977).

106. *Id.* at 317. This aspect of the Board's decision appears at odds with other decisions. See, e.g., *Big Blue Products, Inc. v. International Business Machines Corp.*, 19 U.S.P.Q.2d 1072, 1075 n.4 (T.T.A.B. 1991) ("While the doctrine of 'natural expansion of business' can be considered in determining whether a senior user can prevent registration of the same or similar mark to a junior user for related goods, the doctrine does not represent the test to be applied when the senior user himself seeks to register a mark for certain goods by relying on his earlier use of the same mark for 'related' (but not 'substantially identical') goods.").

well as the fact that the company's stock symbol was OXY. The TTAB stated: "It is also an established principle of trademark law, that public association and identification of a term with a company and/or its products, of itself creates a right in that company."¹⁰⁷ The characterization of the Public Use Rule as "an established principle of trademark law" is about as clear an acknowledgement of its existence as can be imagined. Moreover, as in the "Bunny Club" case, the Rule is being invoked to support priority for purposes of registering a mark, and not merely to prevent another party from doing so. Even still, in the "OXY" case, as in the other cases, the TTAB did not rely on mere public use in holding that Occidental had priority.

4. The "AMEX" Case

In *American Stock Exchange, Inc. v. American Express Co.*,¹⁰⁸ the American Stock Exchange opposed an application by American Express to register AMEX as a trademark in the fields of, *inter alia*, investment banking, insurance, mutual funds, and investment advisory services. American Express, in turn, petitioned to cancel a registration of that mark owned by the American Stock Exchange.

The TTAB found that the stock exchange's use of AMEX dated back to its founding in 1953. As for American Express Co., the TTAB found that, beginning a century earlier, the company had referred to itself internally or in promotional materials, and had been referred to by the public, variously as "Am Ex Co.," "Amexco" (or "AMEXCO"), and eventually, "AMEX." Although the company's use of the name as a true service mark had not begun until 1969, well after the stock exchange's use had begun, the TTAB stressed that:

it is settled that use of a mark in a manner analogous to trademark use, such as use in advertising, use as a grade mark, use as the salient or distinguishing feature of a trade name, use of an acronym or of the initial letters of a corporate name, etc., may be considered in computing the length of use for determining ownership of a mark.¹⁰⁹

In addition, the TTAB stated, "it has been held that where the public has come to associate a term with a particular company and/or its goods or services as a result, for example, of use of the term in the trade and by the news media, that company has a

107. *Id.* at 315.

108. 207 U.S.P.Q. 356 (T.T.A.B. 1980).

109. *Id.* at 363.

protectable property right in the term even if the company itself has made no use of the term.”¹¹⁰

While acknowledging that American Express had superior rights in AMEX arising out of its own use of the nickname as well as the public’s use, the TTAB was careful to define the scope of those rights. The TTAB noted that AMEX had not been used, either by American Express or by the public, in connection with investment and securities services until 1968, when the company first offered such services. Those services, moreover, were sufficiently distinct from American Express’s historical service lines that the company could not rely on its earlier use of AMEX in defending its application against the stock exchange’s opposition or even for purposes of its cancellation petition, which the TTAB dismissed. In the field of investment and securities services, the stock exchange had clear priority of use. Finding a likelihood of confusion as to those services, the TTAB sustained the stock exchange’s opposition in part. With respect to the services identified in the American Express application that *were* within the applicant’s traditional line of business, however, the TTAB ruled against the stock exchange, dismissing the opposition and allowing registration of AMEX by American Express.

5. The TTAB’s “Hog” Case

Like the courts, the TTAB had its own tour with the Harley-Davidson “Hog” nickname. In *Harley-Davidson Motor Co. v. Pierce Foods Corp.*,¹¹¹ the motorcycle manufacturer opposed registration of HARLEY-HOG for pork products. The TTAB recited the lengthy history of use by the public of “hog” to refer to Harley motorcycles and the adoption of that nickname by the manufacturer in promotional materials and on consumer merchandise other than the vehicles, such as T-shirts, beer, beer coolers and chocolate bars. The TTAB took note of the applicant’s use of the nickname in conjunction with slogans like “Here’s a new king-of-the-road,” evidencing applicant’s intent to trade on the fame of the motorcycle nickname. The TTAB sustained the opposition, but it did not specifically cite the Public Use Rule as a basis for the ruling.

6. The “Big Blue” Case

In *Big Blue Products, Inc. v. International Business Machines Corp.*,¹¹² IBM sought to register BIG BLUE for typewriter ribbons, asserting use for that product since 1988. Big Blue, an office

110. *Id.* at 364.

111. 231 U.S.P.Q. 857 (T.T.A.B. 1986).

112. 19 U.S.P.Q.2d 1072 (T.T.A.B. 1991).

products company, opposed IBM's registration of the mark on the basis of its use since 1984. In a motion for summary judgment, IBM sought dismissal of the opposition on the basis of alleged priority of rights arising solely through use of the name by the trade and the public dating back to the 1960s.¹¹³

The TTAB began its analysis by advertent to the Public Use Rule: "This Board has on rare occasions stated that even if a company itself has not made use of a term, it may have 'a protectable property right in the term' if the public has come to associate the term with the company or its goods or services."¹¹⁴ The TTAB cited the *American Express* case for this proposition. In a footnote, however, the TTAB characterized as "dicta" its statement in that case that public use alone may be sufficient to establish protectable trademark rights.¹¹⁵ As the TTAB noted, "the terms in question . . . were shown to have been used 'by the public and by applicant itself to refer to applicant and its services.'"¹¹⁶ This footnote suggests that the TTAB may have had some reservations about the Public Use Rule and was not prepared to give it unqualified endorsement.

