

The Trademark Reporter®



The Law Journal of the International Trademark Association

A Tale of Four Decades: Lessons from USPTO Trademark Prosecution Data
Deborah R. Gerhardt and Jon J. Lee

The Future of Trademarks in a Global Multilingual Economy: Evidence and
Lessons from the European Union
Barton Beebe and Jeanne C. Fromer

Book Review: Ambush Marketing and Brand Protection: Law and Practice.
Phillip Johnson
Désirée Fields

INTERNATIONAL TRADEMARK ASSOCIATION

Powerful Network Powerful Brands

675 Third Avenue, New York, NY 10017-5704

Telephone: +1 (212) 642-1700

email: wknox@inta.org

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The Trademark Reporter®

A TALE OF FOUR DECADES: LESSONS FROM USPTO TRADEMARK PROSECUTION DATA

By Deborah R. Gerhardt and Jon J. Lee***

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* Professor of Law & Reef C. Ivey II Excellence Term Professor of Law, University of North Carolina School of Law.

** Associate Professor of Law, University of Oklahoma College of Law.

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INTRODUCTION

The great advantage of empirical research is that it shows patterns. Instead of hearing one voice, empirical research features the chorus of all voices (or a representative sample) together. A single voice may be typical or extraordinary—we cannot know without listening to it in relation to others. Empirical studies offer this high-level perspective. The entire chorus offers a blend of the entire population, and by pulling out some sections we can see patterns in discrete categories. Applying this strategy to new datasets can help us discern trends. By learning which variables are linked to success and failure, research can prompt conversations that drive policy decisions.

Over the past decade, United States Patent and Trademark Office (“USPTO”) trademark prosecution data has made it possible to meaningfully inform intellectual property scholarship, law, and policy. This article reviews and updates much of that scholarship by mining four decades of trademark application data from a newly released database. Part I sets the foundation for understanding empirical trademark research by reviewing the process by which brand owners register trademarks with the USPTO. It begins with an overview of federal registration process and then explains the significant benefits of federal trademark registration. In Part II, we survey prior empirical research conducted on trademark registration and litigation data. And then, in Part III, we describe the methodology we employ using a newly released USPTO dataset and then empirically analyze trademark registration data to update the prior research and clarify some of the important variables that correlate with success in trademark prosecution. Finally, we summarize our conclusions.

I. USPTO TRADEMARK REGISTRATION

The USPTO is a federal government agency that issues U.S. patents and registers trademarks. Trademark registration is premised on Congressional power to regulate interstate commerce under Article I, Section 8, Clause 3 of the Constitution. Pursuant to these powers, Congress created the USPTO as a division of the Department of Commerce. In addition to administering patents and trademarks, the USPTO advises the President of the United States, the Secretary of Commerce, and other U.S. officials on intellectual property law and policy to promote innovation through stronger and more effective IP protection. On its website, <https://www.uspto.gov/>, the agency states that:

The USPTO furthers effective IP protection for U.S. innovators and entrepreneurs worldwide by working with other agencies to secure strong IP provisions in free trade and other international agreements. It also provides

training, education, and capacity building programs designed to foster respect for IP and encourage the development of strong IP enforcement regimes by U.S. trading partners.¹

The USPTO employs more than 10,000 people. Its main offices span multiple interconnected buildings in Alexandria, Virginia. These offices house administrative staff, patent and trademark examiners, engineers, scientists, economists, analysts, librarians, and computer scientists. On its ground floor, one can visit a small museum and a gift shop with merchandise for patent and trademark fans. The USPTO also has regional offices in Dallas, Denver, Detroit, and San Jose.² At the end of the 2021 fiscal year, the USPTO employed 8,073 patent examiners, 662 trademark examining attorneys, and 27 administrative trademark judges.³ Before launching into our empirical study, we will review some basic legal principles necessary for understanding what it takes to succeed in prosecuting marks before the USPTO.

A trademark is a symbol that identifies a product or service as coming from a particular source in a way that distinguishes that source from its competition. A symbol may be protected as a trademark only if it is distinctive enough “to identify and distinguish” goods or services, “from those manufactured or sold by others and to indicate the source of the goods, even if that source is unknown.”⁴ Distinctiveness works as follows. When we see a shoe marked with the word “Nike” or its iconic swoosh, we understand that the shoe comes from Nike, Inc. and not one of its competitors. In addition to words and logos, U.S. law recognizes that nontraditional subject matter, such as product design, décor, color, and sound, may also serve as trademarks.

Trademarks are an especially durable form of intellectual property in the United States. Most forms of intellectual property have set end dates. All copyrights and patents enter the public domain after their term of protection expires, and trade secrets lose their protection upon disclosure. Trademarks are different. Trademark rights last as long as a mark’s owner continues to use the symbol in commerce.⁵ While steps must be taken to secure other

¹ *About Us*, U.S. Pat. & Trademark Off., <https://www.uspto.gov/about-us> (last visited June 13, 2022).

² U.S. Pat. & Trademark Off., *Performance and Accountability Report, Fiscal Year 2021* 15 (2021), <https://www.uspto.gov/sites/default/files/documents/USPTOFY21PAR.pdf>.

³ *Id.* at 19.

⁴ U.S. Trademark (Lanham) Act of 1946, Pub. L. No. 79-489, § 45, 60 Stat. 427 (1946) (codified as amended at 15 U.S.C. § 1127).

⁵ Lanham Act § 14, 15 U.S.C. § 1064 (stating when a trademark may be cancelled); §§ 8-9, 15 U.S.C. §§ 1058-59 (laying out the duration and renewal terms that govern federal trademarks); *see also* *McAirlaids, Inc. v. Kimberly-Clark Corp.*, 756 F.3d 307, 310 (4th Cir. 2014) (stating that trademark law can provide indefinite protection unlike patent

forms of intellectual property, trademark rights in the U.S. arise through use in commerce even if the holder does not seek registration.⁶ While patent and copyright law is exclusively federal, for trademarks, federal and state statutes and common law protect mark owners against infringement, unfair competition, dilution, false advertising, use of their marks in domain names, and harm to business reputation.⁷

Although the first federal trademark law was enacted in 1870, the current statutory scheme, known as the Lanham Act, was enacted in 1946.⁸ The Lanham Act does not exclude any subject matter that may function as a mark on account of its nature. The definition states that a mark may consist of “*any* word, name, symbol, or device, or any combination” of these elements.⁹ While not limited in subject matter, the definition narrows protectible marks to symbols that are distinctive, used in commerce, and not otherwise expressly barred by the Lanham Act. The use in commerce requirement differentiates United States law from many other jurisdictions that extend trademark rights to entities on a first to file basis (like Internet domain names) regardless of whether a mark has ever been used in commerce.

A. The Federal Trademark Application Process

Federal trademark applicants must complete a multi-page form and pay an application fee.¹⁰ An applicant must identify the specific

law, which provides protection for only a limited period); *W.T. Rogers Co. v. Keene*, 778 F.2d 334, 337 (7th Cir. 1985) (explaining that, upon certain conditions, trademarks may provide “an indefinite term of protection”); *Saratoga Vichy Spring Co. v. Lehman*, 625 F.2d 1037, 1043-44 (2d Cir. 1980) (discussing the abandonment of a trademark); *King-Seeley Thermos Co. v. Aladdin Indus.*, 321 F.2d 577, 579 (2d Cir. 1963) (noting that through the holder’s lack of care the trademark “Thermos” became a generic term and entered the public domain); *Bayer Co. v. United Drug Co.*, 272 F. 505, 510-15 (S.D.N.Y. 1921) (finding that the trademark “Aspirin” fell into the public domain due, in part, to the trademark holders’ actions). Trademark owners must take some additional steps, such as periodically certifying continued use, in order to maintain federal registration. Lanham Act §§ 8-9, 15 U.S.C. §§ 1058-59.

⁶ Lanham Act § 43, 15 U.S.C. § 1125 (providing a federal cause of action for infringement and dilution for all marks, including those not having federal registration).

⁷ See *id.* at §§ 32, 43, 15 U.S.C. §§ 1114, 1125 (providing for various federal causes of action); see also *J. Thomas McCarthy, McCarthy on Trademarks and Unfair Competition* § 22:1.50, at 22-10–22-21 (5th ed. 2022) [hereinafter *McCarthy*] (discussing state law causes of action and their relationship to Lanham Act).

⁸ U.S. Trademark Act of 1946, Pub. L. No. 79-489, 60 Stat. 427 (1946).

⁹ Lanham Act § 45, 15 U.S.C. § 1127 (emphasis added).

¹⁰ *Trademark Process*, U.S. Pat. & Trademark Off., <https://www.uspto.gov/trademarks-getting-started/trademark-process> (last visited June 13, 2022) [hereinafter *Trademark Process*]. The fee ranges from \$250 to \$750 for each mark in each class of goods and services. *USPTO Fee Schedule*, U.S. Pat. & Trademark Off., <https://www.uspto.gov/learning-and-resources/fees-and-payment/uspto-fee-schedule#Trademark%20Fees> (last visited June 13, 2022).

trademark it plans to use in connection with a concrete set of goods and services. Legal counsel experienced with navigating the USPTO registration system may be especially helpful in selecting a mark that meets the statutory requirements and completing the application in a way that minimizes the chance that the application will prompt an objection from a USPTO trademark examiner.

Applicants may choose among one of five filing bases. Section 1(a), known as “use” or “use-based,” is for applicants who have already used their mark in commerce when the application is filed.¹¹ Section 1(b), the “intent to use” (“ITU”) basis, was added as part of the Trademark Law Revision Act of 1988 for applicants who have a bona fide intent to use a mark in commerce but have not yet done so.¹² Although at first glance the addition of this filing basis might appear to extend trademark protection to marks prior to their use, that is not the case because the USPTO will not register the mark until the applicant presents evidence of use.¹³ The advantage of an ITU filing is that it enables applicants to receive nationwide priority for the mark as of the filing date even if use has not yet begun.

The other three filing bases may be used by applicants who have applied to register their marks abroad. Section 44(e), referred to as “foreign registration,” may be selected by applicants who have already obtained a trademark registration for the same mark in another country.¹⁴ When an application is based on a foreign registration, the USPTO will register the mark in the United States without proof of use in U.S. commerce if at the time of the U.S. application the applicant expresses a bona fide intent to use the mark in U.S. commerce.¹⁵ The applicant therefore need not demonstrate use to the USPTO until they file a Section 8 declaration of use, which is not due until a mark has been registered in the United States for six years.¹⁶

Section 44(d), referred to as “foreign priority,” is a filing basis for applicants who previously applied for trademark registration in another country but the foreign registration has not yet been granted.¹⁷ If the USPTO application was filed within six months of the foreign application filing date, the applicant will have nationwide priority from the date on which the foreign application

¹¹ Lanham Act § 1(a), 15 U.S.C. § 1051(a).

¹² See generally Trademark Law Revision Act of 1988, Pub. L. No. 100-667 (Nov. 16, 1988).

¹³ Lanham Act § 7(c), 15 U.S.C. § 1057(c).

¹⁴ Lanham Act § 44(e), 15 U.S.C. § 1126(e).

¹⁵ *Id.*

¹⁶ *Id.* at § 8(a), 15 U.S.C. § 1058(a). However, a trademark registered pursuant to Section 44(e) could not be enforced until it had been used in commerce, *Lodestar Anstalt v. Bacardi & Co. Ltd.*, 31 F.4th 1228, 1250 (9th Cir. 2022), and three years of nonuse would constitute prima facie evidence of abandonment. See *id.* § 45, 15 U.S.C. § 1127.

¹⁷ *Id.* at § 44(d), 15 U.S.C. § 1126(d).

was filed.¹⁸ Because Section 44(d) is not an independent basis for registration, applicants must satisfy another basis prior to registration, which will most frequently be Section 44(e) once the foreign registration has been granted.

After the United States joined the Madrid Protocol, it implemented Section 66(a) to extend the reach of registration of a trademark in multiple jurisdictions to the United States.¹⁹ As with the Section 44(e) filing basis, applicants relying on Madrid need not demonstrate use in the United States prior to registration if they attest to a good faith intent to use the mark in commerce.²⁰ Unlike the other filing bases, the Madrid basis cannot be combined with any of the other four,²¹ which means that the scope of protection can be no broader than that conferred by the registration in the origin country.²²

To register a trademark, applicants must overcome two hurdles: examination by the USPTO and potential opposition by third parties. Section 1 of the Lanham Act identifies the necessary components of a trademark application. These include specification of the applicant's domicile and citizenship, the goods and services in connection with which the applicant is using, or has a bona fide intention to use, the mark, and a drawing of the mark.²³ After an application is submitted, the USPTO assigns it a serial number and uploads the application information into the USPTO's publicly available Trademark Electronic Search System ("TESS") online database.²⁴ Once an application appears in TESS, any member of the public can follow its progress. Next, a USPTO trademark examiner is assigned to review the application, identify any defects, and search for confusingly similar pending or registered marks that may have priority.²⁵

If an applicant fails to satisfy any requirement, the trademark examining attorney will issue an office action and afford the applicant time to remedy the defect.²⁶ Before proceeding to registration, the applicant must amend the application or explain why the examining attorney's objection was unwarranted.²⁷ If the

¹⁸ *Id.*

¹⁹ Lanham Act § 65(a), 15 U.S.C. § 1141e(a).

²⁰ *See id.* at § 66(a), 15 U.S.C. § 1141f(a).

²¹ 37 C.F.R. §§ 2.34(b), 2.35(a) (2022).

²² *See* John M. Murphy, *Demystifying the Madrid Protocol*, 2 Nw. J. Tech. & Intell. Prop. 2, 15 (2004) (discussing the advantages and disadvantages of Madrid filings).

²³ Lanham Act § 1(a)(2), (b)(2), 15 U.S.C. § 1051(a)(2), (b)(2).

²⁴ *Trademark Electronic Search System (TESS)*, U.S. Pat. & Trademark Off., <https://tmsearch.uspto.gov> (last visited June 7, 2022) [hereinafter *TESS*].

²⁵ *Trademark Process*, *supra* note 10.

²⁶ *Id.*

²⁷ *Id.*

applicant provides no response or an unsatisfactory one, the application will fail and thereafter be identified in TESS as “dead.” If the applicant satisfies the trademark examining attorney, which may involve multiple rounds of office actions and responses, the mark is published in the USPTO’s Official Gazette.²⁸

Publication marks success in the USPTO’s examination of the application but opens the second window of vulnerability.²⁹ Once a mark is published, third parties have thirty days in which to oppose the application.³⁰ Any third party who thinks it may be harmed if the mark is registered may initiate an opposition proceeding.³¹ While most applications receive at least one office action, only about 3% are challenged through opposition proceedings.³² If no opposition is filed (or if an opposition is filed and the Trademark Trial and Appeal Board denies the opposition), marks filed on a use basis may proceed immediately to registration.³³ ITU applicants must complete an additional step. After publication, the USPTO will issue a “Notice of Allowance,” indicating that registration will occur once the applicant submits evidence of use in commerce.³⁴ That evidence will be reviewed before a registration certificate is issued to make sure the use matches the claims in the application and that an appropriate specimen supports the use.³⁵ The registration process is illustrated in Figure I below.

²⁸ *Id.*

²⁹ *Id.*

³⁰ Lanham Act § 13(a), 15 U.S.C. § 1063(a).

³¹ *Id.*

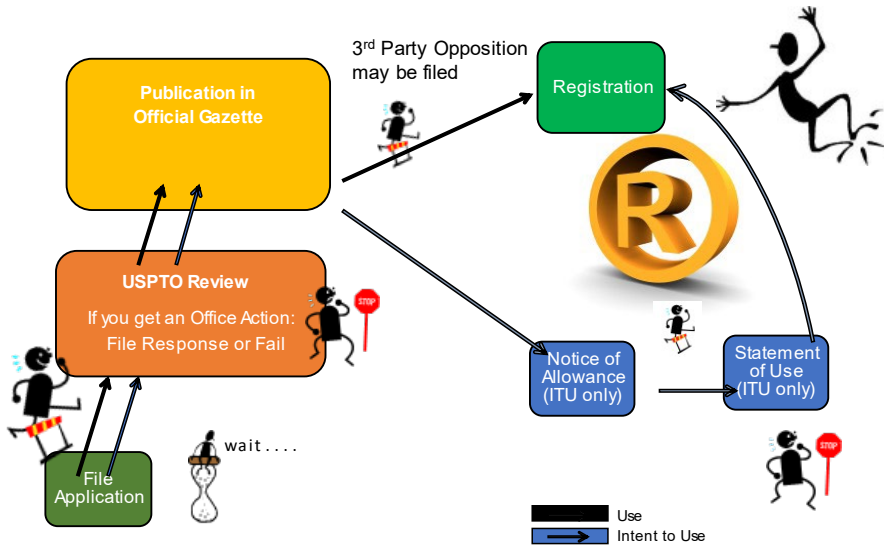
³² Deborah R. Gerhardt & Jon P. McClanahan, *Do Trademark Lawyers Matter?*, 16 Stan. Tech. L. Rev. 583, 620 (2013).

³³ Lanham Act § 13(b)(1), 15 U.S.C. § 1063(b)(1).

³⁴ *Id.* at §§ 1(b), 13(b)(2), 15 U.S.C. §§ 1051(b), 1063(b)(2).

³⁵ *Id.* at § 1(d), 15 U.S.C. § 1051(d).

Figure I: USPTO Trademark Registration Process



There are many reasons why a trademark may fail to register. Section 2 of the Lanham Act contains substantive limits on trademark protection, by enumerating a list of bars to registration. For example, Section 2(a) prohibits registration of deceptive marks.³⁶ Deceptiveness may not always be as straightforward as one might imagine, because a symbol's meaning may change over time. For example, environmental friendliness was not always an important consideration to American consumers. In the twentieth century, a “green” designation for lawn care may have been deemed merely descriptive, and registrable in connection with other distinctive words. Over time, the meaning of “green” services evolved to connote special attention to environmental sustainability, and now the USPTO may flag a mark as deceptive if it includes the word “green” but is not used with products or services designed to protect the environment.³⁷ Similarly, Section 2(e)(3) prohibits the registration of trademarks that are primarily geographically misdescriptive, a statutory bar that was added in connection with implementation of the North American Free Trade

³⁶ *Id.* at § 2(a), 15 U.S.C. § 1052(a).

³⁷ See David E. Adelman & Graeme W. Austin, *Trademarks and Private Environmental Governance*, 93 *Notre Dame L. Rev.* 709, 742-43 (2017) (discussing TTAB's refusal to register “Green Seal” as a trademark “because the applicant did not provide any evidence that the products were environmentally friendly.”).

Agreement.³⁸ The most common obstacle to registration is Section 2(d), which bars applications for marks that are confusingly similar to another active record in the USPTO trademark database.³⁹

B. Benefits of Federal Trademark Registration

Brand owners can significantly expand the geographic scope, means for maintaining market distinctiveness, and economic value of their marks through federal registration. Although registration is not necessary to obtain protection, mark owners often seek to buttress their rights by registering their marks with the USPTO.⁴⁰ Once registration is achieved, it must be renewed regularly with payment of a fee and a Section 8 declaration attesting to continued use.⁴¹ Federal registration confers significant benefits on mark owners by augmenting protection, minimizing costs, and strengthening the economic value of a mark.

Nationwide protection is one of the primary benefits of federal trademark registration. Federal registration confers priority throughout the United States, even if the mark is not being used nationwide.⁴² In this way, it minimizes priority battles by giving the first registrant nationwide priority without having to prove first use in a particular geographic market. Therefore, federal registration may be more cost effective and efficient than securing rights through actual expansion into new territories.⁴³ Although federal

³⁸ Lanham Act § 2(e)(3), 15 U.S.C. § 1052(e)(3); *see also In re California Innovations, Inc.*, 329 F.3d 1334, 1337-39 (Fed. Cir. 2003) (discussing revisions to the Lanham Act due to NAFTA and their impact on the geographic misdescriptiveness determination).

³⁹ *See Possible Grounds for Refusal of a Mark*, U.S. Pat. & Trademark Off., <https://www.uspto.gov/trademark/additional-guidance-and-resources/possible-grounds-refusal-mark> [<https://perma.cc/6E3L-BJ85>] (last visited Dec. 2, 2022).

⁴⁰ *See, e.g.*, Lanham Act § 7(b), 15 U.S.C. § 1057(b) (presumption of validity); § 15, 15 U.S.C. § 1065 (incontestability); § 35, 15 U.S.C. § 1117 (damages); § 39, 15 U.S.C. § 1121 (federal jurisdiction for infringement claims); *B & B Hardware, Inc. v. Hargis Indus., Inc.*, 575 U.S. 138, 142 (2015) (“Registration is significant. The Lanham Act confers ‘important legal rights and benefits’ on trademark owners who register their marks.”) (internal citations omitted); *In re Brunetti*, 877 F.3d 1330, 1344 (Fed. Cir. 2017), *aff’d sub nom. Iancu v. Brunetti*, 139 S. Ct. 2294 (2019) (listing benefits).

⁴¹ *See* Lanham Act §§ 8-9, 15 U.S.C. §§ 1058-1059; *Trademark Process*, *supra* note 10.

⁴² Lanham Act §§ 22, 7(c), 15 U.S.C. §§ 1072, 1057(c); *see also Zirco Corp. v. Am. Tel. & Tel. Co.*, 21 U.S.P.Q.2d 1542 (T.T.A.B. 1991) (discussing constructive use and priority for intent-to-use filings).

⁴³ A limited area exception provides some protection to mark users who do not seek registration. Lanham Act §§ 2(d) 7(c), 15 U.S.C. §§ 1052(d), 1057(c). For example, when two firms develop the same mark in different locations and one applies to register the mark, if its registration succeeds, the registrant will have nationwide priority except in geographic locations where the other business had used the mark in good faith prior to the registrant’s application date. *See, e.g., Dudley v. Healthsource Chiropractic, Inc.*, 883 F. Supp. 2d 377, 389 (W.D.N.Y. 2012) (“Federal registration, however, does not give priority over persons who had used and had not abandoned the mark prior to filing. A senior user retains common law rights to exclusively use the mark within its territory of prior use.”) (internal citations omitted).

law provides protections to users who fail to seek federal registration, it effectively locks them into their common law territories, giving the users who registered priority in the rest of the nation.⁴⁴ Beyond these protections, federal registration empowers the registrant to seek an injunction requiring other later adopters to stop using any confusingly similar symbols when the registrant expands into their geographic territory.⁴⁵ For all of these reasons, the possibility of securing nationwide priority is a strong incentive for seeking federal registration.