In any event, the TTAB stated, "the use by the public of a term to refer to a company and/or its products or services does not mean that the company has obtained rights to exclude others from using the same term for any product or service, and it certainly does not mean that the company has obtained rights to register the term as a mark for any product or service."¹¹⁷ In this case, the TTAB

113. As the TTAB noted, there are various stories regarding the origin of the BIG BLUE nickname, ranging from the color of IBM's mainframes in the 1960s and 70s to the color of the suits worn by its sales staff during the same era. See, e.g., *Big Blue*, 19 U.S.P.Q.2d at 1073-74 (citing portions of IBM's brief discussing public use of the BIG BLUE nickname). The TTAB did not mention—perhaps because it was unaware—that, as with COKE, IBM initially had distanced itself from the nickname. See http://www.ibm.com/ibm/history/reference/faq_0000000068.html (last visited Oct. 31, 2005) (IBM website claiming that, while the term BIG BLUE first appeared in the press during the early 1980s, "IBM employees continued to refer to IBM as they always had"); Andrew Allison, ed., *Inside the New Computer Industry* (Issue 121, June 1999), at 7 (IBM initially discouraged the press from using BIG BLUE).

114. *Big Blue*, 19 U.S.P.Q.2d at 1073-74.

115. *Id.* at 1074 n.2.

116. *Id.*

117. *Id.* at 1074. The TTAB's distinction between the breadth of the right to register a mark and breadth of the right to oppose another's registration is a reflection of the difference in the statutory requisites for registration versus opposition. See *National Cable Television Association, Inc. v. American Cinema Editors, Inc.*, 937 F.2d 1572, 1578 n.4 (Fed. Cir. 1991) ("For instance, one criterion for registrability is 'use in commerce' as defined in 15 U.S.C. § 1127. Were failure to show 'use in commerce' a bar to petitioning for cancellation of a registration, a party could never cancel a mark based solely on intrastate use. This is not the law. Section 14 requires only prior use; 'in commerce' is noticeably absent."); *Shalom Children's Wear, Inc. v. In-Wear A/S*, 26 U.S.P.Q.2d 1516, 1519 (T.T.A.B. 1993) (because of the breadth of the statutory grounds for opposition, for example, use of a trade name "has

stated, “IBM—in order to obtain a registration of BIG BLUE for typewriter ribbons—will be permitted to tack the two uses together only if the earlier public use of BIG BLUE involved typewriter ribbons or ‘substantially identical’ products emanating from IBM.”¹¹⁸

The TTAB found that a factual question existed as to whether typewriter ribbons were “substantially identical” to computer products such that IBM could “tack back” to the public’s prior use of “Big Blue” as a nickname for IBM.¹¹⁹ Accordingly, the TTAB denied IBM’s motion for summary judgment. The TTAB, however, went on to observe that, even if IBM could not establish priority for purposes of defeating the opposition and *registering* BIG BLUE for typewriter ribbons, IBM still might be able to *oppose* registration of that same mark by the office products company.¹²⁰

Despite the TTAB’s cautious reference to the Public Use Rule, the decision in the *IBM* case is a significant milestone in the Rule’s development. In this case, in contrast to the previous TTAB nickname cases, the owner of the underlying brand (IBM) did not claim to have used the nickname itself before the opposer had adopted its mark; rather, the brand owner was relying purely on the public’s use of the nickname. In denying IBM’s motion for summary judgment, the TTAB did *not* hold that mere public use of a nickname would be insufficient to meet the statutory element of “use in commerce” required for registration under Section 1 of the Lanham Act. Nor did the TTAB reject outright IBM’s argument that it could “tack” onto the public’s long use of the nickname “Big Blue” in establishing priority of rights in that name. Rather, the TTAB held that it could not *decide* whether to accept or reject the tacking argument without first resolving the factual issue of whether typewriter ribbons were sufficiently related to computer products to warrant tacking. The TTAB thus implicitly held that, assuming that factual issue were resolved in IBM’s favor, IBM would be permitted to tack onto the public use of the nickname to establish its priority of rights as against the opposer. How the TTAB ultimately would have ruled, however, is impossible to say

consistently been held sufficient use to establish priority rights as against subsequent users of the same or similar marks,” while it has never been “considered an appropriate basis for an application to register”), *citing Jim Dandy Co. v. Martha White Foods, Inc.*, 458 F.2d 1397 (C.C.P.A. 1972).

118. *Id.* The “tacking” doctrine permits a party opposing registration of a mark to establish priority of rights in the mark by “tacking” on use that “is of such a nature and extent as to create public identification of the target term with the opposer’s product or service.” *T.A.B. Sys. v. Pactel Teletrac*, 77 F.3d 1372, 1375 (Fed. Cir. 1996).

119. *Id.* at 1075.