Registration constitutes prima facie evidence of the validity of the registered mark, its registration, ownership, and “the owner’s exclusive right to use the registered mark in commerce on or in connection with the goods or services specified in the certificate, subject to any conditions or limitations stated in the certificate.”⁴⁶ Owners may use an “®” registration notice to their marks,⁴⁷ signaling that they own intellectual property rights and may be prepared to assert them. Federal registration also enables mark owners to obtain enhanced statutory damages for counterfeiting.⁴⁸

Additional benefits from registration result from the mark’s presence in TESS, the USPTO online search database.⁴⁹ New entrants seeking to determine if a symbol is available for registration often search TESS to see if someone has already secured rights in that word or design. If the symbol has already been registered for similar goods or services, the USPTO will block a later application while that mark is live on the Register. If a new entrant sees the conflict, it may avoid an inevitable office action by choosing another symbol with no obvious conflicts in the TESS data. In this way, a mark’s presence in TESS can serve as a powerful deterrent to new entrants who might otherwise adopt it. If a new entrant misses a confusingly similar registration and files an application to register a mark that is live in the TESS data, the trademark examining attorney will likely identify the conflict during its initial examination and deny the new entrant’s application. In this way, the USPTO confers an additional benefit on registrants, as it protects their mark from confusingly similar registrations, without

⁴⁴ Lanham Act §§ 2(d) 7(c), §§ 1052(d), 1057(c); *Dudley*, 883 F. Supp. 2d at 389.

⁴⁵ *See, e.g.*, *Dawn Donut Co. v. Hart’s Food Stores, Inc.*, 267 F.2d 358, 365 (2d Cir. 1959) (denying injunctive relief after finding no likelihood of confusion but clarifying that “the plaintiff may later, upon a proper showing of an intent to use the mark at the retail level in defendant’s market area, be entitled to enjoin defendant’s use of the mark”).

⁴⁶ Lanham Act § 7(b), 15 U.S.C. § 1057(b).

⁴⁷ *Id.* at § 29, 15 U.S.C. § 1111.

⁴⁸ *Id.* at § 34(d)(1)(B), 15 U.S.C. § 1116(d)(1)(B) (“[A] counterfeit of a mark that is registered on the principal register in the United States Patent and Trademark Office for such goods or services sold, offered for sale, or distributed and that is in use, whether or not the person against whom relief is sought knew such mark was so registered.”).

⁴⁹ *TESS*, *supra* note 24.

the registrant taking any action or perhaps even knowing of the conflict.⁵⁰

The USPTO maintains two registers: the Principal Register, for marks that comply with all statutory requirements, and the Supplemental Register, for marks that are not yet distinctive. If a mark is capable of acquiring distinctiveness, it may be placed on the Supplemental Register until its owner gathers evidence of secondary meaning and reapplies for inclusion on the Principal Register.⁵¹ Supplemental registration does not confer enforceable trademark rights, but it does permit the mark owner to use the “®” symbol to indicate its mark is registered with the USPTO.⁵² This notice, as well as the mark’s presence in the TESS data, may provide some deterrent value, but the other benefits of registration on the Principal Register are not conferred through Supplemental registration.⁵³ Throughout our analysis we use “registration” to refer to a mark’s presence on the Principal Register as it is the USPTO’s ultimate measure of success in trademark prosecution. We refer to the Supplemental Register by using the term “Supplemental” expressly when the distinction is warranted.

Since the USPTO made its trademark data available for public research, scholars from multiple disciplines have discovered many patterns revealed in the data. The following section provides an overview of this emerging field of research.

II. PRIOR EMPIRICAL TRADEMARK RESEARCH

The team of economists at the USPTO publish data affirming the substantial influence that IP-intensive industries have on the U.S. economy and employment.⁵⁴ Their 2021 Report on Intellectual Property and the U.S. Economy found that trademarks “enhance the value of both patented and unpatented innovations, as well as reputation, by identifying a good’s or service’s source of origin.”⁵⁵ In evaluating output, the study reports that in 2019, the group of IP-intensive industries accounted for \$7.8 trillion of the gross domestic product. Although industries may fit within more than one area of IP, trademark-intensive industries led the pack at nearly \$7.0 trillion, design and utility patent-intensive industries accounted for

⁵⁰ See Gerhardt & McClanahan, *supra* note 32, at 589.

⁵¹ See Lanham Act § 23, 15 U.S.C. § 1091.

⁵² See *id.* at § 29, 15 U.S.C. § 1111 (providing that all registrants can provide statutory notice, which includes marks on the Supplemental Register).

⁵³ See Gerhardt & McClanahan, *supra* note 32, at 587-88 (comparing and contrasting the principal and supplemental registers).

⁵⁴ Andrew A. Toole et al., *Intellectual Property and the U.S. Economy: Third Edition*, at ii (U.S. Pat. & Trademark Off. 2021), <https://www.uspto.gov/sites/default/files/documents/uspto-ip-us-economy-third-edition.pdf>.

⁵⁵ *Id.* at 1.

nearly \$4.5 trillion each, and copyright-intensive industries accounted for just under \$1.3 trillion.⁵⁶

In 2010, the USPTO first posted bulk data containing information from decades of trademark registration applications, making it possible for scholars to analyze hundreds of variables without filing a Freedom of Information Act request. Since then, United States trademark registrations have attracted significant scholarly attention. In an earlier study, we found that trademark applicants were more likely to succeed to publication and registration if they were assisted by legal counsel, and that the success rates were even higher if the applicant's lawyer had prosecuted more than thirty applications.⁵⁷ Below, we update those findings with more recent data and greater granularity in attorney experience levels.

Beebe and Fromer analyzed the availability of marks to new applicants and found that the supply of desirable trademarks is not inexhaustible.⁵⁸ They also found that the Principal Register has become so cluttered with word marks that new applicants in many fields must overcome depletion and congestion barriers.⁵⁹ We reached the opposite conclusion in our study of color marks, finding that colors—apart from other indicia—are claimed as marks much less frequently than their expressive potential might suggest.⁶⁰ Bitton, Schuster, and Gerhardt analyzed marks prosecuted by individuals and found significant disparities in success rates correlating with race and gender.⁶¹ One of the surprising findings

⁵⁶ *Id.* at 3.

⁵⁷ See Gerhardt & McClanahan, *supra* note 32, at 622 (finding that trademark lawyers have a significantly higher likelihood of prosecuting successful trademark applications and successfully rebutting office actions and opposition than *pro se* applicants).

⁵⁸ See Barton Beebe & Jeanne Fromer, *Are We Running Out of Trademarks? An Empirical Study of Trademark Depletion and Congestion*, 131 Harv. L. Rev. 945, 1041 (2018) (finding that firms will likely always find at least some minimally communicative unregistered mark, but that increasing depletion and congestion will impose greater costs and less benefit on firms and increase consumer search costs).

⁵⁹ *Id.* at 950-51 (defining “trademark depletion” as “the process by which a decreasing number of potential trademarks remain unclaimed by any trademark owner,” and defining “trademark congestion” as “the process by which an already-claimed mark is claimed by an increasing number of different trademark owners.”).

⁶⁰ See Deborah R. Gerhardt & Jon J. Lee, *Owning Colors*, 40 Cardozo L. Rev. 2483, 2546-47 (2019) (citing support for the powerful cognitive signals that colors are capable of imparting on consumers and finding 221 registrations of color as a trademark alone out of millions registered since the U.S. Supreme Court ruled color alone could function as a trademark in 1995).

⁶¹ Miriam Marcowitz-Bitton, Deborah R. Gerhardt & William Michael Schuster, *An Empirical Study of Gender and Race in Trademark Prosecution*, 94 S. Cal. L. Rev. 1407, 1459-60 (2022); see also Emma Williams-Baron, Jessica Milli & Barbara Gault, *Innovation and Intellectual Property among Women Entrepreneurs*, at ii, 12 (Inst. Women's Pol'y Res. 2018), https://iwpr.org/wp-content/uploads/2020/10/C472_Report-Innovation-and-Entrepreneurship-9.6.18-clean.pdf (finding that male-owned businesses are 7.0% likely to hold a trademark registration and female-owned businesses are only

from this research is that although women are underrepresented in the population of individual trademark applicants, their publication and registration success rates exceed those of men.⁶²

Additional empirical trademark research focuses on data outside the registration context. Some studies show a correlation between trademarks and entrepreneurial success. Trademarks, for example, have been found to provide competitive advantages⁶³ and promote informational and economic efficiency.⁶⁴ Scholars have also shown that firm survival, performance-related metrics, and other innovation measures correlate with trademark registration.⁶⁵

Empirical studies of judicial opinions have also contributed to a better understanding of infringement and dilution litigation. In the United States, proof of trademark infringement is established by showing that consumers are likely to be confused by another's use of an identical or similar mark.⁶⁶ Each of the federal circuits employs a multi-factor test to determine the likelihood of confusion.⁶⁷ Beebe employed correlation and logistic regression analysis on over 300 judicial opinions issued from 2000 through 2004 to determine the relative impact of these factors.⁶⁸ He found that senior trademark litigants seeking to stop another's use must win in proving their mark is strong and that the junior's mark is confusingly similar. Proof of an infringer's bad faith, evidence of actual confusion, and proximity of the goods and marketing channels are also significant.⁶⁹ A more recent study by Lim also noted that similarity, actual confusion, and competitive proximity were among the most important factors to courts evaluating

6.1% likely); *Intellectual Property and Women Entrepreneurs*, Nat'l Women's Bus. Council, 2 (2012), <https://cdn.www.nwbc.gov/wp-content/uploads/2018/02/27192725/Qualitative-Analysis-Intellectual-Property-Women-Entrepreneurs-Part-1.pdf> (comparing application and grant trends by gender).

⁶² Marcowitz-Bitton et al., *supra* note 61, at 1466.

⁶³ See Richard Hall, *The Strategic Analysis of Intangible Resources*, 13 STRATEGIC MGMT. J. 135, 143 (1992) (finding that trademarks, among other intangible assets such as company reputation and employee know-how, are sources of sustainable competitive advantages).

⁶⁴ See William M. Landes & Richard A. Posner, *Trademark Law: An Economic Perspective*, 30 J. L. & ECON. 265, 268-73 (1987) (arguing that trademark law works to promote economic efficiency through a reduction of consumer information costs and incentivizing expenditures to maintain the high quality of goods and services).

⁶⁵ See Christine Greenhalgh & Mark Longland, *Running to Stand Still?—The Value of R&D, Patents and Trade Marks in Innovating Manufacturing Firms*, 12 INT. J. ECON. BUS. 307, 310 (2005) (finding that, due to depletion and inability to stave off imitation, firms must continually renew IP assets to maintain market position).

⁶⁶ Lanham Act § 32, 15 U.S.C. § 1114.

⁶⁷ See McCarthy, *supra* note 7, § 24:30, at 24-86.

⁶⁸ Barton Beebe, *An Empirical Study of the Multifactor Tests for Trademark Infringement*, 94 Cal. L. Rev. 1581, 1584-85, 1600 (2006).

⁶⁹ *Id.* at 1607-14.

likelihood of confusion.⁷⁰ He further found that courts engage in “factor folding,” a process by which they “combine factors and analyze them together,” and “tend to start limiting the factors that they choose to consider when confronted with complex decision processes.”⁷¹

III. LESSONS FROM THE TRADEMARK CASE FILES DATASET

Although the TESS website is an excellent resource for searching individual applications and registrations, it does not work well for conducting longitudinal research and analyzing trends. To conduct our empirical study of trademark application and registration data, we relied on the USPTO’s Trademark Case Files Dataset (“TCF dataset”) released by the Office of the Chief Economist to facilitate academic research and transparency.⁷² Although the bulk trademark application data used in much of the earliest empirical research is still available, the TCF dataset is significantly more streamlined. It includes a primary table that contains one record for each trademark application along with seventy-nine variables.⁷³ This primary table is linked to thirteen additional tables through the application’s serial number, which serves as a unique identifier for each application. Given the one-to-many relationship between the primary table and several additional tables, hundreds of information points may be gleaned for each application. The USPTO periodically releases updated versions of this dataset with new information that applicants and the USPTO continuously enter into TESS.

A. Methodology

In early 2022, the USPTO released its most recent version of the TCF dataset that contained all information it maintained on trademark applications filed between 1870 and early 2021.⁷⁴ Due to data limitations, the following analysis is based on applications filed in the forty-year period between January 1, 1981, and December 31, 2020. As first noted by Barton Beebe, the number of unsuccessful

⁷⁰ Daryl Lim, *Trademark Confusion Revealed: An Empirical Analysis*, 71 Am. Univ. L. Rev. 1285, 1338-39 (2022).

⁷¹ *Id.* at 1345.

⁷² See *Research Datasets*, U.S. Pat. & Trademark Off., <https://www.uspto.gov/ip-policy/economic-research/research-datasets> (last visited June 13, 2022) (describing the various research datasets and providing links to download them).

⁷³ See *USPTO Trademark Case Files 2020 Variable Tables*, U.S. Pat. & Trademark Off., <https://www.uspto.gov/sites/default/files/documents/2020-tm-case-files-variable-tables.pdf>.

⁷⁴ See *Trademark Case Files Dataset*, U.S. Pat. & Trademark Off., <https://www.uspto.gov/ip-policy/economic-research/research-datasets/trademark-case-files-dataset> (last visited June 13, 2022).

applications before 1981 is exceedingly low, suggesting that prior to that year, the USPTO may have purged unsuccessful applications.⁷⁵ Other empirical studies of trademark data have employed similar types of date limitations as well.⁷⁶ For these reasons, our analysis of trademark applications relies on forty years of trademark data beginning in 1981.

Success for any trademark applicant is not immediate, as each application can take months or even years to wind its way through the registration process. Therefore, in analyzing publication and registration success rates, we limited our inquiry to applications filed between January 1, 1981, and December 31, 2018, that had reached a final disposition of registration or abandonment. As noted above, the prosecution of a trademark application can take several years, especially if an examining attorney issues multiple office actions. ITU applications may also sit for years between publication and registration. Once the notice of allowance issues, ITU applicants are given six months to file a statement of use. But even after that initial period expires, applicants may seek five additional six-month extensions of time.⁷⁷ In order to ensure that our reported success rates were not skewed by these prosecution delays, we excluded from those calculations all applications filed during the final two years of the study (2019–2020) along with any earlier applications that were still pending.

We then determined whether any additional records should be excluded. Although the TCF dataset appears to be reliably coded and maintained, we excluded a small subset. For example, each record contains a current status code, indicating whether a mark is “live” or “dead” in the USPTO system. A record is deemed “live” if the application is pending or the registration has issued and is still active; a record will be considered “dead” if the application failed to register or if the registration issued but was later cancelled. While nearly all records fit neatly into one of the two categories above, some status codes for the “dead” category signal that the record contains invalid or incorrect data. Given that the USPTO itself flagged this set as erroneous or incomplete, we excluded 2,709 records (.03% of all applications) from our analysis.

A final set of issues arises in the examination of the data on attorneys who assisted with the filing of trademark applications. First, the attorney data fields are inconsistently populated on applications filed prior to 1983; therefore, we shortened the time frame for the analysis of attorney representation accordingly.

⁷⁵ See Barton Beebe, *Is the Trademark Office a Rubber Stamp?*, 48 Hous. L. Rev. 751, 760 (2011).

⁷⁶ See, e.g., Beebe & Fromer, *supra* note 58, at 973 n.132 (limiting empirical study to applications filed since 1985); Gerhardt & Lee, *supra* note 60, at 2521 (limiting empirical study to applications filed since 1987).

⁷⁷ See Lanham Act § 1(d), 15 U.S.C. § 1051(d).

Second, both the fact of attorney assistance and the name of the attorney are self-reported by the person who files the application. Although the field ordinarily includes the lawyer's name and in theory would be blank if the applicant is pro se, some applicants entered information such as a question mark or the word "none." We recoded these records as pro se because although the attorney field was not blank, the written text suggested the application was prosecuted without the assistance of counsel. On the flip side, major corporations with a suite of in-house counsel may file multiple applications through an experienced paralegal on behalf of the company.⁷⁸ Although these applications would be coded as pro se, the applicant in fact may be assisted by lawyers in selecting the symbol, preparing the application, or responding to office actions.⁷⁹ Third, when an applicant hires or changes counsel after the initial filing or even post registration, the new attorney's name may appear in the TESS data even if that lawyer was not originally involved. It is possible that these features of the data may result in an underestimation of attorney success rates because applications originally filed pro se may contain errors an experienced attorney would not have made. Fourth, because the USPTO does not maintain a licensing system for trademark attorneys who appear before it,⁸⁰ one cannot know for certain the number of applications a particular attorney has filed. For example, an attorney who uses a middle initial when filing some but not all applications will appear as two different individuals in the dataset, as will attorneys who change their names. Although we implemented some measures to more accurately match attorney names (e.g., removing non-alphabetic characters), we acknowledge that this method of tracking attorneys is a conservative approach that may overestimate the success rates for less experienced attorneys and underestimate the findings of higher success rates for experienced attorneys. Finally, all the applications for an attorney who files more than 100 applications will be counted as highly experienced even though that lawyer's earliest applications would have been filed without the benefit of substantial prosecution experience. Counting these earlier applications (when they did not have experience) with the rest of the experienced filings again underestimates the success of applications filed by experienced counsel.

After identifying the records within the time period of interest and scrubbing the data, 9,189,498 applications remained for our longitudinal analysis. Because this study examines the entire

⁷⁸ Gerhardt & McClanahan, *supra* note 32, at 614.

⁷⁹ *See id.* at 612-14.

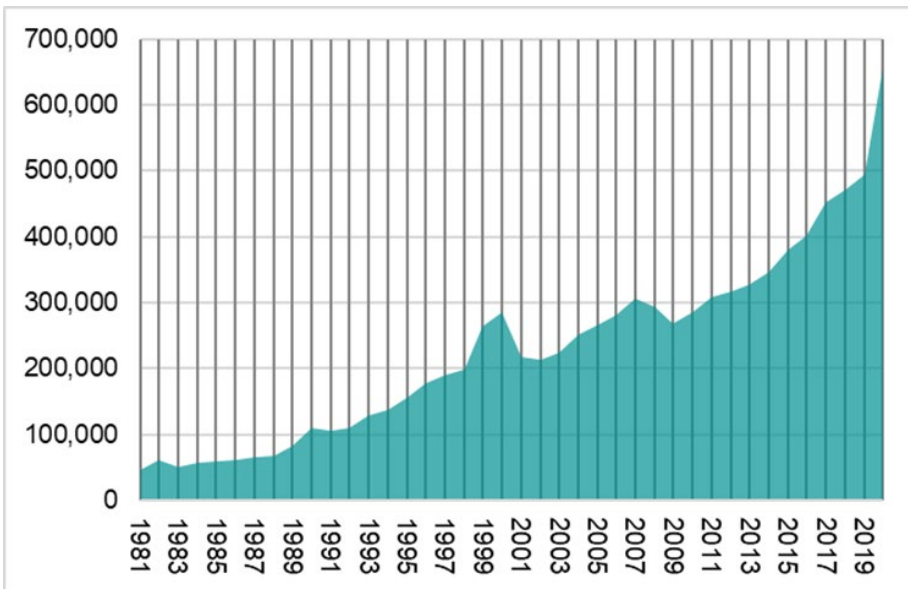
⁸⁰ Jon J. Lee, *Double Standards: An Empirical Study of Patent and Trademark Discipline*, 61 B.C. L. Rev. 1613, 1678-80 (2020) (noting deficiency and suggesting that the USPTO develop a registration system to better track trademark attorneys who practice before it).

population rather than a sample, computing statistical significance is inapposite. As there is no risk of variation between a selected sample and the population of trademark applications, we are able to describe with certainty the observations set forth below.

B. Four Decades of Trends and Dramatic Growth

As of May 2022, there were 3,784,721 live marks on the Principal Register and another 107,633 on the Supplemental Register. While these total numbers are substantial, they do not capture the growth in trademark applications and registrations over the last four decades. The number of live marks in the TESS data changes daily as new applications are filed and marks no longer in use are abandoned. To illustrate how the dataset grew over time, Figure II shows the annual number of applications filed between 1981 and 2020.

Figure II: Trademark Applications Over Time

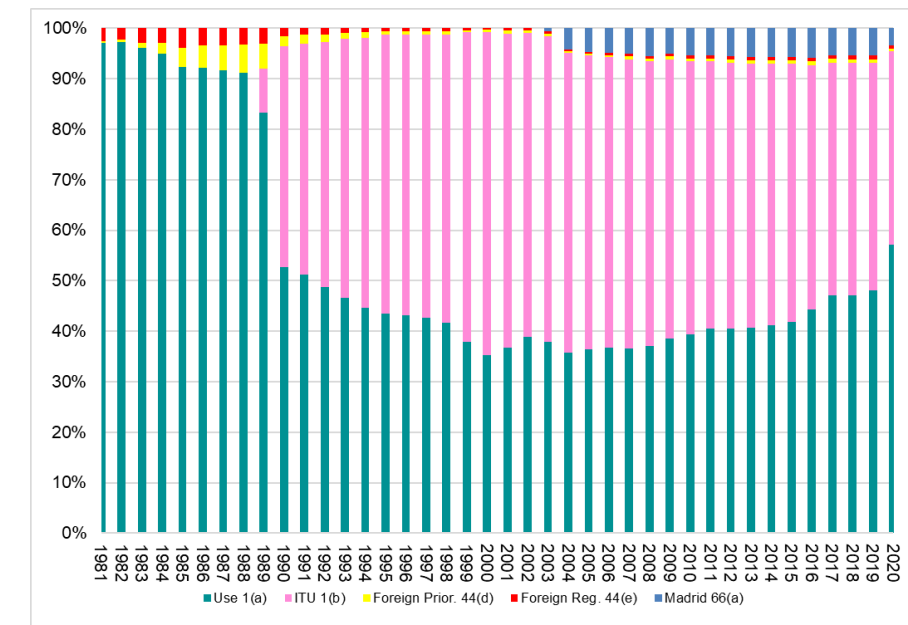


As illustrated in Figure II, trademark application rates increased by more than twelve times over the past forty years. The annual number of applications jumped from under 50,000 per year in 1981 to over 650,000 in 2020—a 1274% increase. The spike in 1989 coincides with the year when intent-to-use was first available as a filing basis. Although an ITU application cannot mature to registration until the applicant submits proof of use, the applicant can secure priority from the date the application is filed. As illustrated in Figure II, applicants quickly began to take advantage of this opportunity and stake their claim to marks that they had not yet begun using in commerce.

The dramatic increase around 2000 may be attributed to the availability of electronic filing beginning in late 1998 and the Internet bubble phenomenon.⁸¹ The most recent surge in trademark applications was fueled by a sudden rush of applications from China. Between 2013 and 2019, applications from China jumped 1527% from 4,706 to 76,566, far outpacing the 51% overall percentage increase in applications.⁸² Because the increase corresponded with a flood of fraudulent specimens and other indications that the marks may not be related to genuine use in commerce, the USPTO amended its regulations to require that all applications from entities domiciled in other countries be prosecuted by an attorney licensed to practice in the United States.⁸³ That change became effective in August 2019, and therefore, data in future years will reveal the extent to which it has an impact on filing and success rates.

Figures III.A and III.B document changes in filing basis trends. To create Figure III.A so that the categories were mutually exclusive, we limited the universe to the vast majority of applications (96%) claiming a single filing basis.

Figure III.A: Application Filing Basis Over Time



⁸¹ See Beebe, *supra* note 75, at 761 (discussing Internet bubble); Gerhardt & McClanahan, *supra* note 32, at 602-03 (noting connection with introduction of online filings).

⁸² *Trademarks and patents in China: The impact of non-market factors on filing trends and IP systems*, U.S. Pat. & Trademark Off. 5 (Jan. 2021), <https://www.uspto.gov/sites/default/files/documents/USPTO-TrademarkPatentsInChina.pdf>.

⁸³ See Requirement of U.S. Licensed Attorney for Foreign Trademark Applicants and Registrants, 84 Fed. Reg. 31,498 (July 2, 2019) (to be codified at 37 C.F.R. pts. 2, 7, & 11).

The great majority of applications filed prior to 1989 claiming a single filing basis were based on use in commerce. Once intent-to-use became an option for applicants on November 16, 1989, it quickly gained popularity. By 1993, ITU applications exceeded those filed based on use. In 2017, use-based applications once again regained the lead. The spike in applications from Chinese-domiciled entities likely contributed to this shift, as a large percentage of those applications were based on alleged use.⁸⁴

Figure III.A also displays shifting trends for applications originating outside the United States, although these trends do not fully capture the importance of those filings because applications from abroad often claim more than one basis. Foreign priority filings, in particular, are routinely filed in connection with use or intent to use since foreign priority cannot be used as a basis for registration. Of the applications that are filed with more than one basis (4% of total), 62% claim foreign priority. A closer look at these applications reveals that they are most often coupled with ITU filings; 86% of multi-basis filings claiming foreign priority include ITU as an additional basis. This finding is consistent with the hypothesis that some businesses may leverage foreign priority to secure early nationwide priority for marks they have not yet used in the United States.⁸⁵ An empirical study by Carsten Fink et al. named them “submarine trademarks” because large corporations occasionally use this strategy to secretly secure early filing dates in jurisdictions without publicly available trademark registration data.⁸⁶

In order to more fully understand the increasing importance of international filing bases, Figure III.B depicts the number of applications claiming foreign priority, foreign registration, or protection under the Madrid protocol, even if that filing basis is combined with others.

⁸⁴ See *Trademarks and patents in China: The impact of non-market factors on filing trends and IP systems*, *supra* note 82, at 4.

⁸⁵ See Carsten Fink et al., *J. Econ. & Mgmt. Strategy Working Paper No. 51, Submarine Trademarks*, 12 (2018), https://www.wipo.int/edocs/pubdocs/en/wipo_pub_econstat_wp_51.pdf.

⁸⁶ *Id.* at 2.

Figure III.B Prevalence of International Filing Bases

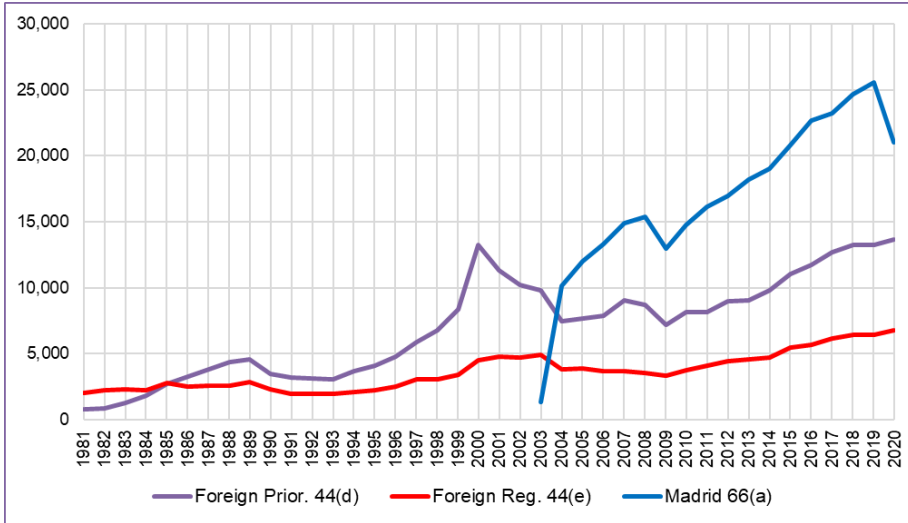


Figure III.B documents these dynamic trends. In the early 1980s, foreign registration filings were more prevalent than foreign priority filings. That trend shifted in 1985 and became more pronounced after 1995. In 2002, just before the introduction of Madrid filing basis, there were 11,317 applications that claimed foreign priority, in comparison to 4,729 that relied upon foreign registration. But soon after the introduction of the Madrid filing basis, it overtook the other foreign filing bases, and continues to dominate the landscape of foreign applications. Between 2010 and 2020, both the foreign priority and foreign registration bases showed considerable increases from a relative standpoint, even though they have been outpaced by Madrid filings.

In addition to choosing a filing basis, each trademark applicant must specifically identify the classes of goods and services it uses (or intends to use) in connection with the claimed mark. Overall, most trademark applications (60%) are claimed in connection with goods. One third (33%) are for service marks, and 7% claim use in connection with both goods and services. Figure IV illustrates some modest variation in filings within these general categories over time.

Figure IV: Applications for Goods and/or Services Over Time

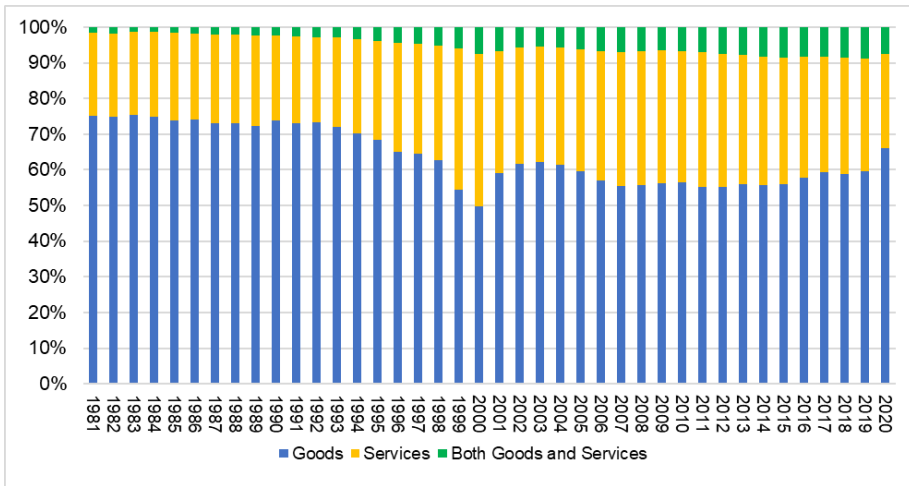
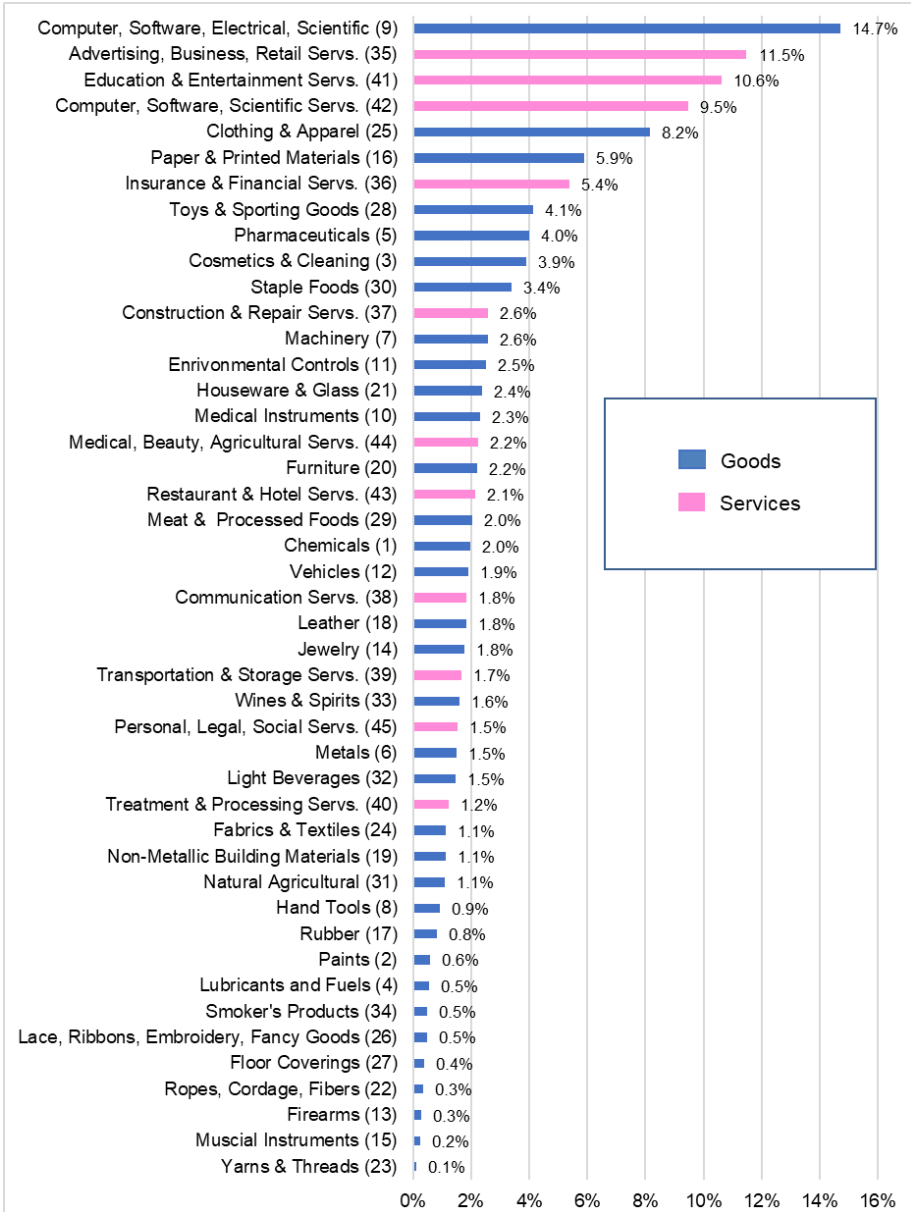


Figure IV shows that in the 1980s, goods accounted for over 75% of applications. The percentage of services (either alone or in connection with goods) began to increase significantly beginning in the 1990s. Once, in 2000, applications filed in connection with goods accounted for fewer than 50% of applications. Since then, the percentage has generally hovered between 55% and 60%. The most recent filing data from 2020 reflects the highest percentage (66%) of applications filed in connection with goods alone. This upturn may have resulted from the COVID-19 pandemic, as businesses may have delayed launching new services. Data from future years will bear out whether this finding is a temporary blip or a pivot point.

Figure V shows the percentage of marks registered in each of the international goods and service classes. Goods classes are depicted in blue, and service classes are in pink.

Figure V: Registrations by Class



Interestingly, three of the four most popular classes are for services. This finding is not surprising given that there are fewer service classes, and some classes for goods, such as yarns and threads or musical instruments, are far more specific, compared with service categories for advertising, entertainment, and education.

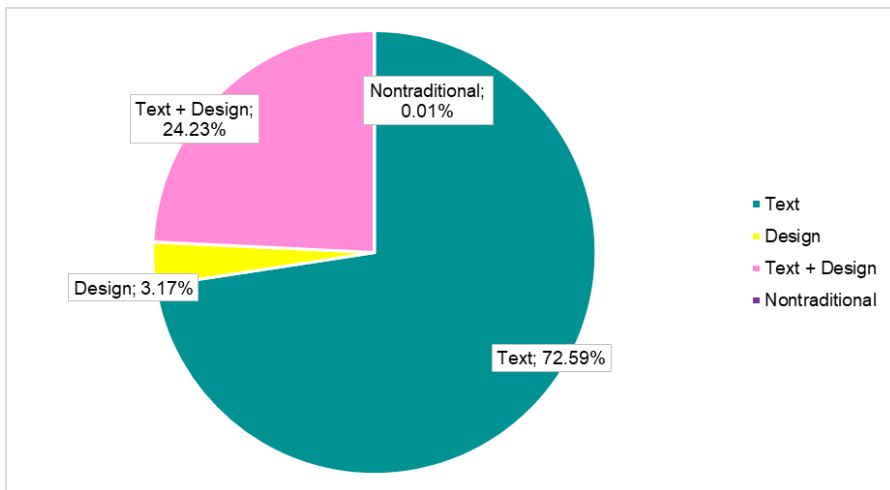
C. Trends in Text, Color, and Design

In addition to protecting use in connection with a wide variety of goods and services, U.S. trademark law generally does not exclude a symbol from serving as a mark on account of its nature. To facilitate efficient searching, the USPTO codes marks for multiple elements, including the use of words, designs, shapes, colors, and nonvisual elements, such as scent or sound. The TCF dataset sorts marks into four basic categories based on their content: (1) text only, (2) design only, (3) text and design, and (4) other marks that cannot be visually represented by a drawing (e.g., sound or scent marks). In our analysis below, we use “text” and “design” to describe marks that contain only those elements exclusive of any other, and we use the term “nontraditional” to describe the fourth nonvisual category.

Because the USPTO permits applicants to seek registration of a trademark in multiple formats, an applicant seeking strong protection may register multiple versions of their mark. For example, the Coca-Cola Company has registered the word “Coca-Cola,” a text and design mark for “Coca-Cola” written in its classic script font, and a design mark for the shape of its iconic glass bottle, all in connection with its beverage products.⁸⁷

Figure VI depicts the percentage of applications within each content category over the past forty years. At .01%, nontraditional marks constitute such a miniscule percentage that, although their slice is represented in Figure VI, it cannot be seen by the human eye.

Figure VI: Types of Marks Submitted for Registration



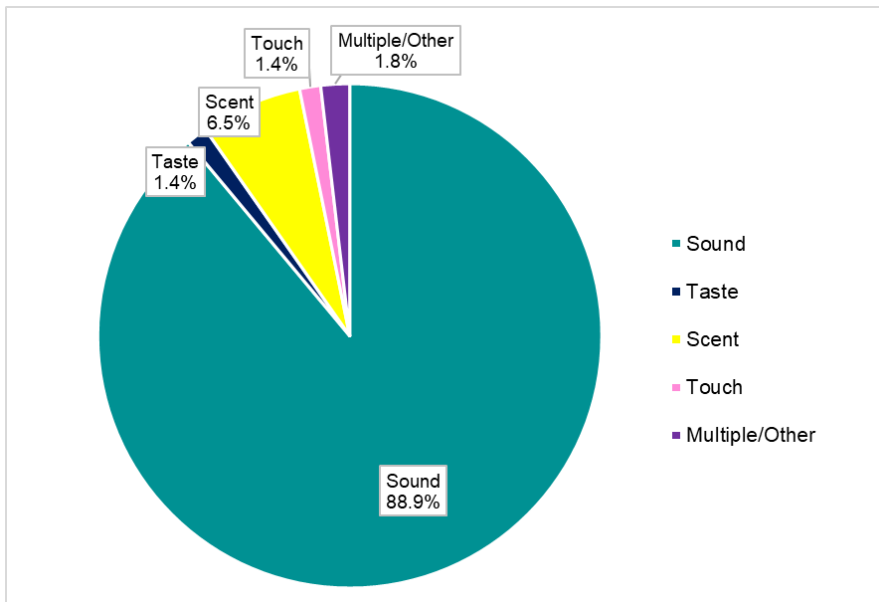
⁸⁷ See COCA-COLA, Registration No. 0238145; COCA-COLA, Registration No. 0238146; COCA-COLA, Registration No. 0696147; COCA-COLA, Registration No. 3,252,896; COCA-COLA, Registration No. 1057884.

Although trademark law permits applicants to seek registration for any symbol that identifies and distinguishes a business from its competition, the data reflects an overwhelming preference for textual marks. More than 96% of applications are filed for marks containing text; 73% of the total include no design element, and 24% seek registration of marks containing text and design. Only 3% of applications seek registration of marks that consist solely of a design, but in terms of absolute numbers that category is still substantial, containing more than 290,000 applications.

For trademarks consisting of elements other than design or text, the USPTO data does not contain codes that easily identify and distinguish them. For example, marks claiming a single color are included as one of the design codes, and the USPTO has not consistently coded them in the TCF dataset in a way that facilitates reliable analysis. Our prior empirical research, which required manual review and coding of application data, revealed that there had been only 1,237 applications for color alone filed between 1987 and 2017.⁸⁸ Yet, as described in further detail below, applications for color are more popular than the other nontraditional marks prosecuted before the USPTO.

Figure VII illustrates the distribution of the 813 nontraditional trademark applications (excluding color) filed between 1981 and 2020. We reviewed each application to verify the nature of the claimed mark.

Figure VII: Types of Nontraditional Marks



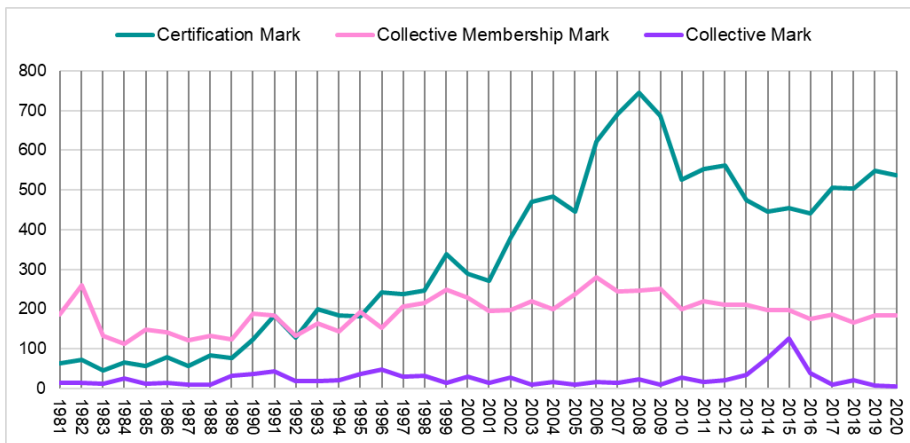
⁸⁸ Gerhardt & Lee, *supra* note 60, at 2532.

Of these nontraditional marks, the vast majority (89%) were for sound. These were followed by scent marks (7%), and then by equally small percentages (1% each) of taste and touch marks.

D. Certification and Collective Marks

Marks shared among a group with common interests constitute another subcategory of marks with interesting variation over the duration of the study, as illustrated in Figure VIII. This subcategory includes certification and collective marks. Certification marks are unusual in that they are owned by organizations that do not use the mark themselves but set standards for use by others. They may be used “to certify, regional or other origin, material, mode of manufacture, quality, accuracy, or other characteristics of such person’s goods or services or that the work or labor on the goods or services was performed by members of a union or other organization.”⁸⁹ Collective marks, which may be used by their owners, are used by more than one source, such as those belonging to “a cooperative, an association, or other collective group or organization.”⁹⁰ Some collective marks are classified as “membership marks” if they indicate “membership in a union, an association, or other organization.”⁹¹

Figure VIII: Certification and Collective Mark Applications Over Time



⁸⁹ Lanham Act § 45, 15 U.S.C. § 1127.

⁹⁰ *Id.*

⁹¹ *Id.*; 37 C.F.R. § 2.2(k).

Figure VIII shows that the filing trends in shared marks have shifted over time. Applications in the 1980s most often sought protection for collective marks. That trend changed in 1993 when applications for certification marks took the lead and began a steep upward trajectory that peaked in 2008. Although the number of applications has since levelled off, certification marks have maintained their popularity and, in the past decade, have been filed twice as often as both types of collective marks combined.

E. Application Success Rates

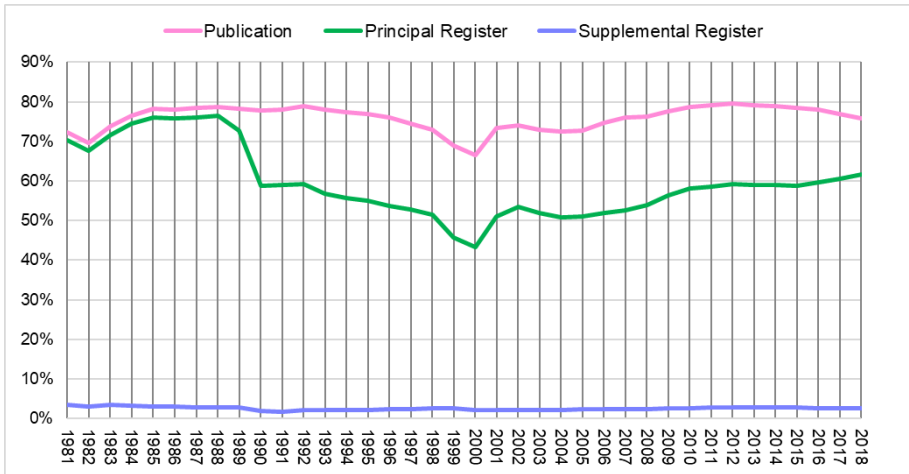
Trademark examination practices differ considerably by country. In some jurisdictions, trademark filings get scant review, and once filed, pass immediately to registration. Other jurisdictions conduct stringent review and impose procedural hurdles that may delay or hinder protection.⁹² The U.S. falls into the more stringent side of that spectrum. USPTO trademark applications are examined by specialized trademark attorneys, and many fail to survive that process. Therefore, studying the variables that correlate with success and failure provide important insights for trademark practice and policy development.

Once trademark applications are filed with the USPTO, they follow one of multiple paths. Figure I illustrates the differences in application success rates over time. Some applications will publish and be admitted to the Principal Register with little additional work on the part of the applicant. Others must overcome office actions or opposition proceedings. Still others may be placed on the Supplemental Register until they develop enough secondary meaning to reapply for inclusion on the Principal Register.

Figure IX depicts trends in three primary success rates over time for all trademark applications filed with the USPTO between 1981 and 2018.

⁹² See *Filing a Trademark Application Outside the United States*, International Trademark Association, <https://www.inta.org/fact-sheets/filing-a-trademark-application-outside-the-united-states/> (last visited June 13, 2022).

Figure IX: Application Success Rates Over Time



The top trend line represents the relatively steady publication rate, which has generally fluctuated between 70% and 79%, though it dipped to 67% in 2000. However, in most years, the rate has hovered within three percentage points of the 76% overall rate. Similarly, the bottom trend line shows that the percentage of marks placed on the Supplemental Register has held steady around 3%.

By contrast, the middle line, representing rate of admission to the Principal Register, shows more variation. Principal Registration and publication rates were nearly identical until 1989, when the registration rate dropped precipitously. Since then, it has remained around 20 percentage points lower. Although one might question whether this drop resulted from a change in USPTO practices, no evidence suggests that administrative changes have caused this effect. Therefore, scholars attribute this decline to the simultaneous introduction of intent-to-use as a filing basis.⁹³ As noted earlier, ITU applications may publish prior to the applicant's use of the mark in commerce, but they cannot register until the applicant demonstrates use. Some applicants may make a business decision not to use the mark following publication or to abandon the application for other reasons.

To better understand the decline in principal registration rates depicted in Figure IX, we examined success rates by filing basis. The results, depicted in Figure X, are limited to applications initiated with a single basis and specify "Supplemental" registration when applicable.

⁹³ See, e.g., Beebe, *supra* note 75, at 762-63 (cataloguing the decline in registration rates and linking it to the introduction of the intent-to-use basis).