120. *Id.* This comment by the TTAB, which appears to be *dicta* (since there is no indication that the opposer had applied to register BIG BLUE), rests on the doctrine of “natural expansion of business.” 19 U.S.P.Q. at 1075 n.4; *see supra* note 106.

because IBM apparently chose to abandon the application rather than continue to defend it.¹²¹

***B. The “ACE” Litigation and the
Federal Circuit’s Endorsement of the Public Use Rule***

In *National Cable Television Association, Inc. v. American Cinema Editors, Inc.*,¹²² the American Cinema Editors, Inc. (“Editors”), an invitation-only membership organization for accomplished film editors, petitioned to cancel a registration obtained by the National Cable Television Association, Inc. (“Cable”) for the service mark ACE in connection with a cable television award ceremony. Editors claimed that Cable’s registration was precluded by Editors’ prior use of ACE as a trade name and as the name of *its* achievement award and its annual awards dinner, as well as its use of the acronym A.C.E. as a collective mark to be displayed by its members after their names in, for example, film credits.¹²³ The prior use cited by Editors included newspaper articles and related publicity, which, it claimed, established a connection between Editors and the mark ACE in the minds of the general public well before Cable filed its registration application.¹²⁴

For its part, Cable claimed that the evidence of use of ACE by the press and public to refer to Editors did not establish *Editors’* use of ACE as a trade name. Moreover, Cable argued, Editors’ use of the mark ACE was mainly for internal purposes: for example, Editors had not adopted the name ACE as a trade name in its bylaws or used it on letterhead or external correspondence. Thus, Cable argued that Editors’ use was insufficiently open and public to establish trade name rights.¹²⁵

On cross-motions for summary judgment, the TTAB sustained Editors’ petition, holding that Editors “had long prior use of, and identification with, the acronym A.C.E., as well as ACE, in the entertainment industry, including use in connection with presentations of awards for excellence in film editing for motion pictures and television” and that Cable’s use of ACE for television awards ceremonies, including making awards for film editing, was likely to cause confusion.¹²⁶ Cable appealed.

121. See <http://tess2.uspto.gov> (last visited October 27, 2005).

122. 937 F.2d 1572 (Fed. Cir. 1991). The TTAB’s decision in this cancellation proceeding is unreported.

123. *Id.* at 1577.

124. *Id.*

125. *Id.*

126. *Id.* at 1574.

The Federal Circuit Court of Appeals, in the only decision to date by that court in a nickname case, affirmed. The appellate court agreed with the TTAB that Editors had made enough use of ACE to establish protectable trade name rights.¹²⁷ The Federal Circuit stated, however, that “it makes no sense to look only at Editors’ use apart from the complementary use by the public.”¹²⁸ Citing numerous examples of public use of ACE as a nickname for Editors and its awards, the court held:

Moreover, even without use directly by the claimant of the rights, the courts and the Board generally have recognized that abbreviations and nicknames of trademarks or names used *only* by the public give rise to protectable rights in the owners of the trade name or mark which the public modified. Such public use by others inures to the claimant’s benefit and, where this occurs, public use can reasonably be deemed use “by” that party in the sense of a use on its behalf.¹²⁹

The Federal Circuit’s discussion of the Public Use Rule, like many of the other judicial and TTAB discussions that preceded it, can be viewed as mere *dicta*: once again, the use of the nickname at issue by the owner of the underlying brand name appears to have been sufficient to warrant the outcome, without reliance on public use. Moreover, in justifying the Public Use Rule, the court posited the same rationale earlier offered by the TTAB in the “Bunny Club” case—namely, that public use of a nickname “inures to the claimant’s benefit” and thus establishes a sort of constructive use by the brand owner.¹³⁰ In a sense, the court adopted a legal fiction to justify protection of publicly-used nicknames, the fiction that the public is using a nickname “for the benefit of” the owner of the underlying brand. In actuality, a nickname is most often devised to poke gentle or not-so-gentle fun at the named person or object. Members of the public can hardly be presumed to have the welfare of the brand owner in mind when using a brand’s nickname. The court’s resort to this fiction suggests that, like other courts, the Federal Circuit felt some lingering discomfort with the perceived conflict between the Public Use Rule and the traditional priority principle of trademark law.

127. *Id.*

128. *Id.* at 1577.

129. *Id.* at 1577-78 (emphasis in original).

130. The Federal Circuit cited the “Bunny Club” decision, among others. *Id.* at 1577 n.3. As discussed above, the Seventh Circuit, in turn, relied on the Federal Circuit’s formulation of the rationale for the Public Use Rule in the *Blastoff* case. The Federal Circuit’s formulation also has since been cited by the TTAB. See *The Timberland Company v. Shoe Show, Inc.*, 2004 TTAB LEXIS 285, *4-6 (T.T.A.B. 2004).

But the “use on behalf of” notion also can be viewed differently. It is perhaps not so much a legal fiction invented to rationalize a right that otherwise would not exist, but rather is a recognition of the *breadth* of rights in certain types of marks, namely, famous ones. After all, as the cases illustrate, obscure trademarks do not acquire nicknames in the public mind, only the most well-known brands do. That is probably because to catch on with the public, a nickname must instantly convey the underlying brand, and only a nickname for a very strong brand is likely to do so. Understood as an expression of the strength and fame of the underlying brand, a publicly-coined nickname logically belongs to the party that built that strong, famous brand, for if it were not for the brand owner’s efforts, there would have been no occasion for the nickname to arise. In other words, the Public Use Rule serves not only the consumer protection principle, but also a legitimate equitable interest on the part of the underlying owner of a famous brand—an interest that the priority principle alone cannot vindicate.

C. Subsequent TTAB Decisions

Since the “ACE” decision, the TTAB has addressed rights in publicly-coined nicknames on several more occasions.