Figure X: Success Rates by Filing Basis

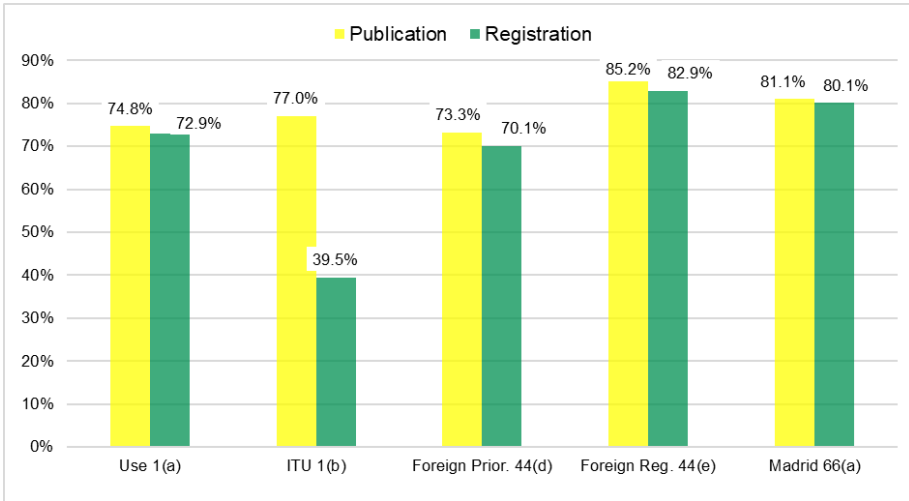
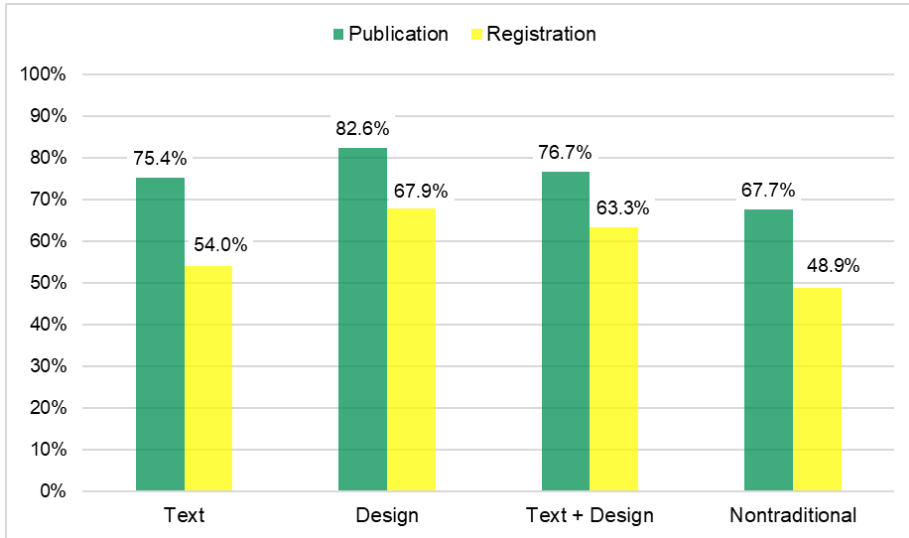


Figure X confirms that much of the difference between publication and registration rates overall is attributable to intent-to-use applications. The first pair of bars shows near parity in registration and publication rates for use-based applications. In stark contrast, the second set of bars depicts a 37.5% gap between publication and success rates for the large subset of ITU applications. The differences in rates for each of the other filing bases are between one percentage point (Madrid) and three percentage points (Section 44(d)). Applications based on Sections 1(a), 44(e), and Madrid are all complete at the time of filing so they generally register once published, unless they are opposed. Applications based on Section 44(d) are not published until they are combined with Section 44(e) or proceed on another basis. Therefore, the lower rate of registration associated with the Section 44(d) filing basis as compared with Madrid or Section 44(e) may be due to the additional hurdle of securing the foreign registration or proving use in commerce in the United States.

Figure X highlights that trademark applicants who rely on registrations secured from other countries succeed at the highest rates. Indeed, the registration rates for Madrid and foreign registration filings exceed 80%. These statistics underscore the potential advantage to businesses that obtain trademark protection in another country before filing an application with the USPTO.

Even though Figure VI showed that textual marks are the most popular in terms of application filings, that popularity does not equate to having the greatest success before the USPTO. Figure XI depicts the success rates for each of the four basic content types. Applications for marks claiming design but not text have the highest rates of publication and registration.

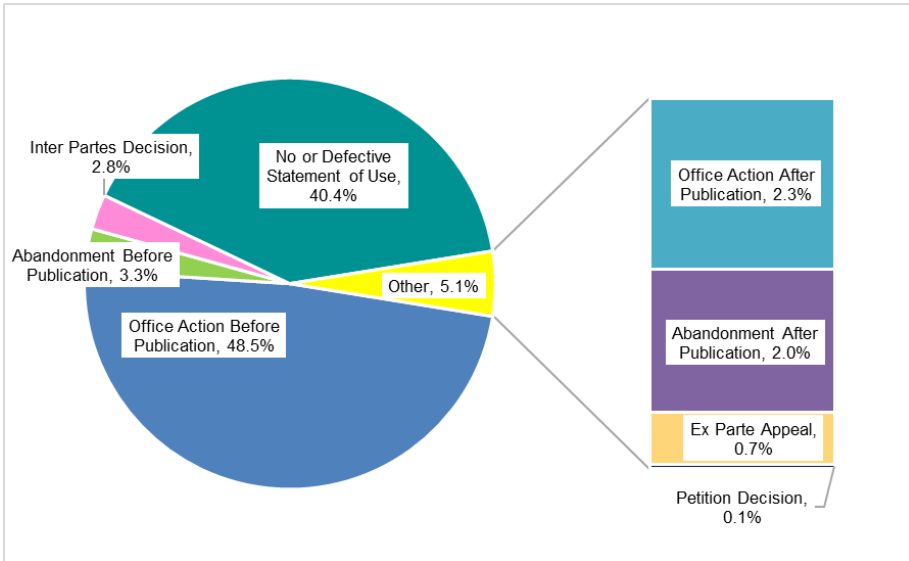
Figure XI: Success Rates by Type of Mark



With an 83% publication rate and a 68% registration rate, applications claiming only design have the highest success rates. Text marks and applications claiming text and design have similar publication rates (75% vs. 77%), though the registration rate for text is considerably lower than the rate for applications containing both text and design (54% versus 63%). Nevertheless, the registration rate for applications claiming text and design does not match or exceed those claiming only design. The reasons for this phenomenon may be fertile ground for further research. One possible explanation is that some applicants who think their textual mark may be initially unprotectable, perhaps because it is descriptive, might attempt to obtain registration for a design used in connection with the descriptive term. Another factor may be that the smaller number of design marks yields fewer likelihood of confusion obstacles. Nontraditional marks publish at a 68% rate, the lowest among the four categories. This relatively low success rate may result from a more frequent need to prove secondary meaning or other prosecution challenges unique to nontraditional marks.

To understand why so many trademark applications fail to register, we took a closer look at unsuccessful applications. Nearly every failed application has a status code that identifies its fatal stumbling block. Occasionally, an application will include a code that reflects a subsequent event (e.g., petition to revive) or that is otherwise inapposite (e.g., internal shifts in data storage). This small set of records for which the failure could not be pinpointed were excluded from Figure XII, which depicts the reasons why the bulk of failed applications met their demise.

Figure XII: Reasons for Unsuccessful Applications



Most unsuccessful trademark applications (51%) were thwarted by an office action, 49% before publication and 2% afterwards. Although pre-publication office actions may be issued for a variety of reasons, post-publication office actions for ITU applications generally result from defects in the specimen submitted after a notice of allowance. This same defect for a use-based application would result in a pre-publication office action.

There are many reasons why a trademark application may be abandoned following an office action. Some applicants may perceive the examining attorney's objection as insurmountable. Others, especially pro se applicants, may be unsure how to respond or miss the deadline due to inattention. Future research delving into these reasons is an important area of inquiry because the data unequivocally shows that office actions are the primary reason that marks fail to register.

The next most common stumbling block is failure to file a proper statement of use (40%). These applications already succeeded in overcoming USPTO review and were published. Indeed, if a published mark fails to register, 84% of the time the progress halts from not filing a proper statement of use. Examining these applications more closely, it became clear that in virtually all cases the applicant did not submit any statement of use, perhaps because the applicant decided against using the mark in commerce. These results further confirm that introduction of the intent-to-use filing basis caused the decline in registration rates in 1989 (as seen in Figure IX), when post-publication statements of use became an additional requirement many applicants would not satisfy.

Express abandonment occurs rarely, approximately 5% of the time, with more occurring before publication (3% of total) than after (2% of total). Unfortunately, the status codes associated with express abandonment do not indicate why the applicant decided not to continue with prosecution. Some applicants may have made a business decision to abandon the mark, apart from issues related to its protectability. Alternatively, an applicant who received an office action may have filed an express abandonment rather than respond—even though not responding at all would have led to the same result. Some applicants may have filed an express abandonment to resolve threatened litigation.

The remaining reasons for unsuccessful applications involved higher-level USPTO decision-makers or other proceedings, but they individually and collectively represent a small percentage of the total. Although opposition proceedings provide an opportunity for third parties to prevent trademark registration, they only account for 3% of unsuccessful applications. Even when combined, adverse petition decisions and ex parte appeals account for less than 1% of failed applications.

F. Success Rates and the Presence of Counsel

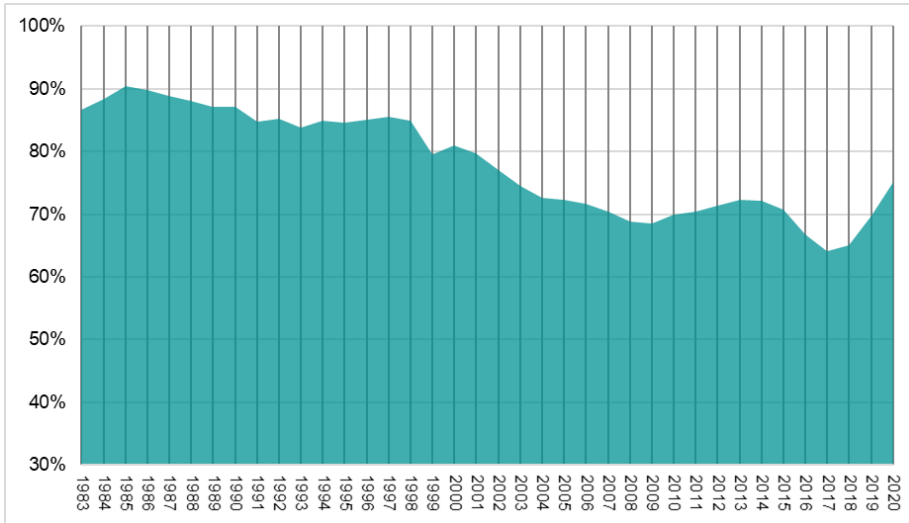
Trademark prosecution involves multiple considerations that may impact the cost to each applicant. A separate fee must be filed for each class of goods and services claimed in an application and hiring trademark counsel can bring the cost over \$1,000, even for a single class. The costs can be far higher if the applicant confronts multiple office actions or prompts an opposition or litigation by a well-funded opponent. While filing a trademark application may be less expensive than patent prosecution, the costs are not negligible, especially for small businesses or low wealth entrepreneurs. Therefore, empirical data indicating whether assistance of counsel is advantageous can help applicants decide whether to invest scarce resources in hiring legal counsel or to take a risk by filing an application pro se.

Historically, trademark applicants all had the choice of prosecuting their application without the assistance of counsel. As mentioned earlier, the USPTO now requires all foreign applicants, registrants, or parties to a proceeding to be represented by an attorney who is admitted to practice in a U.S. state. By contrast, U.S. applicants may still appear pro se.

Figure XIII depicts the annual percentages of applications filed by legal counsel. This percentage declined from over 90% in 1985 to 64% in 2017, when it rose again. After the USPTO launched its online application platform in November 1997, the percentage of applications filed by legal counsel dropped precipitously. The online fill-in-the-blank format made it easier

for pro se filers to navigate the process.⁹⁴ The requirement that foreign applicants file through a U.S.-licensed attorney took effect in August 2019 and may account for some of the increase (from 65% to 75%) between 2018 and 2020.

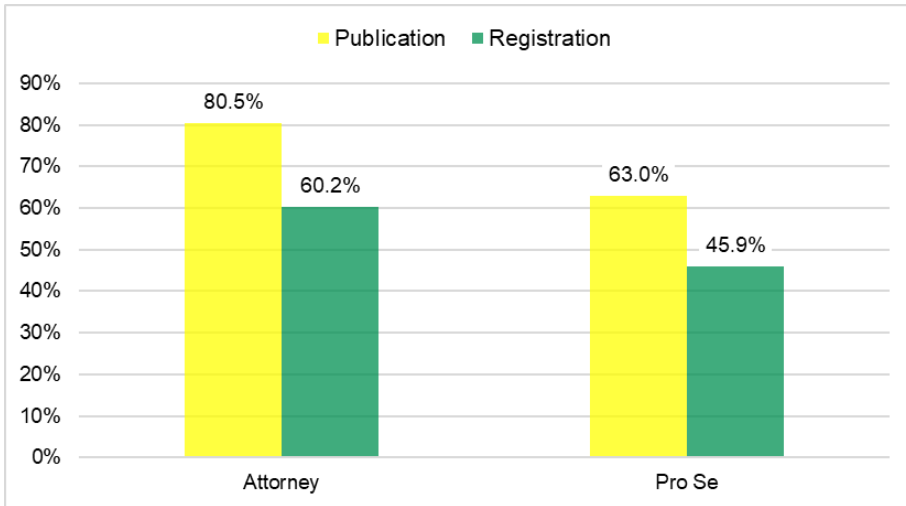
Figure XIII: Percentage of Applications Filed by Legal Counsel Over Time



Given that a substantial percentage of trademark applications are filed pro se (and even more could be if applicants chose to do so), one may question whether hiring legal counsel may contribute to successful trademark prosecution. Figure XIV demonstrates the significant difference in publication and registration rates for applications filed by attorneys and pro se. The data shows that applications filed by counsel had higher success rates.

⁹⁴ See Gerhardt & McClanahan, *supra* note 32, at 602 (discussing the circumstances that contributed to the shift).

Figure XIV: Success Rates for Applications Filed Pro Se and with Counsel



While 63% of pro se applications succeed to publication, the publication rate jumps to over 80% for those filed by legal counsel—a 28% increase. The difference in registration rates is also substantial. While 46% of pro se applicants succeed in registering their marks, the registration rate jumps to 60% for those represented by counsel—a 31% increase.

In addition to increasing their chance of success, applicants may experience additional benefits when they hire experienced trademark counsel. Trademark specialists can assist clients in selecting strong, distinctive marks to meet the Lanham Act's requirements. They also know how to navigate the application process and overcome office actions, which, as shown in Figure XII, are the most common barriers to registration.

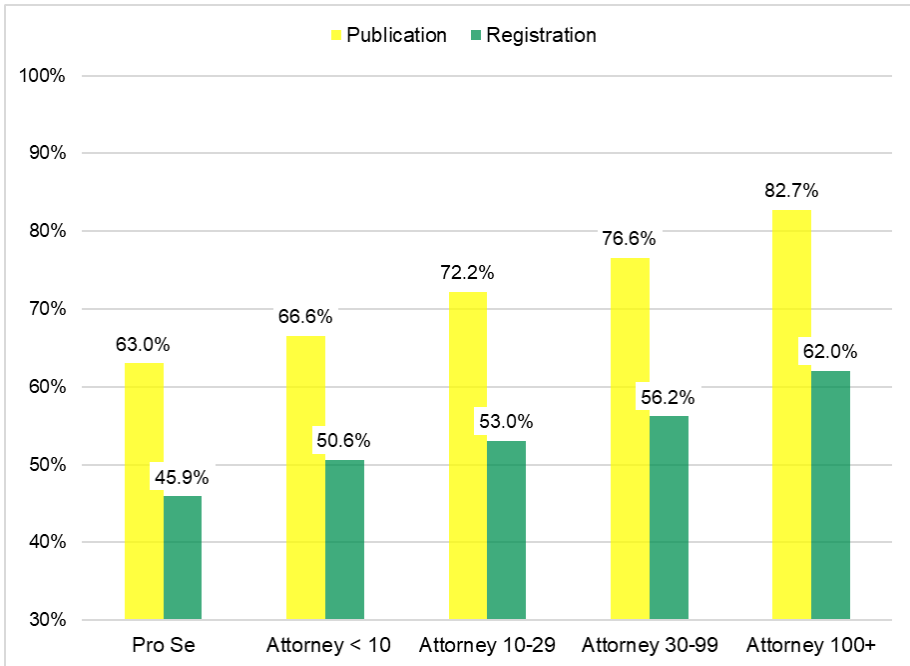
Of the trademark applications that could not overcome a final office action, 44% were filed pro se, even though only 26% of all applications from that time period were pro se. This data shows that office actions are upending a higher proportion of pro se applications than those filed by counsel. Aware that U.S.-based applicants with scarce resources may choose to navigate the selection and application process pro se, the USPTO periodically updates its online application platform to be more user friendly.⁹⁵

A deeper dive into this data shows that more experienced lawyers have even higher success rates than their less experienced

⁹⁵ See, e.g., *Trademark Basics Boot Camp*, U.S. Pat. & Trademark Off., <https://www.uspto.gov/about-us/events/trademark-basics-boot-camp> (last visited Dec. 12, 2022) (providing a series of virtual events to educate nonlawyers about trademark protection and federal registration).

peers. Figure XV depicts the publication and registration rates for pro se applicants as the baseline, and then it breaks out the success rates of applications filed by counsel by the attorney's experience. We defined an attorney's level of experience by the number of applications naming that attorney as counsel between 1983 and 2020.

Figure XV: Success Rates for Pro Se Applicants and Attorneys by Experience Level



The pair of bars on the far left depicts the percentage of pro se applications that succeeded first to publication, and second to registration. Fewer than two thirds of pro se applications (63%) publish, and fewer than half (46%) mature to registration. The remaining pairs show the success rates for applications filed by counsel. These success rates increase modestly to 67% and 51% for the least experienced attorneys, but they steadily increase as the experience level of the attorney increases. For attorneys who prosecuted 100 or more applications, the success rates jump to 83% for publication and 62% for registration. These success rates substantially exceed the rates for pro se applicants and less experienced attorneys. Based on these results, applicants who are seeking legal counsel to help them register a trademark may have a greater chance of success if they hire experienced counsel. Although there are limits in the quality of the attorney data, as described in

our methodology section,⁹⁶ these results likely underestimate the true impact of hiring experienced counsel.

We examined whether the results might be skewed by firms that list a particular individual for all trademark applications instead of the lawyer who actually prosecuted each application. Although that practice does occur, the data suggests it is not the norm. Furthermore, our overall results are not skewed by a few outliers at the top who use one name for all of a firm's applications. We isolated data for attorney names associated with 10,000 or more applications, and we found that these lawyers had lower publication (77%) and registration (62%) rates than the most experienced group overall. Included among these unusually frequent filers were the founder of Trademarkia and an attorney associated with the rise of applications originating from China.⁹⁷ Some high-volume firms attempt to generate business by advertising low-cost prosecution, which may result in less time, attention, and expertise spent per application.⁹⁸ Similarly, the data showed no appreciable decrease in the publication rate for the most experienced cohort when we excluded attorneys associated with 5,000 or more applications. Notwithstanding the occasional existence of this unconventional practice, we kept these attorneys in our data because to the extent attorneys in the most experienced group are always listed on behalf of their firms, their inclusion is warranted due to the team's collective experience in prosecuting applications.

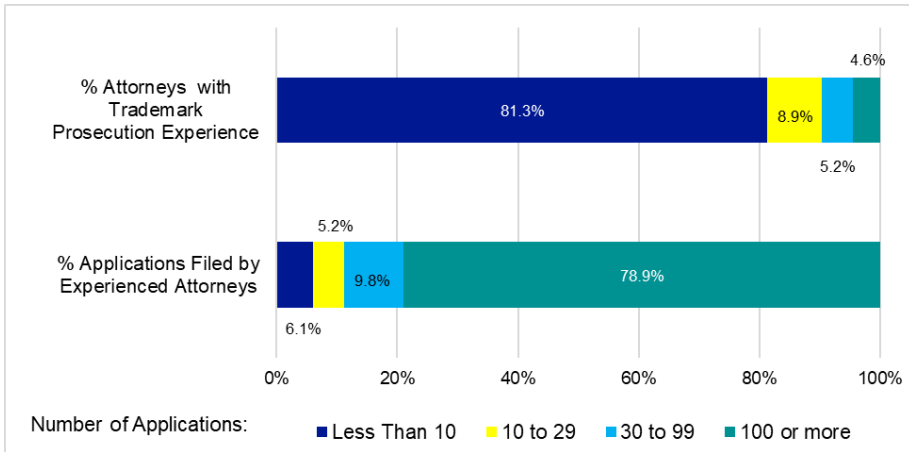
Some additional context will be helpful to fully understand the attorney experience data. Figure XVI shows the attorney experience categories broken out in two ways: first by the percentage of attorneys having various experience levels, and second, by the percentage of applications filed by attorneys at each level. Figure XVI reflects the fact that although the group of most experienced attorneys (those filing 100 or more applications) is relatively small at 5% of all lawyers who have filed trademark applications during the time period of interest, that cohort prosecutes 79% of all applications filed by counsel.

⁹⁶ See n.79-80 & accompanying text, *supra*.

⁹⁷ See Tim Lince, *USPTO suspends prolific trademark attorney Jonathan Morton for numerous breaches of conduct rules*, World Trademark Review (May 1, 2022), <https://www.worldtrademarkreview.com/article/uspto-suspends-prolific-trademark-attorney-jonathan-morton-numerous-breaches-of-conduct-rules> (discussing both prolific trademark enterprises and noting that the latter attorney had been sanctioned by the USPTO for ethics rules violations).

⁹⁸ See Tim Lince, *Revealed: how controversial low-cost online trademark platforms dominated paid Google search results*, World Trademark Review (May 27, 2021), <https://www.worldtrademarkreview.com/article/revealed-how-controversial-low-cost-online-trademark-platforms-dominate-paid-google-search-results> (discussing the methods by which companies providing low-cost trademark assistance attract customers and questioning the quality of some of the services provided).

Figure XVI: Attorney Experience Categories



Despite the popular notion that “anyone” can file a trademark application, Figure XVI shows that trademark prosecution has become a specialized field, where a relatively small percentage of experienced attorneys yield the highest success rates. The USPTO has begun to recognize the important role that trademark attorneys play, both in requiring that foreign entities have legal representation and disciplining trademark attorneys who fail to meet their ethical obligations. Recent empirical research conducted by Lee confirms that the USPTO exercises experienced disciplinary authority against trademark attorneys and patent practitioners, although it has historically sanctioned trademark attorneys less often and less severely than patent practitioners.⁹⁹

CONCLUSION

Over the past forty years, the annual number of trademark applications filed with the USPTO has increased dramatically. Despite a multitude of efforts by the USPTO to make the application process more accessible, the process still poses challenges to applicants. Every year, thousands of applications fail to publish and register. While publication and supplemental registration rates have held rather steady, principal registration rates dropped dramatically after the introduction of the intent-to-use filing basis. While use-based and ITU applications have similar publication

⁹⁹ Lee, *supra* note 80, at 1663. Since the publication of Lee’s Article and associated empirical study, the USPTO has begun disciplining trademark attorneys who have engaged in fraudulent activities. See, e.g., *USPTO sanctions scammers for fraudulently filing thousands of applications*, U.S. Pat. & Trademark Off., (Jan. 25, 2022), <https://www.uspto.gov/subscription-center/2022/uspto-sanctions-scammers-fraudulently-filing-thousands-applications>.

rates, they differ dramatically with regard to registration because many ITU applicants do not complete the application process by filing a statement of use. Overall, applicants relying on a registration from another country navigated the registration process more successfully than U.S. applications. While the foreign registration and Madrid filing bases are far less common than use and intent to use, they have higher USPTO registration rates.