1. The “Jack” Case

In *Jack Daniel’s Properties, Inc. v. Quest Assocs., Ltd.*,¹³¹ the owner of the JACK DANIELS brand opposed registration of the mark COLAJACK for a prepared cocktail containing cola and spirits. The opposer relied on use of the nickname “Jack” by the public to refer to JACK DANIELS brand of bourbon whiskey, as well as opposer’s own use of that nickname in advertising and use by opposer’s licensees for various goods and services related to the whiskey product. The TTAB sustained the opposition, largely on the basis of the use of JACK by opposer and its licensees, but also the public’s use, invoking the nickname rule in a footnote.¹³²

2. The “Vette” Case

In *General Motors Corp. v. P.C.H., Inc.*,¹³³ the automaker petitioned to cancel the mark RENT-A-VETTE for car rental

131. 2000 TTAB LEXIS 423 (T.T.A.B. 2000).

132. *Id.* at *15 n.12 (“We note that even if it were only the public that referred to opposer’s products as ‘JACK,’” as stated by the Court of Appeals for the Federal Circuit in *National Cable*, 937 F.2d at 1577, “the courts and the Board generally have recognized that abbreviations and nicknames of trademarks or names used only by the public give rise to protectable rights in the owners of the trade name or mark which the public modified.”).

133. 2001 TTAB LEXIS 226 (T.T.A.B. 2001).

services on the basis of its own prior use of the CORVETTE mark and the fact, alleged by the petitioner, “that for many years, the trade and the public have used the term VETTE to identify petitioner’s CORVETTE automobiles; that petitioner consequently began licensing others to use VETTE as a trademark for a wide variety of goods; [and] that VETTE accordingly became a common law trademark of petitioner.”¹³⁴ The TTAB also noted that, in a deposition, the registrant had admitted that the term “Vette” as used by himself was “synonymous” with, and descriptive of, the CORVETTE mark. The TTAB granted the petition on these facts without citing the Public Use Rule or prior nickname cases.¹³⁵

3. The “TIMS” Case

Most recently, in *The Timberland Company v. Shoe Show, Inc.*,¹³⁶ a cancellation proceeding concerning registration of the mark TIMS in connection with shoes and boots, petitioner Timberland moved for summary judgment on the basis of the public’s alleged use of TIMS as a nickname for the TIMBERLAND brand of footwear. The TTAB acknowledged Timberland’s argument that, “[e]ven without use directly by the claimant of the rights, the courts and the Board generally have recognized that abbreviations and nicknames of trademarks or names used only by the public give rise to protectable rights in the owners of the trade name or mark which the public modified.”¹³⁷ The TTAB did not state any disagreement with Timberland’s description of the prior nickname cases nor with the underlying principle that a brand owner can acquire protectable rights in a brand’s nickname used solely by the public. But as in the *IBM* case, the TTAB avoided having to rely on that principle because, it found, Timberland’s evidence of public association of TIMS with its footwear products was insufficient as a matter of law, and thus there was “a genuine issue of material fact as to whether petitioner has an undisputed prior right through the public’s identification of TIMS with TIMBERLAND for footwear before respondent’s declared first use in January 2000.”¹³⁸

134. *Id.* at *2.

135. Arguably, the TTAB could have resolved this case in General Motors’ favor even without evidence of use of “Vette” by GM or the public, on the basis that “Vette” is confusingly similar to “Corvette.”

136. 2004 TTAB LEXIS 285 (T.T.A.B. 2004).

137. *Id.* at *4.

138. *Id.* at *6.

D. The “March Madness” Line of Cases

In recent years, a separate line of cases has emerged that arguably represents a variant of the Public Use Rule. In these cases, the public begins to use as a nickname for Party A or its goods or services a name that *already* exists as a mark owned and used by Party B. When Party A begins to use the nickname itself, Party B, the senior user, brings a lawsuit seeking to enjoin Party A’s use. The question presented in these cases is whether the public’s intervening use of the nickname to refer to Party A insulates Party A from liability to Party B.

1. The “March Madness” Case

The seminal case in this line is *Ill. High Sch. Ass’n v. GTE Vantage, Inc.*, decided by the Seventh Circuit in 1996.¹³⁹ In that case, the Illinois High School Association (IHSA) had used the phrase MARCH MADNESS since the 1940s as a mark for its high school basketball tournament and related merchandise.¹⁴⁰ In 1982, Brent Musberger, a television sportscaster, began using the nickname “March Madness” to refer to the National Collegiate Athletic Association’s (NCAA) annual championship basketball tournament.¹⁴¹ Thereafter, “the term caught on [with the public] and is now widely used by the media and the public to denote this [NCAA] basketball tournament as well as IHSA’s.”¹⁴²

Beginning in 1993, the NCAA began exploiting the “March Madness” nickname itself, by licensing the use of the nickname to producers of goods and services related to the NCAA’s annual “tournament.”¹⁴³ IHSA then brought suit against one of the licensees, GTE Vantage, alleging that GTE Vantage’s use of MARCH MADNESS caused “reverse confusion” and violated IHSA’s prior rights in its mark. The district court denied IHSA’s motion for a preliminary injunction and, on appeal, the Seventh Circuit not only affirmed the denial of the injunction, but also directed the district court to enter judgment on the merits against IHSA.

In a decision authored by Chief Judge Posner, the court of appeals held that MARCH MADNESS had become a “dual-use” term as a result of its extensive use by the media and the public to refer to the NCAA tournament and that each party had a right to

139. 99 F.3d 244 (7th Cir. 1996), *cert. denied*, 519 U.S. 1150 (1997).

140. *Id.* at 245.