Success rates also vary by mark category. Textual marks are by far the most popular, yet they are not the most successful. That distinction goes to applications claiming design but not text. Both registration and publication rates are higher for design marks than those comprising only text. Nontraditional trademarks are the rarest category, and they publish and register at the lowest rates among all categories, but those rates are not dramatically lower than marks claiming text and/or design.

Another important dynamic revealed in the data is that office actions present the most formidable barriers to federal trademark registration. Another substantial percentage of applications fail between publication and registration because no statement of use is filed.

Finally, recent data emphasizes that the presence of counsel makes a big difference. When it comes to success before the USPTO, applications filed by attorneys are more likely to lead to publication and registration than those filed pro se. Despite the USPTO's efforts to make the application process run smoothly for pro se applicants, specialized skills are often required to successfully navigate the process. The data also unequivocally shows that attorneys with higher levels of prosecution experience have the highest success rates.

While this study focused on the past forty years, this chorus of data foretells signs of change on the horizon. Given concerns about clutter and depletion, the dramatic increase in applications from those domiciled outside of the United States, and concerns about fraudulent applications, the USPTO recently has implemented new opportunities to challenge registrations and a requirement that foreign applicants retain U.S. counsel.¹⁰⁰ Future studies will reveal whether these policy changes will impact the quantity or quality of future applications as well as the integrity of marks that populate the Principal Register.

¹⁰⁰ See generally Changes to Implement Provisions of the Trademark Modernization Act of 2020, 86 Fed. Reg. 64,300 (Nov. 17, 2021) (to be codified at 37 C.F.R. pts. 2 & 7) (summarizing USPTO's new expungement, reexamination, and cancellation procedures related to nonuse); Requirement of U.S. Licensed Attorney for Foreign Trademark Applicants and Registrants, 84 Fed. Reg. 31,498 (July 2, 2019) (to be codified at 37 C.F.R. pts. 2, 7, & 11).

**THE FUTURE OF TRADEMARKS IN A
GLOBAL MULTILINGUAL ECONOMY:
EVIDENCE AND LESSONS FROM THE
EUROPEAN UNION**

By Barton Beebe and Jeanne C. Fromer***

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* John M. Desmarais Professor of Intellectual Property Law, New York University School of Law; Faculty Co-Director, Engelberg Center on Innovation Law & Policy.

** Walter J. Derenberg Professor of Intellectual Property Law, New York University School of Law; Faculty Co-Director, Engelberg Center on Innovation Law & Policy. The authors thank Shyam Balganes, Ryan Bubb, Irene Calboli, Colleen Chien, Bryan Choi, Danielle Citron, Graeme Dinwoodie, John Duffy, Richard Epstein, Cynthia Estlund, Imogen Fowler, Michael Frakes, Jane Ginsburg, Eric Goldman, Georg von Graevenitz, Paul Heald, Scott Hemphill, Eric Johnson, Mark Lemley, Brian Love, Giuseppe Mazziotti, Mark McKenna, Grace McLaughlin, Tyler Ochoa, Dotan Oliar, Lisa Ramsey, Richard Revesz, Betsy Rosenblatt, Guy Rub, Wojciech Sadurski, Matthew Sag, Adam Samaha, Alexandros Seretakis, Jeremy Sheff, Jessica Silbey, Danny Sokol, Larry Solum, Christopher Sprigman, Katherine Strandburg, Rebecca Tushnet, Jeremy Waldron, Melissa Wasserman, Jonathan Weinberg, Douglas Wolf, Tim Wu, and Kenji Yoshino, and participants in presentations at Columbia Law School, Indiana University Bloomington Maurer School of Law, NYU School of Law, Ohio State University Moritz College of Law, Santa Clara University School of Law, Trinity College Dublin School of Law, University of Virginia School of Law, Washington University School of Law, Wayne State University Law School, the Empirical Intellectual Property Conference, Intellectual Property Scholars Conference, the Works-in-Progress Intellectual Property Colloquium, the Zoom IP Occasional Workshop, the 2021 Annual Conference of European Policy for Intellectual Property, and the 2021 Sir Hugh Laddie Lecture for their global comments. Thanks also to Zachary Bass, Lucas Daniel Cuatrecasas, Zane Dennis, Caitlin Peltz, Kevin Qiao, and Noemie Renier for excellent research assistance. The authors gratefully acknowledge support from the Filomen D’Agostino and Max E. Greenberg Research Fund.

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INTRODUCTION

Companies around the world are increasingly pursuing global branding strategies in which they seek to use the same trademark in all of the national or regional markets in which they sell their goods. To that end, such companies typically attempt to register the same mark in each of the trademark offices associated with those markets. The result is that the various national and regional trademark systems of the world are integrating into a de facto global trademark system. Substantial proportions of trademark office registries intersect with other offices' registries. Though trademark law and individual trademark registrations typically remain delimited by national borders, trademarks themselves are increasingly transnational, even global, entities.

The emergence of a global trademark system presents significant challenges to companies seeking to develop new brand names. They are facing mounting difficulties finding brand names that will be effective throughout the global marketplace, including in every one of its many languages, but that have not yet been claimed by another entity somewhere in that marketplace. The problem is that transnational market integration decreases the supply of marks at the same time that it increases the demand for competitively effective trademarks. On the supply side, as a market integrates, the number of trademarks that are effective in that market declines. To be effective throughout the market, a mark must be effective in each of the languages and cultures of which the market is composed; it must lie within the narrow intersection of the various sets of marks that are viable in each national submarket. Thus, for example, Microsoft would prefer that its Internet search engine not be known as BING in China, because BING may be understood to mean "sickness" in Mandarin.¹ Especially attractive in a global multilingual trademark system are what we call "multilanguage words," that is, cognates or loan words that are the same or closely similar in multiple languages (such as "fantastic," "idea," or "virus"). Because these words can be understood by people across jurisdictions and languages, it is easy to see how businesses can find them desirable as trademarks, but the supply of them is extraordinarily limited.

Reducing the supply of available trademarks even further is what we designate the "reverse Babel problem" in global trademark

¹ Sky Canaves, *Chinese for Bing*, Wall St. J., June 12, 2009, <https://www.wsj.com/articles/BL-CJB-2633>. Consequently, Microsoft made the decision to call its search engine BIYING in China to avoid this meaning rather than find an entirely new name that works in all jurisdictions. In this context, people often think of the (untrue) urban legend that the Chevrolet NOVA car did not sell well in Spanish-speaking countries because "Nova" means "no go." David Mikkelson, *Did the Chevrolet Nova Fail to Sell in Spanish-Speaking Countries?*, Snopes, Apr. 3, 1999, <https://www.snopes.com/fact-check/chevrolet-nova-name-spanish>.

law.² Most trademark systems conventionally hold that two orthographically and phonetically different marks from different languages (such as APPLE and MANZANA) may be confusingly similar if they convey the same meaning to any significant population of consumers capable of understanding the terms in both languages, something we call “translational similarity.”³ Thus, a registration for APPLE may also claim the translationally equivalent word in every other language in the market—as well as the phonetically and orthographically equivalent word in every other language. For this reason, when descendants of Baron von Richthofen sought in 2000 to register the English-language mark RED BARON at the European Union Intellectual Property Office (“EUIPO”) for various goods and services, owners of the already-registered Spanish-language mark BARON ROJO—meaning the same thing—succeeded in preventing the registration for the goods on which they were already using their mark.⁴

On the demand side, at the same time that an integrating market and trademark law constrict the supply of competitively effective marks, an integrating market itself increases the demand for those marks. There are simply more and more entities claiming exclusive rights within the same commercial sign system. Forty years ago, there were only 75,000 registered marks in the automotive space, but now there are over 800,000.⁵ This has led even top automakers to use the same, or overlapping, marks. In 2013, Infiniti rebranded its entire car line to begin with a Q followed by a number (such as Q50), even though Audi was simultaneously using the same letter Q followed by a number (such as Q5) as the brand name for many of its cars.⁶ An industry expert worried that choosing distinct marks from “the shrinking pool of available words” will lead to car “names that sound like pharmaceuticals,” notorious for their nonsensical brand names.⁷

As the automobile industry example suggests, these forces of supply and demand create the conditions for severe levels of trademark depletion and trademark crowding in the global trademark system. In previous work, we defined trademark depletion as the process by which an increasing proportion of

² “Come, let us go down, and there confuse their language, that they may not understand one another’s speech.” *Genesis* 11:7; *infra* section V.B.3.

³ *Infra* section I.B.2.

⁴ OHIM Opposition Division Decision No. 3111/2000 (Dec. 21, 2000).

⁵ Lindsay Chappell, *With 800,000 Auto Names Already Trademarked, It’s Tougher than Ever to Find a Moniker that Works Worldwide*, *Auto. News*, Sept. 30, 2013, <https://www.autonews.com/article/20130930/OEM/309309978/with-800-000-auto-names-already-trademarked-it-s-tougher-than-ever-to-find-a-moniker-that-works-worldwide>.

⁶ *Id.*

⁷ *Id.*

competitively effective trademarks are claimed by one or more registrants.⁸ As levels of trademark depletion increase, it becomes more difficult for market entrants to find marks that are not identical or closely similar to already-claimed marks. Ever fewer unclaimed marks remain available. Trademark crowding is a related phenomenon. If an entity has registered a particular mark in a class of goods or services, that registration will likely significantly hinder but not necessarily prevent other unrelated entities from registering the same or a closely similar mark in that class. But when unrelated entities succeed in obtaining such parallel registrations, the result is trademark crowding, in which increasing numbers of identical or closely similar, if not confusingly similar, marks registered by unrelated entities coexist in the marketplace.⁹ As trademark crowding levels increase, consumers face greater challenges in differentiating marks, which impairs both the source-indicating and advertising functions of the marks and degrades the overall integrity of the trademark system.

In this article, we seek to understand the dangers that the processes of globalization and intensifying market integration—particularly across jurisdictions that speak different languages—pose to the viability of the emerging global trademark system. To do so, we undertake an empirical case study of the transnational trademark system of the European Union. Consisting of 450 million rich-world consumers,¹⁰ the EU marketplace accounts for 15% of the global economy.¹¹ An EU trademark registration establishes exclusive rights over the entirety of this marketplace and is among the most potent trademark registrations in the world. But the EU trademark system is distinctive not simply because of the magnitude of the European Union's gross domestic product.

⁸ Barton Beebe & Jeanne C. Fromer, *Are We Running Out of Trademarks? An Empirical Study of Trademark Depletion and Congestion*, 131 Harv. L. Rev. 945, 978 (2018).

⁹ As discussed further below, in our previous study we focused on a special case of trademark crowding, which we referred to as “trademark congestion.” *Id.* at 1012. Congestion refers to the increasing number of *identical* marks used by unrelated entities in a particular class of goods or services. *Id.* Trademark crowding refers more generally to the increasing number of *identical or closely similar* marks used by unrelated entities in a particular class of goods or services. We previously focused on the special case of trademark congestion largely because of limitations in computer processing capacity available to us. We have since overcome those limitations and are able in this study to quantitatively assess the broader phenomenon of trademark crowding, one with which trademark lawyers are familiar, though one that to our knowledge has never been studied empirically.

¹⁰ *Living in the EU*, Eur. Union, https://europa.eu/european-union/about-eu/figures/living_en (last visited June 17, 2022).

¹¹ *World Economic Outlook Database*, Int'l Monetary Fund, <https://www.imf.org/en/Publications/WEO/weo-database/2020/October/weo-report?a=1&c=001,110,163,119,123,998,200,505,511,903,205,400,603,&s=NGDPD,&sy=2018&ey=2025&ssm=0&scsm=1&sc=0&ssd=1&ssc=0&sic=0&sort=country&ds=.&br=1> (last visited June 17, 2022).

Consisting of 27 nations¹² speaking 24 different languages,¹³ the European Union is a massively multicultural, multilingual marketplace, one that is composed of once-separate national markets that are now increasingly integrating into a single market. From its formation in 1996, the EU trademark system has both fostered and been forced to cope with intensifying economic, cultural, and linguistic integration. The most expansive and complex transnational trademark system in the world, it is uniquely a microcosm of the global trademark system and the many challenges it faces.

We use the EUIPO's recently released Open Dataset and an array of other datasets to show that the EU trademark system is already experiencing extreme levels of trademark depletion and crowding, exceeding even those in the U.S. system. To further assess the implications of integrating jurisdictions that use different languages, we also measure the desirability of claiming multilanguage words and the degree to which the reverse Babel problem exacerbates trademark depletion and crowding. We also appraise how the EU trademark system has sought to cope with these trends and compare the Europeans' more permissive approach to the registration of closely similar marks to the Americans' stricter approach. Based on the European example, we conclude that this new stage in the development of the world's major trademark systems into a global multilingual system—one characterized by both severe depletion and crowding—will require a number of new policies and doctrines to maintain these systems' continued integrity. The need for these reforms will only grow as the integration of the various national and regional trademark systems intensifies.¹⁴

As to reforms, we think that it is critical that trademark law finally recognize that there are real costs to granting trademark rights. Since the beginning of modern trademark law, the assumption everywhere has been that there is an inexhaustible supply of potential trademarks available for adoption by market entrants, either in the form of common dictionary words in some language or new coined terms. Because we have assumed that there will always be “enough and as good”¹⁵ left for others, we have considered the granting of exclusive rights in such marks to be essentially costless, and registering agencies around the world have

¹² *Countries*, Eur. Union, https://europa.eu/european-union/about-eu/countries_en (last visited June 17, 2022).

¹³ *EU Languages*, Eur. Union, https://europa.eu/european-union/about-eu/eu-languages_en (last visited June 17, 2022).

¹⁴ Graeme B. Dinwoodie, *Territorial Overlaps in Trademark Law: The Evolving European Model*, 92 *Notre Dame L. Rev.* 1669, 1672 (2017) [hereinafter Dinwoodie, *Territorial Overlaps*]; *infra* section I.B.

¹⁵ John Locke, *Second Treatise of Government* 11 (Jonathan Bennett ed., 2017) (1690).

unrestrainedly granted such rights on that basis. But we have now reached a stage of economic development where that assumption no longer holds. Supply is no longer adequate to meet demand, especially at the transnational or more broadly global level. This “peak trademark”¹⁶ condition urges a rethinking of many cost-benefit analyses in global trademark policy and doctrine. In particular, we advocate a rethinking of translational similarity as a basis for a finding of confusing similarity and stronger enforcement of a use-in-commerce requirement as a prerequisite for trademark rights. We further recommend that offices that do not engage in ex officio review for confusing similarity either institute such a system of review or, short of that, at least provide to current registrants better information about applied-for marks that potentially conflict with already-registered marks.

Our argument proceeds as follows: Part I addresses the challenges of brand-name selection in a multinational marketplace. To set the stage for our case study, this Part also provides background on the EU trademark system and the various relevant ways in which EU trademark law differs from U.S. trademark law. Part II describes the datasets that we use. Part III details our findings on trademark depletion in the EU trademark system. Part IV focuses on trademark crowding in the EU trademark system. Part V discusses the implications of our findings both generally for global trademark policy and more specifically for particular points of trademark doctrine within individual trademark systems.

I. THE GLOBAL MULTILINGUAL MARKETPLACE

The fundamental purpose of a trademark system is to promote the communication of accurate and easily intelligible information about the source of goods and services in the marketplace.¹⁷ The primary way in which a trademark system does so is by preventing conduct that causes consumer confusion as to source or affiliation.¹⁸ More specifically, trademark law prevents firms from using trademarks that are sufficiently similar to other firms’ preexisting marks that consumers would likely be confused as to the true source of the products bearing the marks. For example, the law would prevent a market entrant from selling its mobile phones under the trademark APELL because of the likelihood that this would confuse a significant proportion of consumers into thinking that those phones originate from or are affiliated with the same source as

¹⁶ Cf. Colin J. Campbell & Jean H. Laherrère, *The End of Cheap Oil*, Sci. Am., Mar. 1998, at 78 (predicting a condition in which the rate of world oil production would peak while demand would continue to rise).

¹⁷ Mark P. McKenna, *The Normative Foundations of Trademark Law*, 82 Notre Dame L. Rev. 1839 (2007).

¹⁸ *Id.*

phones bearing the trademark APPLE. By preventing confusion, trademark law preserves the integrity of an information system that enables consumers to more easily find, in the clamor of the marketplace, the products that they seek. It allows consumers to rely on trademarks to indicate the source and thus the quality and characteristics of those products. In economic terms, it lowers consumers' "search costs."¹⁹ Stated more generally, trademark law defends signals against noise.²⁰

In this Part, we discuss the constraints that limit the population of brand names that are viable in a multinational or global marketplace. We then set out background information about the EU trademark system.

A. Brand Name Selection in a Global Multilingual Marketplace

Largely due to the influence of law and economics, the conventional wisdom in trademark law has long assumed that there is an inexhaustible supply of good, competitively effective trademarks, and that if the trademark a company wishes to use has already been claimed, then that company can easily find an alternative that is just as good.²¹ As a theoretical matter, this assumption may be correct; new companies can always coin new words or phrases—or even alphanumeric codes—of ever increasing length in an attempt to distinguish themselves and their products in the marketplace.²² But as a this-worldly matter of basic marketing know-how, the assumption that there is an infinite supply of competitively effective trademarks, each just as good as the other, is almost certainly wrong—if not ridiculous.²³

Instead, as we have discussed in previous work,²⁴ competitively effective brand names tend to share certain characteristics, which

¹⁹ Stacey L. Dogan & Mark A. Lemley, *A Search-Costs Theory of Limiting Doctrines in Trademark Law*, 97 TMR 1223 (2007); Ariel Katz, *Beyond Search Costs: The Linguistic and Trust Functions of Trademarks*, 2010 B.Y.U. L. Rev. 1555; William M. Landes & Richard A. Posner, *Trademark Law: An Economic Perspective*, 30 J.L. & Econ. 265, 274 (1987).

²⁰ By enforcing exclusive rights, trademark law also encourages producers to maintain consistent levels of product quality by ensuring that they, and not their competitors or counterfeiters, will internalize any gains to reputation from doing so. McKenna, *supra* note 17, at 1844-49 (describing this theory as "conventional wisdom").

²¹ *E.g.*, Landes & Posner, *supra* note 19, at 274 ("[T]he distinctive yet pronounceable combinations of letters to form words that will serve as a suitable trademark are as a practical matter infinite, implying a high degree of substitutability and hence a slight value in exchange."). See generally Beebe & Fromer, *supra* note 8, at 962-64 (elaborating on and clarifying this conventional wisdom).

²² Beebe & Fromer, *supra* note 8, at 963.

²³ *Id.* at 964-70.

²⁴ *Id.*

can significantly limit their quantity. First, they tend to be unique, both in the sense that no other company anywhere in the economy uses the term as a mark (COCA-COLA is unique in this sense, while UNITED is not²⁵) and in the sense that the mark stands out as distinctive as compared with other marks in the marketplace (GOOGLE is unique in this sense, while NAPSTER, GROKSTER, and FRIENDSTER, with each crowding around the -ster suffix, are not).²⁶ Second, common dictionary words used in a suggestive or arbitrary manner (for example, JAGUAR used suggestively for cars or APPLE used arbitrarily for electronics goods) tend to be more effective as brand names than coined terms.²⁷ They impart connotations of familiarity and authenticity and are easier to pronounce and remember.²⁸ Third, if coined terms are used, they are most effective when they evoke more familiar words that convey the brand's meaning, as with VIAGRA, which simultaneously suggests “vigor,” “vitality,” “aggression,” and “Niagara.”²⁹ Fourth, shorter marks are generally more effective than longer marks. A rule of thumb is that, ideally, a brand name should be no more than two syllables and seven letters in length.³⁰ Finally, firms strongly prefer brand names that they can register in the .com top-level domain.³¹ Indeed, branding consultancies now often recommend searching for new brand names from among terms that are still available for registration as a domain name.³²

For transnational firms doing business with transnational consumers, there are further, quite severe constraints—so severe as to suggest that the number of potential brand names that will be competitively effective globally is not infinite, but closer to zero. These constraints apply nearly universally, because now even most

²⁵ All thirty-five registered U.S. trademarks for COCA-COLA live throughout 2019 are owned by the Coca-Cola Company, whereas there are twenty-six unique owners—including United Airlines, United Salt Corporation, and United Van Lines LLC—for the forty registered U.S. trademarks for UNITED live throughout 2019.

²⁶ Beebe & Fromer, *supra* note 8, at 964-65.

²⁷ *Id.* at 965-66. Coined terms (such as NETFLIX for online movies and television programs) can sometimes also convey brand meaning and thereby function as suggestive marks. Jeanne C. Fromer, *Against Secondary Meaning*, 98 Notre Dame L. Rev. 211, 237-39 (2022).

²⁸ Beebe & Fromer, *supra* note 8, at 965-66.

²⁹ *Id.*

³⁰ *Id.* at 967.

³¹ *Id.* at 968; Neil Brown, *Worst Brand Names of 2019?*, Ideas, June 19, 2019, <https://www.ideasbig.com/worst-brand-name-of-2019> (“[Y]ou need a name ‘that is also capable of evoking pleasant feelings and hasn’t been taken by an internet squatter.’” (quoting Andrew Essex, chief executive of branding consultancy Plan A)).

³² W. Scott Blackmer & Sara Skinner Chubb, *Brand Protection Today—Article 1: Choose Wisely*, InfoLawGroup, Feb. 3, 2021, <https://www.infolawgroup.com/insights/2021/2/3/brand-protection-today-article-1>.

small businesses tend to operate across national borders.³³ The most significant constraint is that the brand typically should be the same everywhere it appears. Ideally, as a leading marketing textbook puts it, “the marketing program for a global brand consists of ... one package design, one advertising program, one pricing schedule, one distribution plan, and so on.”³⁴ Uniform branding is thought to lower marketing costs, convey credibility and status, offer a consistent brand image to consumers as they traverse jurisdictions, and make market entry into new jurisdictions easier.³⁵ The result is that all of the characteristics just discussed—uniqueness, familiarity, pronounceability, memorability, and positive associations—should hold in each local market in which the brand seeks market share. Of particular concern is that the mark not carry negative connotations in any relevant foreign language.³⁶ Thus, IRISH MIST liquor changed its name in German-speaking markets, where “Mist” means “manure” and is used as an interjection; the producer of TEGRO weight-loss pills changed their name in French-speaking countries, where “tegro” can be understood to mean “you are fat”; and—as noted above—Microsoft would prefer that its search engine be known as BIYING in China.³⁷ In the European Union, for example, with twenty-four official languages and several other major regional languages such as Basque and Catalan, the challenge of finding good marks that satisfy all of these conditions is considerable. Finding such marks that are not already claimed by others is harder still. Engaging in the same search on a global scale is even worse.

Stated differently, transnational firms optimally choose a mark from the intersection, not the union, of the differing sets of marks that are competitively effective and still unclaimed in each local

³³ *E.g.*, Shubhomita Bose, *58 Percent of Small Businesses Already Have International Customers, Survey Finds*, Small Bus. Trends, Aug. 26, 2016, <https://smallbiztrends.com/2016/08/small-businesses-going-global-survey.html>.

³⁴ Kevin Lane Keller & Vanitha Swaminathan, *Strategic Brand Management: Building, Measuring, and Managing Brand Equity* 554 (5th ed. 2020).

³⁵ *Id.* at 554-55. At the same time, a global-marketing approach does paper over consumer differences—whether with regard to their purchasing patterns or responses to branding—and varying competitive and legal landscapes across jurisdictions. *Id.* at 555-59. These factors can sometimes lead businesses to adopt non-uniform marketing across jurisdictions. *Id.* at 555-64. It is a balance: “[t]he best examples of global brands often retain a thematic consistency and alter specific elements of the marketing mix in accordance with consumer behavior and the competitive situation in each country.” *Id.* at 565. For an overview of different ways businesses approach global branding, see Sonia K. Katyal, *Trademark Cosmopolitanism*, 47 U.C. Davis L. Rev. 875, 878-88 (2014).

³⁶ Keller & Swaminathan, *supra* note 34, at 555-56; *cf.* Brown, *supra* note 31 (“You basically need to find a word that means nothing in every language.” (quoting Andrew Essex, chief executive of branding consultancy Plan A)).

³⁷ Satu Wiren, *Why Do Products Have Different Names in Different Countries?*, Aug. 23, 2015, <https://medium.com/@WirenSatu/why-do-products-have-different-names-in-different-countries-1f4acff6c2a4>; *supra* note 1.

market. A good global mark must function effectively in all markets; if it does not, a firm should seek a different mark.³⁸ This is one reason why image marks, which can transcend the barriers of text (and literacy), can be so powerful.³⁹ Yet given the constraints of Internet search and social media and given the importance of word of mouth, text remains the dominant medium of marketing.⁴⁰

When expanding businesses do not heed this wisdom from the start, they may be forced to choose different marks for their product in different markets. For example, when clothing retailer TJ MAXX expanded from the United States to Europe and Australia, it was compelled to operate in these new markets as TK MAXX to avoid confusion with already-established UK-based department store TJ Hughes.⁴¹ Similarly, in order to avoid confusion with existing marks, BURGER KING restaurants are called HUNGRY JACK'S in Australia and BUDWEISER beer is called BUD in Europe.⁴² As consumers cross borders, the use of localized brands can cause more

³⁸ *But cf.* Daniel J. Hemel & Lisa Larrimore Ouellette, *Trademark Law Pluralism*, 88 U. Chi. L. Rev. 1025, 1064 (2021) (“[O]ne side benefit of public investment in foreign language learning would be an expansion of the set of possible marks that Americans could recognize at relatively low marginal cognitive cost.”).

³⁹ Keller & Swaminathan, *supra* note 34, at 571. For an analysis of how images are an afterthought in trademark law and doctrine as compared to words and how they are deployed in advertising, see Rebecca Tushnet, *Looking at the Lanham Act: Images in Trademark and Advertising Law*, 48 Hous. L. Rev. 861 (2011).

⁴⁰ Apu Gupta, *The Shift from Words To Pictures and Implications for Digital Marketers*, Forbes, July 2, 2013, <https://www.forbes.com/sites/onmarketing/2013/07/02/the-shift-from-words-to-pictures-and-implications-for-digital-marketers>.

⁴¹ Mary Hanbury, *TJ Maxx Has a Different Name in Europe and Australia, and There's a Simple Reason Why*, Bus. Insider, Aug. 26, 2018, <https://www.businessinsider.com/tj-maxx-and-tk-maxx-are-same-company-2018-8>.

⁴² Herrine Ro, *15 of Your Favorite Brands That Are Called Entirely Different Things Abroad*, Insider, July 13, 2016, <https://www.insider.com/brands-with-different-names-abroad-2016-7>. There are other reasons why global businesses might use different marks across jurisdictions. For instance, Lay's potato chips are known as Walker's in the United Kingdom and Smith's in Australia, largely because PepsiCo, which owns Lay's, bought up local and well-established potato-chip companies in these jurisdictions and did not want to upset or confuse consumers wedded to these products by changing the name. Rudie Obias, *7 International Names for American Products*, Mental Floss, Mar. 15, 2019, <https://www.mentalfloss.com/article/57923/7-international-names-american-products>. As another example, owing to legal language regulations in Quebec that businesses be named in French, KFC restaurants there are called PFK, short for “Poulet Frit Kentucky.” *Id.* Moreover, some businesses prefer to translate their product names market by market, as is the case with Mr. Clean household products, which Procter & Gamble translates to Meister Proper in Germany and Don Limpio in Spain. Joe Berkowitz, *These Brands Go by Different Names in Different Countries and It's Just Not Right*, Fast Company, Jan. 12, 2016, <https://www.fastcompany.com/3055388/these-brands-go-by-different-names-in-different-countries-and-its-jus>. In all these cases, businesses tend to make other branding elements similar to alert consumers that the differently named products are indeed from the same source. *Id.*; Kitchen Daily, *Hellmann's vs. Best Foods, Etc.: Why Some Brands Have Different Names on Different Coasts*, HuffPost, Dec. 6, 2017, https://www.huffpost.com/entry/food-products-with-different-brand-names_n_1250304.

confusion than it otherwise seeks to solve. In an oft-cited example, transatlantic consumers may be hopelessly confused by the similarities and differences among MARS chocolate bars in Europe, MILKY WAY chocolate bars in the United States and Europe, and 3 MUSKETEERS bars in the United States.⁴³ Specifically, Mars produces one chocolate bar (with caramel) under the brands MARS in Europe and MILKY WAY in the United States.⁴⁴ Meanwhile, Mars produces another chocolate bar (without caramel) under the brands MILKY WAY in Europe and 3 MUSKETEERS in the United States.⁴⁵

We emphasize two additional considerations that firms must take into account when choosing new brand names. First, within the narrow set of words that are effective in all markets in which a transnational business is operating, there lies an especially limited subset of highly versatile words from which businesses might choose a mark consisting of what we call “multilanguage words.” Often taking the form of cognates, borrowings, or onomatopoeia, these are words that are orthographically closely similar across multiple languages and convey roughly similar meanings in each of those languages.⁴⁶ For example, the equivalent of the English word FANTASTIC is FANTASTISCH and FANTASTIQUE in German and French, respectively, and FANTASTICO in both Italian and Spanish. Other such words in English are ASPECT, BOOM, IDEA, IDEAL, MODERN, and METHOD, whose equivalents are mutually intelligible among all of the five major European languages.⁴⁷ Such words are highly prized as brand names or as parts of brand names because they are comprehensible in multiple markets.⁴⁸ Indeed, to consumers who do not speak the word’s language, such words may convey an optimal combination of distinctiveness and familiarity in that, like

⁴³ Berkowitz, *supra* note 42.

⁴⁴ *Id.*

⁴⁵ *Id.*

⁴⁶ Aditya Shukla, *Do Universal Words Exist? From Evolution to Cognates & Iconicity*, Cognition Today, July 7, 2020, <https://cognitiontoday.com/universal-words-iconicity-cognates-psycho-linguistics>; *Universal Vocabulary List*, LibraryThing, <https://www.librarything.com/topic/139237> (last visited June 17, 2022).

⁴⁷ On the major European languages, see *infra* note 118.

⁴⁸ See *Oh That Sounds Interesting! The Techniques of Brand Naming*, BrandBerries, Jan. 19, 2017, <https://www.thebrandberries.com/2017/01/19/should-a-brand-name-engage-or-explain> [hereinafter *Techniques of Brand Naming*].

many forms of fashion, they are just foreign enough to be interesting but just recognizable enough to be reassuring.⁴⁹

A final, overriding consideration that firms must take into account is that English is by far the dominant language of global commerce, and global branding is no exception.⁵⁰ The world's sole "hypercentral language," spoken by approximately two billion people and by approximately 400 million as a native language, English is the one language that all brands that aspire to be global must work with and accommodate.⁵¹ As the EUIPO data suggest, most brands do so by taking the form of English-language word marks. Figure 1 shows the distribution by mark language of trademark applications filed from 1996 through 2018 at the EUIPO for marks containing words.⁵² Of such marks, 57.5% consisted of English-language marks. This is particularly notable given that English, even pre-Brexit, was the native language for only 13% of the European Union's citizens, behind German (at 18%) and tied with Italian.⁵³ Distantly following English in the distribution of mark languages were Italian, French, Spanish, and German, accounting for 4.5%, 3.4%, 3.3%, and 3.2% of mark languages, respectively.

⁴⁹ *Id.* ("When developing names for a global audience, it's helpful to draw on universally relevant ideas. So a name that suggests 'happy' will be more relevant to a global audience than one suggesting 'Sycamore' (a type of tree).")

⁵⁰ Tsedal Neeley, *Global Business Speaks English*, Harv. Bus. Rev., May 2012, <https://hbr.org/2012/05/global-business-speaks-english>; *Techniques of Brand Naming*, *supra* note 48.

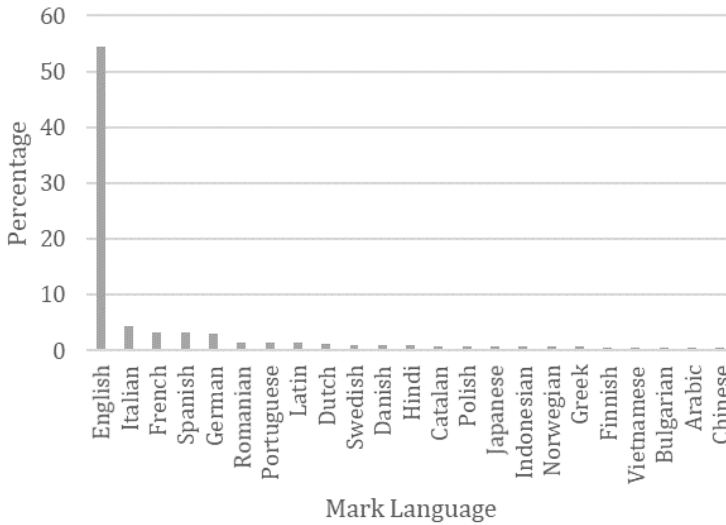
⁵¹ Abram de Swaan, *Words of the World: The Global Language System* (2002).

⁵² We detected the language of marks by using the Google Translate API's language-detection feature. For the general reliability of this feature, see *infra* note 117. This feature was somewhat less reliable in detecting word marks of less than four characters, as they were often acronyms or other irregular words. The distribution of languages is nearly the same, however, even if those word marks are omitted.

⁵³ European Commission, *Europeans and Languages* (Sept. 2005), at 7. For an exploration of Brexit's effect on trademark laws in Europe and the United Kingdom, see Graeme B. Dinwoodie & Rochelle Cooper Dreyfuss, *Brexit and IP: The Great Unraveling?*, 39 *Cardozo L. Rev.* 967, 972-75 (2018).

Figure 1

Percentage Distribution of Mark Languages for all EUIPO Applications with Marks Containing Words, 1996–2018, for All Languages with More Than 0.5% Representation



With this background on brand name selection in the global marketplace, we now turn to the source of our case study, the EU trademark system, given that it is a microcosm of the global marketplace.

B. The EU Trademark System: A Microcosm of the Global Marketplace

Like any trademark system, the EU trademark system seeks to promote the efficient communication of accurate information about commercial source. But among the many things that make the EU system so interesting is that from the start, it has been expressly designed to serve a far weightier purpose: to promote the integration of the European single market and thereby promote the European project.⁵⁴ In both civil and common law systems, trademark rights have traditionally been understood as territorial in nature; at best,

⁵⁴ In reaction to World Wars I and II, many thinkers and politicians began campaigning for a more politically and economically unified Europe. European Union, *The History of the European Union*, https://europa.eu/european-union/about-eu/history_en (last visited June 17, 2022). The European Union was formally established in 1993 to establish a single market throughout member countries with free movement of goods, services, people, and money within that market, and in 1999, a unified currency, the euro. European Union, *supra*.

they extend to national borders, but not beyond them.⁵⁵ Before the EU trademark system became operational in 1996, firms wishing to do business in multiple European nations were required to navigate a welter of different national trademark registration systems and trademark laws.⁵⁶ The Trade Mark Directive of 1988 sought to harmonize the various trademark laws of the individual EU member states, but it did little more than establish minimum standards in core areas of substantive trademark law and barely addressed procedural rules relating to trademark registration processes.⁵⁷ It represented a step forward, but was hardly sufficient.⁵⁸ Finally, the Community Trade Mark Regulation of 1993 established the Office for Harmonization in the Internal Market (now called the “EUIPO”⁵⁹) and a regime for the registration of “trade marks enabling the products and services of undertakings to be distinguished by identical means throughout the entire Community, regardless of frontiers.”⁶⁰ The Trade Mark Regulation has been amended many times since⁶¹ and now represents a state-of-the-art trademark registration statute.

In effect, the EU trademark system is a microcosm of a global multilingual marketplace.⁶² Many things that are true de facto of

⁵⁵ Paris Convention for the Protection of Industrial Property, Mar. 20, 1883, 13 U.S.T. 2, 828 U.N.T.S. 107, *as last revised at the Stockholm Revision Conference*, July 14, 1967, 21 U.S.T. 1538, 828 U.N.T.S. 303, *reprinted in* G.H.C. Bodenhausen, *Guide to the Application of the Paris Convention for the Protection of Industrial Property* 223, 223-52 (1968). *But see* Berne Convention for the Protection of Literary and Artistic Works art. 6bis, adopted Sept. 9, 1886, S. Treaty Doc. No. 99-27, 1161 U.N.T.S. 3.

⁵⁶ Dinwoodie, *Territorial Overlaps*, *supra* note 14, at 1678-79.

⁵⁷ Council Directive 89/104/EEC, art. 2, 1988 O.J. (L 40) 1, 2; *see also* Gordian Hasselblatt, *EU Trade Mark*, in *European Union Trade Mark Regulation: Article By Article Commentary* 9, 24-25 (Gordian Hasselblatt ed., 2d ed. 2018) [hereinafter *EU Trade Mark Regulation Commentary*]. British English—and consequently European English—uses the two-word term “trade mark,” while American English uses the single-word term “trademark.” *Trade Mark, Trademark, or Trade-Mark?*, Murgitroyd Blog, Jan. 26, 2016, <https://www.murgitroyd.com/blog/trade-mark-trademark-or-trade-mark>.

⁵⁸ This much was recognized by the subsequent Community Trade Mark Regulation of 1993. *See* Council Regulation (EC) 40/94, 1994 O.J. (L 11) 1 (“Whereas the barrier of territoriality of the rights conferred on proprietors of trade marks by the laws of the Member States cannot be removed by approximation of laws; whereas in order to open up unrestricted economic activity in the whole of the common market for the benefit of undertakings, trade marks need to be created which are governed by a uniform Community law directly applicable in all Member States.”).

⁵⁹ Regulation (EU) 2015/2424, 2015 O.J. (L 341) 21.

⁶⁰ Council Regulation (EC) 40/94, 1994 O.J. (L 11) 1.

⁶¹ Council Regulation (EC) 1891/2006, 2006 O.J. (L 386) 14, *as replaced by* Council Regulation (EC) 207/2009, 2009 O.J. (L 78) 1, *amended by* Regulation (EU) 2015/2424, 2015 O.J. (L 341) 21, *as replaced by* Regulation (EU) 2017/1001, 2017 O.J. (L 154) 1.

⁶² *Supra* text accompanying notes 12-13. The EU trademark system runs in parallel with the individual national trademark systems of the EU member states. Regulation (EU) 2017/1001, 2017 O.J. (L 154) 1 [hereinafter *Trade Mark Regulation*] (“The Union law relating to trade marks ... does not replace the laws of the Member States on trade marks.”). Firms may register their mark as an EU trademark at the EUIPO, they may

the global marketplace are true de jure for the unified EU trademark system. From the beginning, the EU trademark system has been a stunning success, at least as measured by the number of applications filed and registrations issued.⁶³ Figure 2 reports the annual number of applications filed at the EUIPO from 1996 through 2018 and the annual proportion of those applications that succeeded to registration through 2016.⁶⁴ By the end of 2018, the EUIPO boasted a total of 1,332,601 live registrations on its register.⁶⁵

The EUIPO and U.S. Patent and Trademark Office (“USPTO”) report substantially different registration rates for the period 1996 through 2016. At the EUIPO, of the 1.7 million applications filed during this period, 89.2% registered.⁶⁶ At the USPTO, of the 5.6 million applications filed during the same period, only 55.8% registered.⁶⁷ As we explain below, two differences between U.S. and EU trademark law may largely explain this wide divergence in

register it as a national-level mark at one or more of the national trademark offices of the member states, or they may do both. *Id.* As Rebecca Tushnet emphasizes, registration in the EU trademark system is treated as “controlling the scope of a registrant’s right in an infringement case,” which is quite unlike the U.S. trademark system, which does not treat a registration—or even the existence of one—as controlling the scope of a plaintiff’s right in an infringement action. Rebecca Tushnet, *Registering Disagreement: Registration in Modern American Trademark Law*, 130 Harv. L. Rev. 867, 907 (2017). The reason for this distinction is that EU trademark registrations create rights, whereas in the United States, use in commerce as a trademark creates rights. *Id.* at 911 n.196. The principal advantage of an EU trademark registration is that it provides exclusive rights in all EU member states, thus rendering individual national registrations unnecessary. Trade Mark Regulation, *supra*. Nonetheless, most trademark enforcement happens at the national level. Dinwoodie, *Territorial Overlaps*, *supra* note 14, at 1682. Firms doing business in a limited geographic area within Europe or whose marks do not qualify for EU registration may elect to register only at the national level. *Trade Marks in the European Union*, EUIPO, <https://euipo.europa.eu/ohimportal/en/trade-marks-in-the-european-union> (last visited June 17, 2022).

⁶³ *E.g.*, EUIPO, EUIPO Trade Mark Focus Report: 2010-2019 Evolution, July 3, 2020, <https://euipo.europa.eu/ohimportal/en/news/-/action/view/5864974>. Indeed, it has been so successful that commentators have begun to worry that it may lead to the demise of certain national trademark offices. Annette Kur, Thomas Dreier & Stefan Luginbuehl, *European Intellectual Property Law* 162 (2d ed. 2019).

⁶⁴ We do not report the registration-rate data past 2016 because some applications filed after 2016 may not have been fully processed by the end of 2018, when the data on which this figure is based were compiled. For this reason, subsequent figures that report registration rates stop at 2016.

⁶⁵ By comparison, the German Patent and Trademark Office, for example, received 75,358 applications in 2018 and had a total of 815,589 live registrations on its register by the end of that year. Ger. Patent & Trade Mark Office, Annual Report 2018, at 23, 25 (2018), <https://www.dpma.de/docs/english/jahresberichte/annualreport2018.pdf>. In 2018, the USPTO received 458,085 applications and had a total of 2,367,549 live registrations on the Principal Register at the end of the year.

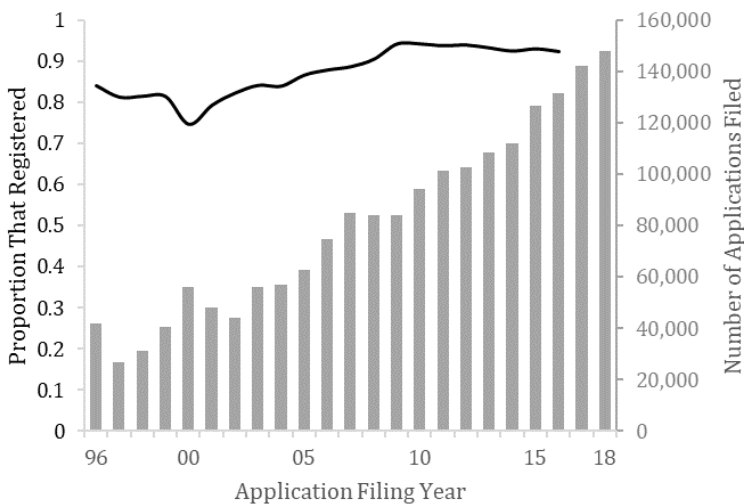
⁶⁶ The registration rate briefly dipped to 74.8% for applications filed during the Internet boom in 2000.

⁶⁷ These data come from the Case Files Dataset by the USPTO, which we describe in Part II.

registration rates: first, the USPTO engages in ex officio review of all applications for confusing similarity with already-registered marks whereas the EUIPO does not, and second, U.S. trademark law requires that marks be used in commerce before they may register, whereas EU trademark law imposes a lax use requirement. But before turning to these differences, we focus on the important “all or nothing” rule in EU trademark law.

Figure 2

Number of Applications Filed and Proportion That Registered
by Filing Year, 1996–2018



1. The “All or Nothing” Rule

Under the “all or nothing” rule, if a mark is disqualified from protection in any part of the European Union, it cannot qualify as an EU trademark.⁶⁸ Thus, for example, if an applied-for mark is generic for its goods or services in any of the twenty-four official languages of the European Union (such as MILK or LAIT for milk), the EUIPO will refuse registration.⁶⁹ Similarly, if the applied-for mark is immoral or offensive in any official European language, the EUIPO will refuse registration, even if it is perfectly innocent in the

⁶⁸ Trade Mark Regulation, *supra* note 62, art. 7(2). See generally Gordian Hasselblatt, *Absolute Grounds for Refusal*, in European Union Trade Mark Regulation Commentary, *supra* note 57, at 79, 93.

⁶⁹ See Trade Mark Regulation, *supra* note 62, arts. 7(1)-(2) (forbidding registration of a mark “devoid of any distinctive character”). The applicant must instead resort to applying to the national offices of those nations, if any, whose residents would not perceive the mark as generic. *Supra* note 62.

applicant's own language.⁷⁰ If a mark would be perceived as descriptive of its goods or services by any significant population within the European Union, including within individual member states, then it can qualify for registration in the EUIPO only if the applicant can show that the mark has acquired secondary meaning as a designation of source in the minds of that population.⁷¹ In some ways, this “all or nothing” rule is a legal analogue of the branding maxim that a mark is competitively effective across all marketplaces or none at all.⁷²

2. Confusing Similarity as a Bar to Registration

The EUIPO will refuse to register any trademark that it determines to be confusingly similar to any mark that is already registered at the EUIPO.⁷³ But importantly, the EUIPO will make this determination only if a third party files an opposition to the registration of the mark. In significant contrast to the registration process at the USPTO and several other major national registration offices,⁷⁴ the EUIPO does not, on its own initiative, engage in so-called “relative grounds” examination of applications for confusing similarity with preexisting registrations.⁷⁵ Instead, it relies only on

⁷⁰ *E.g.*, Case T-526/09, *Paki Logistics v. OHIM*, 2011 E.C.R. II-0000 (denying registration to the German trademark PAKI for logistics on the ground that the term was a racial slur in English for persons of South-Asian origin).