141. *Id.*

142. *Id.*

143. *Id.*

use MARCH MADNESS as a mark for its basketball tournament and related merchandise:

[I]t's a name that the public has affixed to something other than, as well as, the Illinois high school basketball tournament. A trademark owner is not allowed to withdraw from the public domain a name that the public is using to denote someone else's good or service, leaving that someone and his customers speechless.¹⁴⁴

In the typical “reverse confusion” case, the senior user is a small party with a relatively obscure mark, while the junior user is a large party that has adopted a confusingly similar mark. Owing to the junior user's marketing clout, the junior user's mark threatens to “swamp” the senior user's mark and cause consumers mistakenly to assume that the *senior* user's goods or services emanate from the *junior* user.¹⁴⁵ It is well-settled that reverse confusion is actionable under the Lanham Act.¹⁴⁶ In such a case, a trademark owner *is* allowed, as the court put it, “to withdraw from the public domain a name that the public is using to denote someone else's goods or services, leaving that someone and his customers speechless.” Indeed, it is the use of a senior user's mark by the public to denote the junior user's goods or services that is the very harm the senior user must prove to prevail.

Thus, in the “March Madness” case, if the public had not used the nickname for NCAA's tournament *before* NCAA began to use it, the court presumably would have analyzed the dispute as a classic instance of reverse confusion. The fact that the mark was first “affixed” to the junior user's goods or services by the public, and not the junior user, led the court to conclude, as a matter of law, that the senior user was without a remedy. In that situation, the court reasoned, the nickname already had entered the “public domain,” and the senior user was not entitled to withdraw the nickname from use by the public—or by the “target” of the public's use, namely, the junior user.

Judge Posner analogized the case to one involving a mark that has become generic through public use:

When a trademark becomes generic, such as “aspirin” or “thermos,” and so loses trademark protection, because the public, perhaps egged on by the omnipresent media, decides to

144. *Id.* at 247-48. The court, however, took pains to make clear that it was not resolving “the scope of the trademark rights that either IHSA or NCAA has, beyond ruling that IHSA's rights do not extend to the NCAA tournament and to merchandise such as Vantage's game that is sold in connection with that tournament.” *Id.*

145. *Id.* at 245; see generally 3 *McCarthy*, *supra* note 2, § 23:10 (reviewing cases of “reverse confusion”).

146. See 3 *McCarthy*, *supra* note 2, § 23:10, at 23-41.

use the trademark to designate not the particular manufacturer's brand but the entire product comprising all the competing brands, the trademark is dead no matter how vigorously the holder has tried to prevent this usage.¹⁴⁷

In response to the IHSA's protest that its mark had *not* become generic for basketball tournaments, but was being used by a specific party as a mark for its own tournament, the court stated:

We cannot see what difference that makes. There is no magic in labels. Let "March Madness" be called not a quasi-generic term, or a term on its way to becoming generic, but a dual-use term. Whatever you call it, it's a name that the public has affixed to something other than, as well as, the Illinois high school basketball tournament.¹⁴⁸

While the "March Madness" decision relies on the genericness doctrine and does not explicitly cite or discuss the line of cases concerning the Public Use Rule, the decision, in its reasoning and outcome, is in some ways quite consistent with those cases. In the "March Madness" case, as in the other nickname cases, the use of a nickname by the public is deemed to inure to the benefit of a private party (Party A) and, specifically, to support a claim of ownership of the nickname on the part of Party A as against a third party (Party B) that used the mark *before* Party A. The difference is that, in the typical nickname case, the public has used the nickname to refer to Party A or its goods or service, and Party B, although earlier to use the mark than Party A, has appropriated the mark for its own goods or services, not those of Party A. By contrast, in the "March Madness" case, Party B, the senior user, did not appropriate the mark at all, but just happened to have a mark that the public decided to use for some other party's goods or services.

2. The "Dream Team" Case

Since the "March Madness" decision, several other cases have arisen with similar fact patterns. In *Dream Team Collectibles, Inc. v. NBA Props., Inc.*,¹⁴⁹ a company that used the mark DREAM TEAM in connection with collages of sports trading cards and other memorabilia brought suit against NBA Properties based on the NBA's use of the same mark in connection with promotion of, and merchandising relating to, the 1992 and 1996 Men's Olympic Basketball teams and the 1994 World Championship team. As in

147. *Ill. High Sch. Ass'n*, 99 F.3d at 247.

148. *Id.*

149. 958 F. Supp. 1401 (E.D. Mo. 1997).

the “March Madness” case, the plaintiff pleaded a theory of “reverse confusion.”

The defendant brought a motion for summary judgment, seeking dismissal of the action, submitting evidence that the media had originated use of the “Dream Team” nickname for the championship basketball teams and had then made widespread use of that nickname. Citing the “March Madness” case, the defendant argued that this public use of “Dream Team” entitled the defendant to adopt, use and protect this nickname in connection with those teams and that, in view of this public use of “Dream Team,” the plaintiff’s prior use of the same name did not create superior rights as against the defendant.¹⁵⁰

The district court denied the defendant’s motion, finding that “a genuine issue of material fact exists as to whether defendants, not the media, are responsible for the public’s association of the DREAM TEAM mark with the [Olympic team] of NBA players.”¹⁵¹ In contrast to the “March Madness” case in which the NCAA was not responsible for the media’s use of the term in reference to the basketball tournament, the court indicated that NBA Properties may have promoted the media’s use of the “Dream Team” name and otherwise may have taken an active role in creating an association in the minds of the public between that name and the defendant’s teams.

In a sense, the “Dream Team” case presents the mirror image of the Second Circuit’s “Hog” decision. In the “Hog” case, efforts (albeit unsuccessful) by the owner of the underlying HARLEY-DAVIDSON brand to discourage public use of the “Hog” nickname in connection with the owner’s motorcycles contributed to the court’s finding that the nickname was not distinctive for those goods. That finding left the brand owner powerless to stop another party from adopting the “Hog” name for its own goods and services. In the “Dream Team” case, the fact that the defendant apparently *promoted* public use of the nickname “Dream Team” while itself seeking to exploit that name led the court to conclude that the original user of the name could maintain its action for infringement against the defendant.

V. THE STATUS OF THE PUBLIC USE RULE TODAY

How firmly entrenched is the Public Use Rule in trademark jurisprudence at this juncture? Although a reasonably large number of court and TTAB decisions have explicitly endorsed, or at least referred to, the rule in holding that the owner of a

150. *Id.* at 1409.

151. *Id.* at 1410.

nicknamed brand has rights in the nickname that are superior to those of a third party, many of those decisions have involved at least some use of the nickname by the brand owner itself prior to the third party use, even if only use “analogous to trademark use.”¹⁵² In those cases, the discussion of rights arising through public use may be viewed as an alternative holding or even mere *obiter dicta*. Indeed, in a few decisions a court or the TTAB has explicitly voiced doubt about the rule.¹⁵³

Only a handful of cases represent a pure application of the Public Use Rule—that is, a case in which a brand owner’s rights in a nickname are recognized even absent *any* prior use (even “analogous use”) of the nickname by the brand owner. In fact, the *only* such cases are the original *Coca-Cola* nickname cases and the Seventh Circuit’s decision in the “St. Louis Rams” case.¹⁵⁴ The “Big Blue” and “TIMS” cases arguably also are in this category, because in both cases, the owner of the underlying brand had never used the nickname at issue, and the TTAB indicated that mere public use *could* establish priority in a mark, at least for purposes of opposing or petitioning to cancel another’s mark.¹⁵⁵ But because of the issue of public use arose in those cases in the context of a summary judgment motion, and because the TTAB found material facts in dispute regarding whether there was sufficient public use or whether that use pertained to the goods or services in which the brand owner claimed rights, it is unclear how authoritative the TTAB’s statements in those cases regarding the Public Use Rule really are. In short, the force of the Public Use Rule—and perhaps even its existence as a true rule of law—could be questioned.

As this article demonstrates, the ambivalence about the Public Use Rule seems to stem from hesitation to recognize valuable property rights in a name that has not been used by the party claiming those rights. Thus, the very first case that expressly recognized the Public Use Rule, *Coca-Cola Co. v. Busch*,¹⁵⁶ held

152. See, e.g., *Nat’l Cable Television*, 937 F.2d at 1578 (finding that Editors had used the term ACE when referring to their awards ceremony prior to Cable’s use of that same term); *Seghieri*, 29 U.S.P.Q.2d. at 1958 (finding that Harley-Davidson had used the term HOG when referring to its Harley Owner Group “long before Defendants opened ‘The Hog Farm’”); *Hoffman*, 489 F. Supp. at 681 (finding that Volkswagen’s “massive use of ‘Bug’ . . . prior to defendant’s opening of its business in 1970” was sufficient to establish Volkswagen’s priority in the mark); *Bug Hospital*, 208 U.S.P.Q. at 887-88 (finding that Volkswagen “at the latest in 1966, was using the name [Bug] extensively in its advertising literature,” while the defendant began using the term in 1967); *Howard Johnson*, 273 F. Supp. at 448 (finding that plaintiff’s use of the term “HoJo” since 1958 when referring to various food items sold in restaurants and in advertising was sufficient to establish use prior to defendant’s use in 1966).

153. See *Grottanelli*, 164 F.3d 806; *Big Blue*, 19 U.S.P.Q.2d 1072.

154. See *supra* at note 75.

155. See *supra* notes 112-21 and 135-38 and accompanying text.

156. 44 F. Supp. 405 (E.D. Pa. 1942).

that where a third party uses a nickname for a product that the manufacturer itself has not used, “a strict construction of the authorities on common law trade infringement would seem to hold that there could be no infringement.” The court concluded that “it is to the broader field of unfair competition that we must look to for redress, if any.”¹⁵⁷ While later cases eroded the bright line drawn by *Busch* and have tended to rely on the rubrics of both trademark infringement and unfair competition,¹⁵⁸ the fact that, in many of those cases, courts and the TTAB have cited use of the publicly-coined nickname by the brand owner to support a holding precluding third-party use or registration of the nickname, suggests that courts view the Public Use Rule as at odds with the priority principle, and they are uncomfortable with abandoning that principle.

On the other hand, very few of the nickname cases are resolved adversely to the owner of the underlying brand. Indeed, the only instance of such an outcome appears to be the Second Circuit’s decision in the “Hog” case.¹⁵⁹ Presumably, the success of the brand owners in the nickname cases is due to the fact that the equities and, in particular, the consumer protection principle at stake in these cases, weigh even more heavily with the courts and TTAB than does any concern over departing from the priority principle. Nevertheless, the tension arising from the perceived conflict between those two principles in these cases appears very real.