⁷¹ Case C-108/05, *Bovemij Verzekeringen NV v. Benelex Merkenbureau*, 2006 E.C.R. I-07605 (applying this rule with respect to the mark EUROPOLIS for insurance services, where “polis” in Dutch refers to an insurance agreement); Case T-219/00, *Ellos v. OHIM*, 2002 E.C.R. II-735 (denying registration to the Swedish word mark ELLOS for clothing, including clothing specifically for men, on the ground that the term in Spanish is the third-person plural pronoun referring to men and would therefore be perceived by Spanish-speaking consumers as descriptive of the goods); *Kur, Dreier & Luginbuehl*, *supra* note 63, at 183-84; *Annette Kur & Martin Senftleben*, *European Trademark Law* 118 (2017). Otherwise, the applicant must again resort to the national offices.

⁷² *Supra* section A.

⁷³ Trade Mark Regulation, *supra* note 62, arts. 8(1)-(2). It will also refuse to register any trademark that it thinks is confusingly similar to a mark already registered at any of the national trademark registration offices of the EU member states. *Id.*

⁷⁴ In addition to the United States, other countries whose trademark office engages in ex officio review for likelihood of confusion include Australia, Brazil, China, Colombia, and Egypt. Philippe Bhering, *Trademark Procedures and Strategies: Brazil*, *World Trademark Rev.*, Mar. 29, 2017, <https://www.worldtrademarkreview.com/portfolio-management/trademark-procedures-and-strategies-brazil>; Amir H. Khoury, *The Development of Modern Trademark Legislation and Protection in Arab Countries of the Middle East*, 16 *Transnat'l Law*. 249, 288 (2003); Wanhuida Peksung IP Group, *Fourth Revision of China's Trademark Law*, *World Trademark Rev.*, May 20, 2019, <https://www.worldtrademarkreview.com/fourth-revision-chinas-trademark-law>; *Grounds of Refusal in Australia*, WIPO, https://www.wipo.int/export/sites/www/sct/en/comments/pdf/sct21/ref_australia.pdf (last visited June 17, 2022); *Colombia*, 99 TMR 449, 463-64 (2009).

⁷⁵ Trade Mark Regulation, *supra* note 62, arts. 8(1)-(2). Other trademark offices that do not engage in ex officio review for likelihood of confusion include Germany, France, and Turkey. Ger. Patent & Trademark Office, *Trade Marks: An Information Brochure* on

a third-party opposition process.⁷⁶ Upon receipt of a trademark application, the EUIPO will review it for compliance with various administrative formalities, ensure that it is not generic for or merely descriptive of any of the goods or services specified in the application, and then publish the application for opposition.⁷⁷ Prior registrants and other earlier rightsholders are then given three months to file an opposition to the registration of the applied-for mark on the basis, among others, that the mark is confusingly similar to an already-registered mark.⁷⁸ If no opposition is filed or is successful, the application proceeds to registration.

Third parties must therefore be willing to spend the resources to continuously monitor applications at the EUIPO and challenge conflicting applications.⁷⁹ They cannot rely on the kind of initial ex officio review for confusing similarity that the USPTO undertakes, where a specialized division of trademark examiners make a first—and, as we show, incisive—cut of applications for confusing similarity before any are published for third-party opposition.⁸⁰ To be sure, in initially processing an application, the EUIPO generates a brief semi-automated search report listing potentially confusingly similar registrations and sends “surveillance letters” to the owners of those registrations notifying them of the application.⁸¹ But these are of little practical value. Indeed, the search report is often comically inadequate. They nearly always report matches only for identical whole words. For example, the search report for

Trade Mark Protection (rev. ed. 2017), https://www.dpma.de/docs/english/broschueren_eng/bro_trademarks_en.pdf; 2 Horwitz on World Trademark Law FRA § 2 (2020); Zeynep Ezgi, *Turkey: Relative Grounds for Refusal in Trademark Registrations*, Mondaq, Apr. 15, 2020, <https://www.mondaq.com/turkey/trademark/917550/relative-grounds-for-refusal-in-trademark-registrations> (last visited June 17, 2022).

⁷⁶ Trade Mark Regulation, *supra* note 62, arts. 8(1)-(2). See generally Andrea Jaeger-Lenz, *Relative Grounds for Refusal*, in EU Trade Mark Regulation Commentary, *supra* note 57, at 218.

⁷⁷ Trade Mark Regulation, *supra* note 62, art. 7.

⁷⁸ *Id.* art. 46(1). This period can be extended up to twenty-four months. Daniel Marschollek & Sven Jacobs, *Opposition*, in EU Trade Mark Regulation Commentary, *supra* note 57, at 692, 704. Standing to oppose is limited to the owner of an earlier trademark registration, licensees of such registration, and certain authorized parties. *Id.* at 696-97.

⁷⁹ Lars Meyer, *Much Ado About Nothing? Characteristics, Benefits, and Practical Implications of the European Community Trademark*, 5 Chi.-Kent J. Intell. Prop. 158, 161 (2006).

⁸⁰ Beebe & Fromer, *supra* note 8, at 960-62 (providing an overview of the U.S. trademark system with regard to policing confusingly similar marks).

⁸¹ Trade Mark Regulation, *supra* note 62, art. 43. Applicants can opt out of this search report being drawn up. *Id.* art. 43(1). They also have the option of requesting a search report of certain national trademark registers within the European Union, *id.* art. 43(2)-(3), though few applicants pursue this option. Steffen Hagen, *Search Report*, in EU Trade Mark Regulation Commentary, *supra* note 57, at 681, 685. Only six national offices participate. *Id.* at 685; Max Planck Institute for Intellectual Property and Competition Law Munich, Study on the Overall Functioning of the European Trade Mark System 182 (Feb. 15, 2011) [hereinafter Max Planck Study].

CREMOLAIT,⁸² now registered for foods—including milk products—and non-alcoholic drinks, does not list any potentially confusingly similar marks, including the many registered marks containing the word LAIT (meaning milk in French) in these same classes of goods.⁸³ In a reversal of the roles traditionally ascribed to the Americans versus the Europeans, the Americans rely on a government agency to do much of the heavy lifting in preserving the integrity of the trademark register while the Europeans leave it entirely to the “market to regulate itself and for applicants to ‘have a go’ at registering borderline or possibly invalid marks.”⁸⁴

The EUIPO opposition process itself is straightforward. If an opposition is filed, a cooling-off period of at least two months commences in which the applicant and opposer may settle their dispute⁸⁵—and as discussed below, though oppositions are rarely filed, when they are filed, settlements are common.⁸⁶ If the parties fail to settle, the EUIPO Oppositions Division then initiates a proceeding at the conclusion of which a three-member panel issues a reasoned decision either granting or denying the opposition.⁸⁷

In determining whether an earlier and a later mark are confusingly similar, the EUIPO assesses whether an appreciable proportion of relevant consumers would mistakenly believe that goods carrying the applied-for mark originate from or are commercially associated with the source of goods carrying the already-registered mark.⁸⁸ To make this determination of confusion as to source, the EUIPO considers a number of factors, most

⁸² EU Trade Mark No. W01009589.

⁸³ Office for Harmonization in the Internal Mkt., Community Search Report for Application IR 01009589, Aug. 12, 2009. Moreover, the EUIPO search report typically contains matches only for a subset of words in multi-word marks. For instance, the search report for GUCCI BAMBOO, EU Trade Mark No. 013688551, now registered, includes matches for marks containing the term GUCCI (happily, all the applicant’s own marks) but not for the many marks containing the term BAMBOO. Office for Harmonization in the Internal Mkt., Community Search Report for Application 1149682, Jan. 3, 2013. We have not located information explaining why these search reports match for certain words within a mark and not others. For an example of a potentially conflicting mark consisting only of the word BAMBOO registered in Class 3 (cosmetics), see EU Trade Mark No. 003979441.

⁸⁴ Alison Firth, Gary R. Lea & Peter Cornford, *Trade Marks: Law and Practice* 9 (4th ed. 2016).

⁸⁵ Marschollek & Jacobs, *supra* note 78, at 704-06.

⁸⁶ *Infra* section IV.B.3.

⁸⁷ This decision may be appealed to the EUIPO Boards of Appeal, then to the General Court of the Court of Justice of the European Union, and on questions of law only, finally to the Court of Justice of the European Union. Trade Mark Regulation, *supra* note 62, arts. 66-72.

⁸⁸ *Id.* arts. 8, 47(5). In guiding this inquiry, the EU Trade Mark Regulation explicitly provides that “the likelihood of confusion includes the likelihood of *association*” between two marks, *id.* arts. 8(1)(b), 9(2)(b) (emphasis added), which can broaden the confusion analysis considerably.

importantly, the similarity of the two marks and the relatedness of the goods with which they are used.⁸⁹ The process evaluates mark similarity along the three dimensions of visual, aural, and conceptual similarity (comparable to the familiar American trinity of “sound, sight, and meaning”).⁹⁰ Over time, EU trademark law has developed various doctrines to come to terms with the multilingual nature of the European market. For example, in assessing word similarity, diacritical marks are generally disregarded; thus, the marks UBER and ÜBER would likely be considered to be essentially identical.⁹¹

More significantly, under conceptual similarity, two orthographically different marks from different languages may be considered to be confusingly similar if they convey the same meaning to any significant population of consumers capable of understanding the terms in both languages.⁹² We refer to this form of conceptual similarity as “translational similarity,” a principle applied in U.S. trademark law as well.⁹³ The “all or nothing” principle further dictates that if a significant population of consumers anywhere in the European Union would recognize the

⁸⁹ See generally Ilanah Fhima & Dev S. Gangjee, *The Confusion Test in European Trade Mark Law* (2019).

⁹⁰ *Id.* at 17-66.

⁹¹ See EUIPO, *Guidelines for Examination of European Union Trade Marks* § 2.3 (Jan. 2, 2020) [hereinafter *Examination Guidelines*]; Case C-291/00, *LTJ Diffusion SA v. Sadas Vertbaudet SA*, 2003 F.S.R. 34.

⁹² OHIM Opposition Division Decision No. 3111/2000 (Dec. 21, 2000) (refusing registration of the English-language mark RED BARON with respect to certain goods on the basis that it was confusingly similar with the Spanish-language mark BARON ROJO); OHIM Opposition Division Decision No. 131/1999 (March 25, 1999) (refusing registration of the English-language mark 5 OCEANS on the basis that it was confusingly similar with the Spanish-language mark CINCO OCEANOS); *Examination Guidelines*, *supra* note 91, § 3.4.3.1; Fhima & Gangjee, *supra* note 89, at 58-61; *cf.* Case C-603/14, *El Corte Inglés v. OHIM* (Dec. 10, 2015) (holding that the English-language mark THE ENGLISH CUT was not sufficiently similar to the Spanish-language mark EL CORTE INGLÉS to confuse consumers, but it may be sufficiently similar to result in the dilution of the latter mark); Case T-534/10, *Organismos Kypriakis Galaktokomikis Viomichanias v. OHIM* (June 13, 2012) (finding conceptual similarity between the mark HALLOUMI in Greek and HELLIM in Turkish on the ground that because Turkish and Greek are official languages of Cyprus, Cypriots will recognize the common meaning of both terms as referring to a type of cheese). *But see* Case T-437/11, *Golden Balls Ltd v. OHIM* (Sept. 16, 2013) (finding “at most, a weak conceptual similarity” between GOLDEN BALLS and BALLON D’OR); *Examination Guidelines*, *supra* note 91, at § 3.4.4.2 (“As it is the actual understanding of the relevant public that matters, the mere fact that one term is objectively the foreign-language equivalent of the other may not be relevant at all in the conceptual comparison.”). Interestingly, the EUIPO examination guidelines recognize that in certain instances, “a significant part of the relevant public may have only a limited command of the relevant foreign language and, therefore, might not be able to distinguish the difference in meaning between two expressions.” *Examination Guidelines*, *supra* note 91. In such instances, consumers may be more likely to confuse the two terms because of their lack of sophistication in the language. *Id.*

⁹³ *Infra* text accompanying notes 270-277.

translational similarity between an earlier and a later mark and the two marks are used on related products, then the later mark cannot qualify for EU-wide registration. The result is that the registration of a word or phrase in any of the major European languages may conflict with any later application for any word or phrase that conveys the same or a similar meaning in any other European language, when the two marks' goods are related. This is especially true for English, which is widely spoken throughout Europe.⁹⁴ For example, if there exists an earlier registration for DOG in connection with apparel, that registration would almost certainly conflict with any later application for the equivalent term in any European language in connection with apparel. The same is likely true if the registration were for HUND, CHIEN, CANE, or PERRO in connection with apparel. The reasoning is that in each case there exists some significant population of consumers somewhere in Europe who would associate the mark in the major European language with the equivalent term in their first language. By contrast, a registration for ΣΚΥΛΟΣ might not conflict with a registration for SUNS (“dog” in Greek and Latvian, respectively) because there may be no significant population of consumers in Europe who understand even basic terms in both languages. Registrations of terms in the major EU languages—again, especially English—are thus quite powerful. They potentially block visually, conceptually, and aurally similar words in other languages, including translationally equivalent words in those languages.

3. The Use Requirement

EU trademark law fundamentally differs from U.S. trademark law in another respect: EU law allows the registration of marks that the registrant is not actually using in commerce.⁹⁵ An EU trademark registrant enjoys a five-year grace period from the date of registration to make a “genuine use” of its mark for the goods or services specified in the registration.⁹⁶ After this grace period has elapsed, third parties (but not the EUIPO itself) may challenge the registration on the basis of non-use.⁹⁷ If no third party institutes or is successful in such a challenge, the registration will remain in effect and may be renewed indefinitely, even if the registrant never in fact makes a genuine use of its mark. The American system, by

⁹⁴ In 2012, 51% of EU citizens spoke English, and the current percentage is likely much higher. Dave Keating, *Despite Brexit, English Remains the EU's Most Spoken Language by Far*, *Forbes*, Feb. 6, 2020, <https://www.forbes.com/sites/davekeating/2020/02/06/despite-brexit-english-remains-the-eus-most-spoken-language-by-far>.

⁹⁵ Trade Mark Regulation, *supra* note 62, art. 18.

⁹⁶ *Id.*

⁹⁷ *Id.* art. 58(1)(a).

contrast, is emphatically a use-based system in which a firm's actual use of the mark in commerce forms the basis for trademark rights and registration.⁹⁸ Except in the case of International Registration designations, the USPTO insists on proof of use for a registration to issue and every time the registration is renewed.⁹⁹ In principle, registration at the USPTO is merely a recordation of the preexisting rights created by use.¹⁰⁰

As one study shows, third-party challenges at the EUIPO on the basis of non-use are "exceedingly rare."¹⁰¹ They arise in opposition proceedings, when the opposed applicant will challenge the opposer's earlier registration on the basis that the opposer has not made a genuine use of its earlier-registered mark. But even in this context, a recent study has shown that as many as one-third of opposers base their oppositions on earlier registrations that are still within the five-year grace period and thus cannot be challenged on grounds of non-use.¹⁰² Indeed, though the EUIPO has sought to limit the practice, sophisticated filers still often maintain a series of temporally overlapping new registrations of their mark, sometimes in classes in which they have no intention to use the mark, in order to benefit from the grace period and prevent others from adopting the mark.¹⁰³

The combined result of EU trademark law's lenient use requirement and registrants' exploitation of the five-year grace period is that the EUIPO register has a significant problem of "trademark clutter."¹⁰⁴ "Clutter" refers to registrations for marks that the registrants are not using in commerce.¹⁰⁵ Such

⁹⁸ 15 U.S.C. § 1051(a)(1) (providing for registration of a mark "used in commerce"); *id.* § 1051(d) (providing for registration of a mark filed on an intent-to-use basis upon filing of a statement that the mark is "used in commerce").

⁹⁹ The USPTO insists on proof of use before registration, *id.* § 1051(a)(1); 37 C.F.R. §§ 2.34(a)(1)(iv), 2.56(a), in the sixth year of registration, 15 U.S.C. § 1058, and in every tenth year of registration, *id.*

¹⁰⁰ 15 U.S.C. § 1125(a) (2012) (providing anticonfusion protection to both registered and unregistered marks so long as they are used in commerce). By contrast, "[u]nder European trade mark law, protection is only acquired through registration." Kur & Senftleben, *supra* note 71, at 90.

¹⁰¹ Georg von Graevenitz, Richard Ashmead & Christine Greenhalgh, *Cluttering and Non-Use of Trade Marks in Europe* (Aug. 2015).

¹⁰² Georg von Graevenitz, Stuart J.H. Graham & Amanda Myers, *The Problem of Earlier Rights: Evidence from the European Trademark System*, at 7 (unpublished manuscript).

¹⁰³ *Id.* at 3 (referring to "a stream of follow-on registrations that exist primarily to ensure that their core brands are always linked to a registered mark falling within the grace period").

¹⁰⁴ von Graevenitz, Ashmead & Greenhalgh, *supra* note 101. Almost certainly contributing to clutter on the EU trademark register is the flat fee until 2016 for filing a trademark for three classes, which has since been replaced with a graduated fee system to discourage prolific filings. *Infra* note 111.

¹⁰⁵ von Graevenitz, Ashmead & Greenhalgh, *supra* note 101.

registrations represent a barrier to the adoption of the unused but registered marks by other entities.

4. The Nice Classification Scheme

As with the USPTO, each trademark application to the EUIPO must indicate the goods and services for which the applicant seeks to register its mark.¹⁰⁶ The applicant must provide a written description of these goods and services and further indicate where they are classified among the forty-five classes of the Nice Classification.¹⁰⁷ The Nice Classification is intended in theory to serve “only administrative purposes”;¹⁰⁸ EU trademark law explicitly states that the classification scheme should have no bearing on the office’s evaluation of the relatedness of any goods or services.¹⁰⁹ Nevertheless, trademark lawyers routinely use the Nice Classification as a heuristic for evaluating relatedness and it remains the standard index used by researchers seeking to understand the operation of the global trademark system.¹¹⁰

Figure 3 shows the number of active EU trademark registrations in each Nice Class in 2018. Consistent with data from the USPTO, certain classes are heavily populated, such as Class 9 (electronics goods), covered by 26.3% of all active registrations, and Class 35 (general business administrations services), covered by 23.3% of all active registrations. Also of significant interest is Class 25 (apparel), covered by 12.2% of all registrations. In part because of the lax use requirement and relatively low per-class registration fees, individual EU trademark registrations commonly cover multiple Nice classes.¹¹¹ Live registrations in 2018 covered an average of 2.7 Nice classes (SD=2.3), with 66.1% covering more than one class. Of

¹⁰⁶ Trade Mark Regulation, *supra* note 62, art. 33.

¹⁰⁷ *Id.* art. 33(1)-(2).

¹⁰⁸ Kur & Senftleben, *supra* note 71, at 581.

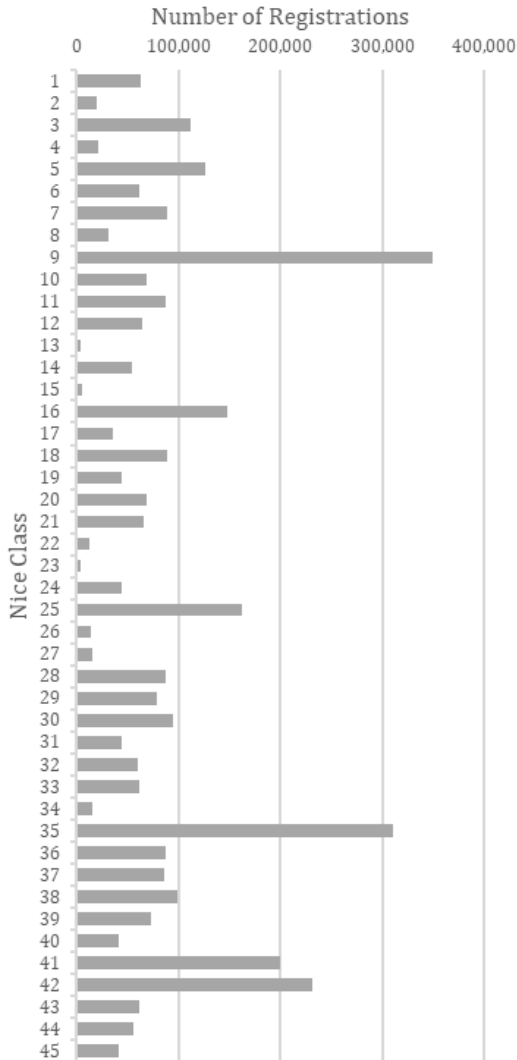
¹⁰⁹ Trade Mark Regulation, *supra* note 62, art. 33(7).

¹¹⁰ See, e.g., Beebe & Fromer, *supra* note 8, at 958-59; Stuart Graham, Amanda Myers & Georg von Graevenitz, *Does Misuse of Trademarks Require Regulation?* (unpublished manuscript). In general, EU trademarks tend to cover broader areas of goods and services than, for example, trademarks registered with the USPTO, which requires more specific descriptions of goods and services. von Graevenitz, Ashmead & Greenhalgh, *supra* note 101; von Graevenitz, Graham & Myers, *supra* note 102.

¹¹¹ Until 2016, the EUIPO’s fee schedule established a flat fee for the registration of a mark in up to three Nice classes, with each additional class costing an additional amount. Commission Regulation (EC) 355/2009, 2009 O.J. (L 109) 1. This flat fee created an incentive, or at least presented no disincentive, for applicants to claim their mark in at least three Nice classes. The EUIPO has since changed its fee schedule so that the registration of a mark in one Nice class costs 850 euros, in two classes 900 euros, and an extra 150 euros for each additional class. Regulation (EU) 2015/2424, 2015 O.J. (L 341) 21. The data show that this framework has effectively provided some disincentive against registering in multiple Nice classes.

these, 285 registrations, many of them usual suspects, covered all 45 Nice classes.¹¹²

Figure 3
 Trademark Registrations at EUIPO by Nice Class, 2018



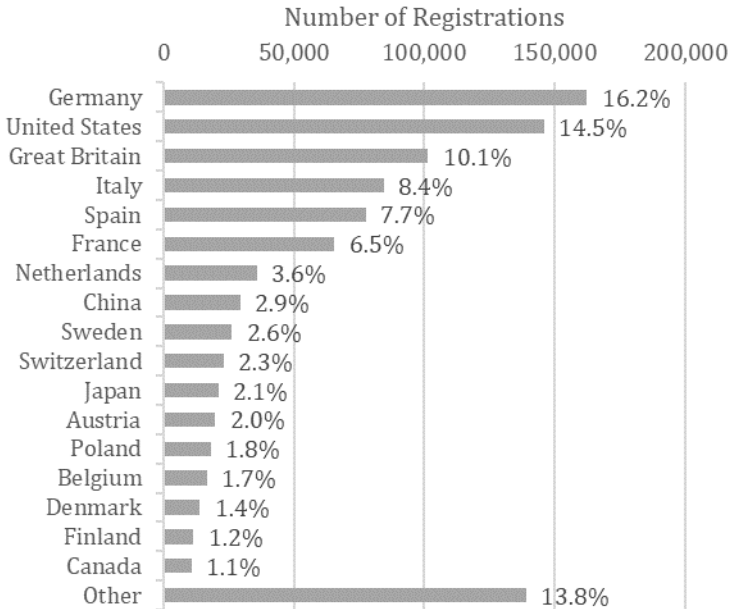
¹¹² E.g., AMAZON, EU Trade Mark No. 012183638; EL CORTE INGLES, EU Trade Mark No. 005428255; GALERIES LAFAYETTE, EU Trade Mark No. 014555007; GUCCI, EU Trade Mark No. 004107546; HONDA, EU Trade Mark No. W01391311; HUAWEL, EU Trade Mark No. 009967291; NESTLE, EU Trade Mark No. 002977569; OLYMPIC, EU Trade Mark No. W01128501; PIRELLI, EU Trade Mark No. 017451105; SHELL, EU Trade Mark No. 006628523; SONY, EU Trade Mark No. W01194843; TESCO, EU Trade Mark No. 016151474.