The rationale for the Public Use Rule formulated by the Federal Circuit in the “ACE” case—that public use of a nickname for a brand or branded goods or services “inures” to the benefit of the brand owner—is an effort to reconcile the apparent conflict between the Rule and the priority principle.¹⁶⁰ According to that rationale, the owner of the underlying brand has *constructive priority* of use as against the infringing third party.

But one may question whether it is necessary to resort to judicial constructs like use “for the benefit of” the brand owner and constructive priority to justify application of the Public Use Rule in a manner consistent with the priority principle. As suggested by the decisions that find a nickname to have secondary meaning

157. *Id.* at 407.

158. *See Seghieri*, 29 U.S.P.Q.2d 1956; *Hoffman*, 489 F. Supp. 678; *Smith*, 471 F. Supp. 385; *Rickard*, 175 U.S.P.Q. 563; *Howard Johnson*, 273 F. Supp. 447.

159. *See supra* note 111. The “Big Blue” and “TIMS” cases, as noted, did not result in a decision in the brand owner’s favor, but also did not foreclose such an outcome. The “March Madness” case was resolved against the senior user of the mark but in favor of the user whose use was predicated on public invention and use.

160. *See National Cable Television*, 937 F.2d at 1577-78.

based on public use,¹⁶¹ a focus on the *meaning* of the nickname may provide an alternative rationale. For in the typical nickname case, there is no ambiguity or uncertainty regarding what the nickname *means* to consumers: it is used and understood by the public as a reference to the brand owner or its branded goods or services. Moreover, the nickname means exactly the same thing to consumers as does underlying brand: both refer to the identical brand owner or its goods or services.

Similarity between two marks in meaning is an important factor tending to establish a likelihood of confusion, and it is well-settled that relevant similarity between marks “is not limited to the eye or ear,” but includes similarity in the *meaning* of the marks to the consumer.¹⁶² As the Tenth Circuit Court of Appeals stated:

It is not necessary for similarity to go only to the eye or the ear for there to be infringement. The use of a designation which causes confusion because it conveys the same idea, or stimulates the same mental reaction, or has the same meaning is enjoined on the same basis as where the similarity goes to the eye or the ear.¹⁶³

Indeed, as one prominent commentator has noted, “[t]he mental impact of a similarity in meaning may be so pervasive as to outweigh any visual or phonetic differences.”¹⁶⁴

Thus, even when a brand’s nickname does not visually or phonetically resemble the underlying brand (for example, “Bug” for VOLKSWAGEN, “Hog” for HARLEY-DAVIDSON, or “Big Blue” for IBM), the public’s association of the nickname with the brand owner or its goods or services—an association *created* by the public itself—establishes an identity of meaning between the nickname and brand that renders the two “similar” for purposes of the likelihood of confusion test.¹⁶⁵ Of course, when the nickname *does* at least arguably resemble the brand in appearance or sound (for example, “TIMS” for TIMBERLAND, “AMEX” for AMERICAN EXPRESS, or “Vette” for CORVETTE), the case for confusion is that much stronger.

161. See *Coca-Cola Co.*, 254 U.S. at 145; *Volkswagenwerk Aktiengesellschaft v. Rickard*, 175 U.S.P.Q. at 564; *Volkswagenwerk Aktiengesellschaft v. Smith*, 471 F. Supp. at 386-87; *Volkswagenwerk Aktiengesellschaft v. Hoffman*, 489 F. Supp. at 861.

162. 3 *McCarthy*, *supra* note 2, § 23:26, at 23-92 (collecting cases); see generally 3 *McCarthy*, *supra* note 2, § 23:21 (discussing “sound, sight, and meaning trilogy”).

163. *Standard Oil Co. v. Standard Oil Co.*, 252 F.2d 65, 116 U.S.P.Q. 176 (10th Cir. 1958) (SOHO v. STANDARD OIL).

164. 3 *McCarthy*, *supra* note 2, § 23:26, at 23-92.

165. The evidence that would establish that identity in meaning is the same evidence of public use that already is considered in the nickname cases—for example, news articles referring to the brand owner by the nickname.

In short, assuming other facts in the likelihood of confusion analysis tend to favor the brand owner, the Public Use Rule may not be necessary for the brand owner to prevail.¹⁶⁶ The only difference between a nickname case and other “similarity of meaning” cases would be the fact that the meaning of the nickname arose without any affirmative act of the owner of the underlying brand. But from the standpoint of the likelihood of confusion test, the historical reasons that two terms have a similarity of meaning is entirely immaterial to the analysis.

Reliance on a similarity of meaning theory necessarily eliminates any conflict between the Public Use Rule and the priority principle. For in the typical nickname case, the brand owner indisputably used its brand before the other party adopted the brand’s nickname for its own use. If the brand owner relies on the similarity in meaning between the nickname and the underlying brand, the question of the relative priority between the parties necessarily is resolved in the brand owner’s favor.

It should be noted, however, that while the brand owner could rely on a “similarity of meaning” theory to reach a favorable outcome in many nickname disputes, that theory is of no benefit when the issue is whether the brand owner has priority for purposes of trademark *registration* based solely on use of the

166. If other factors tend to favor the third party—for example, the parties’ respective goods or services are entirely distinct and unrelated—the identity of meaning between the parties’ marks may well be insufficient to warrant relief for the owner of the underlying brand. But that would be true even if the brand owner had used the nickname itself before the other party had, or if, following the Seventh Circuit, the public’s use of the nickname is deemed to be constructive use by the brand owner. Even strict *identity* between the two marks does not necessitate a finding of likelihood of confusion if other factors weigh sufficiently against such a finding.

If the case for confusion is weak because of factors *other* than similarity between the marks, the brand owner could attempt to invoke dilution law to challenge a third party’s use of the brand’s nickname based on mere public use of the nickname to refer to the brand owner. Although no case has yet considered whether the Public Use Rule applies in dilution cases, there are conceptual reasons why it might not. First, mere similarity in meaning, rather than in appearance, between the nickname appropriated by the third party and the brand owner’s underlying mark may not suffice under dilution law. As Professor McCarthy comments, “The familiar test of similarity used in the traditional likelihood of confusion test cannot be the guide, for likelihood of confusion is not the test of dilution.” 4 *McCarthy, supra* note 2, § 24:90.2, at 24-175. Thus, “if the marks are different in sight and sound and only similar in meaning,” dilution may not arise. *Id.*

For this reason, a successful dilution claim necessarily would depend on the constructive use theory articulated by the Federal Circuit in the “ACE” case (which does not depend on similarity between the nickname and the underlying brand). But as Professor McCarthy also has remarked, dilution law is not grounded on “the firm and traditional ground of protecting consumers from confusion,” but rather “seeks protection for the trademark ‘property’ itself.” 4 *McCarthy, supra* note 2, § 24:70, at 24-134. Because dilution law does not share the consumer protection purpose of trademark infringement law, no pressing policy justifies a departure from the priority principle for the benefit of a brand owner that has not used the nickname itself.

nickname by the public. It is well-settled that, for purposes of registering a mark, as opposed to protecting a mark from damaging uses or registrations, the mark sought to be registered must be “a substantially exact representation of the mark as used.”¹⁶⁷ In other words, virtual identity in appearance between the mark previously used and the mark sought to be registered, and not mere similarity in appearance or meaning, is required for registration.¹⁶⁸ Thus, the owner of a publicly nicknamed brand is not entitled to register the nickname as a mark merely because the nickname is identical in meaning to the underlying brand.

In those few cases that have arisen in which the brand owner’s right to register a nickname is disputed—namely, the “Bunny Club” case, the “AMEX” case, and the “Big Blue” case—the TTAB has assumed, without specifically deciding, that public use of a nickname would constitute “use in commerce” for purposes of establishing priority entitling the brand owner to registration under Section 1(a) of the Lanham Act. These cases, all decided before the Federal Circuit’s decision in the “ACE” case, can be rationalized on the basis of the constructive use theory articulated in the Federal Circuit’s decision. Indeed, that would appear to be the only justification available for awarding priority registration rights to a brand owner which has not itself used the nickname. Certainly, such an outcome is hardly necessary to serve the consumer protection principle: the presence or absence of consumer confusion in a given case is unaffected by whether the plaintiff’s mark is registered or unregistered.

But again, there may be no need for a brand owner to rely on a constructive use theory to establish priority in a public-used nickname for registration purposes, at least at this point in time. The cases discussed above all arose before introduction of the ITU regime. At this juncture, a brand owner would be entitled to file an ITU application the moment it becomes aware of the coining of a nickname for its brand by the public. The brand owner, of course, would need to make some use of the nickname itself before the registration could issue, but the Lanham Act allows a substantial period of time for doing so.¹⁶⁹

167. Trademark Rule of Procedure 2.51(b), 37 C.F.R. § 2.51(b).

168. See generally 3 *McCarthy*, *supra* note 2, § 19:58 (discussing requirement of “substantially exact representation”).

169. See 15 U.S.C. § 1051(d). The constructive use theory thus would come into play only if the brand owner filed an *actual use* application on the basis of mere public use. In that event, other interesting questions would arise. For example, if a specimen of public use is submitted—and presumably, there would be no other genuine specimen of use—should the applicant expressly disclose in the declaration or elsewhere in the application that registration is sought solely on the basis of the public’s use of the nickname? If the applicant does not so qualify the application, would a declaration of “substantially exclusive” use constitute a fraud that could invalidate a resulting registration at any subsequent time?

VI. CONCLUSION

When the public coins a nickname for a brand, and another party adopts the nickname as a mark before the owner of the underlying brand ever uses the nickname, tension arises between two fundamental goals of trademark law—to protect the consumer from confusion, on the one hand, and to accord priority of rights in a mark to the first party to use the mark. Over the past century, courts and the TTAB generally have stated that these disputes should be resolved in favor of the brand owner, at least absent evidence that the brand owner actively sought to discourage the public's use of the nickname.

Yet this apparent rule of law, termed the "Public Use Rule" in this article, remains less than black-letter law. In fact, the courts and TTAB, from time to time, have expressed doubt about the existence of the rule. Moreover, in many of the cases in which the rule is cited, there is some evidence that the brand owner *has* used the nickname, at least in some manner, if not as a mark, and the courts or TTAB rely at least as much on that evidence as the evidence of public use of the nickname, in ruling for the brand owner.

The ambiguous status of the Public Use Rule likely results from the assumption that the Rule is at odds with the traditional priority principle of trademark law. But as this article discusses, that assumption is not necessarily warranted because the traditional test of likelihood of confusion considers similarity in *meaning* as much as similarity in appearance. One legitimately can view a nickname as having the same meaning as the underlying brand name, whether or not it is similar in appearance to the brand. Viewed as a rule that protects a brand owner against a third party's use of a name that is identical to the owner's brand in *meaning* if not in appearance, the Public Use Rule is consonant with the priority principle of trademark law, as well as the consumer protection principle.