5. Nationalities of EU Trademark Registrants

Figure 4 shows the distribution of live registrations at the EUIPO in 2018 by the nationalities of the registrants.¹¹³ While the EU member countries are well represented, outside countries like the United States, China, and Japan indicate how global the marketplace indeed is.

Figure 4

Live Registrations at EUIPO in 2018 by Nationality of Registrant



* * *

In sum, applying the lessons of global branding and trademark law to our case study, at least two imperatives drive a firm’s search for a new trademark in the European single market: first, the mark should be commercially effective throughout the European Union, and second, it should not conflict with any mark already registered in the European Union.¹¹⁴ Of course, over the nearly three decades that the EU trademark system has been in existence and indeed well before then, other firms have long since been pursuing the same

¹¹³ These data are based on all registered marks in 2018 (specifically, those that had active registrations on December 31, 2018) that indicated their registrants’ nationality. Of the 1,332,601 live registrations in 2018, 328,911—or 24.7%—did not indicate the registrant’s nationality.

¹¹⁴ This includes registrations in the EUIPO and registrations in any of the national trademark offices.

two goals, and their pursuit of the first—of an effective European trademark—has increasingly made the pursuit of the second—of an effective European trademark that has not yet been claimed—all the more difficult. We turn now to quantitative measures of just how difficult this pursuit of an unclaimed but commercially effective EU mark has become. We begin with a brief description of the datasets that are the basis of these measures.

II. THE DATASETS

We rely primarily on the EUIPO Open Dataset, which the EUIPO first made available in May 2017 and updates regularly.¹¹⁵ The dataset consists of partially anonymized information on each of the 1,860,561 trademark applications submitted to the EUIPO from January 1, 1996, when the EUIPO began to accept applications, through 2018.

We developed two additional datasets to fill gaps in the Open Dataset. First, the Open Dataset does not specify the language and meaning of any typographical words or characters appearing in an applied-for mark. Applicants are not required to indicate the language, if any, of the mark, nor are they required to provide translations of the mark into any languages. The EUIPO does not itself add this information. Because of the importance of translational similarity to our understanding of trademark depletion and crowding, we used the Google Translate API¹¹⁶ (application programming interface) to detect the source language of any mark that included typographical characters and to translate, where possible, the mark into English, German, French,

¹¹⁵ EUIPO, Anonymized Dataset (Open), <https://euipo.europa.eu/ohimportal/en/open-data> (last visited June 17, 2022); EUIPO, *New Open Data Platform: Your Access to EUIPO's Register*, May 20, 2017, https://euipo.europa.eu/ohimportal/en/news?p_p_id=csnews_WAR_csnewsportlet&p_p_lifecycle=0&p_p_state=normal&p_p_mode=view&journalId=3584337&journalRelatedId=manual//cs. EUIPO makes the data available in xml format, which requires a significant amount of additional work to convert the data into a research-ready format. Our results are based on the bulk xml files dated March 15, 2019.

¹¹⁶ Google Cloud, Cloud Translation Documentation, <https://cloud.google.com/translate/docs> (last visited June 17, 2022).

Italian, and Spanish,¹¹⁷ which are the five major European languages.¹¹⁸

Second, the Open Dataset lacks detailed information on the opposition history of the 255,825 trademark applications submitted to the EUIPO from 1996 through 2018 that received oppositions. We therefore developed a dataset consisting of opposition data on the subset of 88,798 trademark applications filed from 1996 through 2018 that were opposed and that led to a decision by the EUIPO Oppositions Division.¹¹⁹ We did so by systematically searching the EUIPO's online database of Oppositions Division decisions.¹²⁰ These data include the opposing mark, the statutory bases for the opposition, the classes with respect to which the opposition was filed, and the outcome of the decision.

To develop our word-frequency data in the five major European Union languages, we primarily relied on the corpora listed in Table 1. For each language, we limited our analysis to the 20,000 most frequently used non-proper-noun words in the language, both because of the significant computational resources required to conduct word-similarity analyses among millions of words and because in each language, the 20,000 most frequently used words accounted for a very high proportion of overall word usage, on the order of 85% to 95%. As Figure 5 shows, each language was

¹¹⁷ The Google Translate algorithm has achieved extraordinary levels of proficiency in translating words, sentences, and paragraphs of text. See Milam Aiken, *An Updated Evaluation of Google Translate Accuracy*, 3 Stud. Linguistics & Literature 253 (2019); Gideon Lewis-Kraus, *The Great A.I. Awakening*, N.Y. Times Mag., Dec. 14, 2016, <https://www.nytimes.com/2016/12/14/magazine/the-great-ai-awakening.html>; John Seabrook, *The Next Word*, New Yorker, Oct. 14, 2019, <https://www.newyorker.com/magazine/2019/10/14/can-a-machine-learn-to-write-for-the-new-yorker>. But see Douglas Hofstadter, *The Shallowness of Google Translate*, Atlantic, Jan. 30, 2018, <https://www.theatlantic.com/technology/archive/2018/01/the-shallowness-of-google-translate/551570>. Nevertheless, it is somewhat less effective in reliably identifying the source language of individual words and short phrases. Jenny Lee, *Benchmarking Language Detection for NLP*, Towards Data Sci., Nov. 16, 2020, <https://towardsdatascience.com/benchmarking-language-detection-for-nlp-8250ea8b67c>. Where we rely on these data, we explain how we have adapted our research methods to these limitations.

¹¹⁸ These languages are five of the six most widely spoken by mother tongue in the European Union (the other being Polish). Eur. Comm'n, *Europeans and Their Languages* 10 (June 2012), <https://op.europa.eu/en/publication-detail/-/publication/f551bd64-8615-4781-9be1-c592217dad83>. Additionally, English, German, French, and Spanish are the four most widely spoken foreign languages of those in the European Union. *Id.* at 19-20. English, German, French, Spanish, and Italian are also thought by Europeans to be the most useful European languages in that order. *Id.* at 69. Finally, the EUIPO has adopted these languages as its five working languages. Trade Mark Regulation, *supra* note 62, arts. 146(1)-(2).

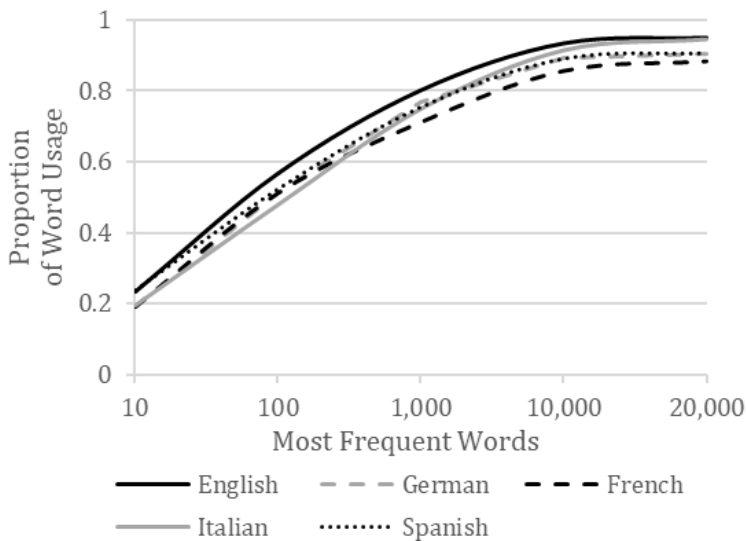
¹¹⁹ Oppositions to the remaining 167,027 opposed applications were apparently resolved before the Oppositions Division issued a decision. Of these 167,027 applications, 68.9% proceeded to registration and the remainder failed to register.

¹²⁰ EUIPO, eSearch Case Law, <https://euipo.europa.eu/eSearchCLW> (last visited June 17, 2022).

consistent with Zipf's law, in which word frequency follows a power law distribution.¹²¹ For example, the Lexique 3 corpus indicates that the ten most frequently used non-proper-noun words in French account for 19.0% of overall word usage; the 100 most frequently used account for 51.1% of usage; the 1,000 most frequently used account for 71.2% of word usage; and the 10,000 most frequently used account for 85.6% of word usage. The other corpora each yielded strikingly similar results. As these data suggest, exclusive rights in marks that consist of high-frequency words are especially powerful and can exert an outsized impact on competition.

Figure 5

Proportion of Word Usage by Frequency of Words, by Language



To conduct a sentiment analysis of those frequently used English words that are registered as trademarks and those that remain unclaimed, we used the Harvard General Inquirer dataset of words coded for positive and negative affect.¹²²

For purposes of studying the proportion of frequently used words in the five major European languages that are already registered as domain names in the .com top-level domain, we gained access to and

¹²¹ Steven T. Piantadosi, *Zipf's Word Frequency Law in Natural Language: A Critical Review and Future Directions*, 21 *Psychonomic Bull. & Rev.* 1112 (2014).

¹²² The current website of the General Inquirer may be found here: <http://www.mariapinto.es/ciberabstracts/Articulos/Inquirer.htm> (last visited December 4, 2022).

used Verisign's .COM TLD Zone File, which lists all 128 million .com domain names.¹²³

Table 1

Corpora Used to Establish Word-Frequency Lists in the
Five Major European Languages

Language	Primary Corpus	Word Usage Covered by 20,000 Most Frequently Used Non-Proper-Noun Words
English	SUBTLEX-UK ¹²⁴	94.8%
German	SUBTLEX-DE ¹²⁵	90.9%
French	Lexique 3 ¹²⁶	88.3%
Italian	SUBTLEX-IT ¹²⁷	94.5%
Spanish	SUBTLEX-ESP ¹²⁸	90.8%

¹²³ *Top-Level Domain Zone File Information*, Verisign, https://www.verisign.com/en_US/channel-resources/domain-registry-products/zone-file/index.xhtml.

¹²⁴ Walter J. B. van Heuven, Pawel Mandera, Emmanuel Keuleers & Marc Brysbaert, *A New and Improved Word Frequency Database for British English*, 67 *Quarterly J. Experimental Psych.* 1176 (2014). The SUBTLEX-UK data are available at <http://crr.ugent.be/archives/1423>. Though we focus on British English in our reported results, we also used the Corpus of Contemporary American English and the word-frequency data provided by its developer to test for any differences in British as compared to American English. Word Frequency Data, Word Frequency Data: Based on 450 Million Word COCA Corpus, <https://www.wordfrequency.info/100k.asp> (last visited June 17, 2022); Mark Davies, *The Corpus of Contemporary American English as the First Reliable Monitor Corpus of English*, 25 *Literary & Linguistic Computing* 447 (2010). We found no notable differences.

¹²⁵ Marc Brysbaert, Matthias Buchmeier, Markus Conrad, Arthur M. Jacobs, Jens Bólte & Andrea Böhl, *The Word Frequency Effect: A Review of Recent Developments and Implications for the Choice of Frequency Estimates in German*, 58 *Experimental Psych.* 412 (2011). The SUBTLEX-DE data are available at <http://crr.ugent.be/archives/534>. Because the SUBTLEX-DE word frequency data do not include part-of-speech data, it was not possible based only on the SUBTLEX-DE data to filter out proper nouns (such as MERCEDES). To address this issue, we used the TenTen German Web Corpus 2013 to create a list of the 20,000 most frequently used non-proper-noun words in German according to the Web Corpus data. Sketch Engine, deTenTen: Corpus of the German Web, <https://www.sketchengine.eu/detenten-german-corpus> (last visited June 17, 2022). We then combined this list with the proportion-of-usage data from SUBTLEX-DE for each word in the list to create the frequency data underlying our results. Though we present results based on the SUBTLEX-DE corpus, we additionally compared various results to those obtained using the TenTen German Web Corpus 2013 and the DeReKo corpora of contemporary German. *Id.*; Leibniz-Institut für Deutsche Sprache, DeReWo-Corpus-Based Lemma and Word Form Lists, <https://www.ids-mannheim.de/digspra/kl/projekte/korpora/> (last visited June 17, 2022). We found no notable differences in our results.

¹²⁶ Boris New & Christophe Pallier, *Manuel de Lexique 3*, http://lexique.org/_documentation/Manuel_Lexique.3.2.pdf. The Lexique 3 data are available at <http://www.lexique.org>.

Finally, to compare EU trends to those in the United States, we relied on two datasets that detail trademark registration practices at the USPTO. The first is the USPTO's Trademark Case Files Dataset, which the USPTO made publicly available in 2012 and has since updated annually.¹²⁹ The 2019 version of the dataset contains comprehensive non-anonymized data on the 7,759,580 applications filed at the USPTO from 1982 through 2018 as well as limited data on certain applications filed at the office before 1982.¹³⁰ Second, because the USPTO Case Files Dataset does not indicate on what grounds the office refused to register an applied-for mark, we additionally relied on our original dataset of the full text of all 3,764,904 USPTO trademark office actions issued by the office from 2003, when it first began to publish such office actions online, through 2018. We developed this dataset by systematically searching the USPTO's Trademark Document & Status Retrieval online database.¹³¹ We have analyzed these datasets extensively in previous work, but we update our findings here and adopt a number of new methods to report new results.

¹²⁷ David Crepaldi, Emmanuel Keuleers, Pawel Mandera & Marc Brysbaert, *SUBLTEX-IT* (2013), <http://crr.ugent.be/subtlex-it>. We further compared our main results to those obtained when using a word-frequency list based on the TenTen Italian Web Corpus 2016 and found no notable differences. Sketch Engine, *itTenTen: Corpus of the Italian Web*, <https://www.sketchengine.eu/ittenten-italian-corpus> (last visited June 17, 2022).

¹²⁸ Fernando Cuetos, Maria Glez-Nosti, Analía Barbón & Marc Brysbaert, *SUBLTEX-ESP: Spanish Word Frequencies Based on Film Subtitles*, 32 *Psicológica* 133 (2011). As with the SUBLTEX-DE data, *supra* note 125, the SUBLTEX-ESP data did not include part-of-speech information, so it was not possible based only on the SUBLTEX-ESP data to filter out proper nouns. We therefore used the TenTen Spanish Web Corpus 2018 to establish a list of the 20,000 most frequently used words in Spanish according to that corpus. Sketch Engine, *esTenTen-Spanish Corpus From the Web*, <https://www.sketchengine.eu/estenten-spanish-corpus> (last visited June 17, 2022). We then combined this list with the proportion-of-usage data from the SUBLTEX-ESP corpus to create the frequency data underlying our results. We compared our main results based on word-usage data from the SUBLTEX-ESP corpus to results based on word-frequency data drawn from the TenTen Spanish Web Corpus 2018. *Id.* We found no substantial differences.

¹²⁹ *Trademark Case Files Dataset*, U.S. Patent & Trademark Office (2019), <https://www.uspto.gov/learning-and-resources/electronic-data-products/trademark-case-files-dataset-0>.

¹³⁰ For a discussion of the dataset's coverage of applications filed before 1982, see Beebe & Fromer, *supra* note 8, at 973.

¹³¹ U.S. Patent & Trademark Office, *Trademark Status & Document Retrieval (TSDR)*, <https://tsdr.uspto.gov> (last visited June 17, 2022).

III. TRADEMARK DEPLETION IN A GLOBAL MULTILINGUAL ECONOMY

It is a common refrain in the popular press that nearly all the good brand names are already taken and that creativity in branding is now largely an exercise in finding and making the best of whatever is left.¹³² Of course, new brands emerge every year that seem to belie this conventional wisdom, making it appear obvious in retrospect that the previously unclaimed term TWITTER is an ideal name for a social media network or WHATSAPP for an online messaging service. Meanwhile, law-and-economics orthodoxy insists that the supply of competitively effective marks is theoretically and therefore practically inexhaustible. Yet despite the periodic success of new superstar brands (which through salience bias are mistaken as representative examples) and despite law-and-economics dogma, the prevailing view in the marketing world is that all the most fertile land has already been claimed and the new settler is operating at a disadvantage from the start. The frontier is effectively closed.

In previous work, we empirically studied the degree of trademark depletion in the U.S. trademark system, finding astonishingly high and worsening levels of depletion for many categories of competitively effective trademarks.¹³³ Showing that the media reports are more accurate than the law-and-economics view, we recommended decreasing—or at least slowing down—trademark depletion for the harms it poses to the trademark system.¹³⁴

In this Part, we confirm that our previous findings of severe depletion in the United States extend also to the European Union. We then move well beyond that work and show how the multinational and multilingual nature of the EU trademark system leads to yet further depletion than might otherwise exist.

Combined with the wealth of the European market, the massively multinational and multilingual nature of the EU trademark system sets it apart from all other trademark systems in the world.¹³⁵ This makes the study of the EU system uniquely

¹³² Beebe & Fromer, *supra* note 8, at 948-50.

¹³³ *Id.* at 977-1012.

¹³⁴ *Id.* at 1021-41.

¹³⁵ There are a few other, less developed regional trademark systems, ranging in their degree of harmonization and integration, including two in Africa, one in Southeast Asia, and one in South America. Irene Calboli & Coenraad Visser, *Regional Trademark Protection: Comparing Regional Organizations in Europe, Africa, South East Asia, and South America*, in *The Cambridge Handbook of International and Comparative Trademark Law* 103 (Irene Calboli & Jane C. Ginsburg eds., 2020). On the linguistic front, the Indian constitution recognizes twenty-two official languages in addition to English. India Const. sched. 8. The Indian trademark register also boasts a large number of applications and registrations. For example, in 2018, it counted a total of 1,904,698

interesting for purposes of understanding the global trademark system. But it also makes the study of the EU system uniquely difficult. We first set out a framework for analyzing and quantifying trademark depletion in such a system. In this connection, we address what we call the “denominator problem”: to estimate the proportion of competitively effective marks that have already been claimed, we need some measure of the total population of such marks. We also consider how trademark depletion works in a trademark system that recognizes translational similarity across numerous languages. We then turn to our results. We first focus on the extent of trademark depletion among frequently used English words and possible coinages pronounceable by English speakers. We focus first on English because it remains by far the most important commercial language in the EU market. It is also the most severely depleted—at levels comparable to the results we reported in our study of the U.S. trademark system. Our results also show severe depletion across the other four major European languages. Translational similarity significantly exacerbates levels of trademark depletion across the five major European languages. Finally, we analyze the depletion of “multilanguage words,” the shift in applicant behavior at EUIPO toward applications for coined terms, and the extent of domain name depletion in the five major languages.

A. A Framework for Assessing Word-Mark Depletion in a Multilingual Trademark System

In previous work, we defined trademark depletion as the process by which a decreasing number of competitively effective trademarks remain unclaimed by any trademark owner.¹³⁶ For purposes of this study, we define a potential mark as unclaimed when it is not identical or closely similar to a mark that is the subject of a registration at the EUIPO. As explained above, EU trademark law assesses similarity phonetically, orthographically, and conceptually, including translationally.¹³⁷ The result is that a single trademark registration will, in effect, deplete the broader set of marks closely similar to the registered mark in sound, sight, meaning, or translation. Trademark depletion is a slippery concept, and the study of it in the multilingual context raises a number of challenges, three of which we address here.

live registrations. WIPO IP Statistics Data Center, <https://www3.wipo.int/ipstats/index.htm> (last visited June 17, 2022).

¹³⁶ *Id.* at 978.

¹³⁷ *Supra* section I.B.2.

1. The Effects of Trademark Depletion on Market Entrants

The first challenge is specifying what the consequences are for other firms when a registrant claims a mark and thus depletes it and closely similar marks from the stock of unclaimed marks. The most likely consequence is that the registration will deter most other firms from using any of the marks covered by the registration on goods or services closely related to those specified in the registration, and if a firm nevertheless does so, trademark law may enjoin its use. This is because such a use would likely lead consumers mistakenly to believe that the two firms' closely related products bearing closely similar marks come from the same source. Trademark law is designed to prevent precisely this form of consumer confusion as to source. Even the mere possibility of legal action on confusion grounds may drive risk-averse firms to seek an alternative mark. Furthermore, regardless of the threat of legal sanction, entrants may have a genuine interest in avoiding the possibility that their products would be confused with the registrant's and may on that basis choose a different mark. Finally, as discussed above, a firm may wish to adopt a mark that is unique and maximally distinctive as compared with all other marks in the marketplace or at least as compared with all other marks in the firm's particular product sector.¹³⁸

Though a trademark registration thus imposes a significant barrier to the adoption by others of any of the marks covered by the registration, it is important to emphasize that this barrier is not insurmountable. Even if a firm has registered a word mark in a particular Nice class, it is possible that another firm may register the same or a closely similar mark in the same or another Nice class. Courts may find no likelihood of confusion or the registrant may simply not bother to assert its exclusive rights. The result would be multiple firms using closely similar marks on closely similar products. Indeed, we explore this phenomenon of trademark crowding in Part IV. But depletion deters and often prevents other firms from adopting any mark in the set of marks covered by the registration on goods or services related to those specified in the registration. For this reason, our results focus here on depletion within particular Nice classes of goods or services. Depletion may also deter or prevent firms from adopting marks even in situations in which doing so would not cause consumer confusion. Firms may be concerned instead about choosing a unique mark. For this reason, we also report our findings on depletion regardless of Nice classes, with respect to the overall marketplace.

¹³⁸ *Supra* section I.A.

2. The Denominator Problem

A second challenge that the study of word-mark depletion poses is determining the magnitude of the overall population of all possible competitively effective word marks. Depletion is important only when a sufficiently high proportion of such marks has been claimed that market entrants, lacking viable alternatives, are put at a significant competitive disadvantage.¹³⁹ Determining this proportion requires some estimate of the denominator, namely, the number of plausible competitively effective marks.

The problem is that there is no good way to establish the sum total of all possible competitively effective word marks, including all already-existing words and all viable coinages. The primary difficulty is that there is no clear standard for determining which words qualify as competitively effective and for which categories of goods or services. APPLE may be a good trademark for high-technology products, but not at all good for a business selling pears.

Assessing competitive effectiveness across multiple languages and cultures adds additional complexity.¹⁴⁰ Based on our discussion above about brand selection in a global multilingual marketplace, even if one could establish the sum total of all possible competitively effective marks in any one language, it is even less straightforward to do so across multiple languages. That is, one cannot simply sum up the competitively effective marks in each language to derive the number of competitively effective marks globally. In particular, a mark might be competitively effective in one or more languages, but particularly ineffective—and even pernicious—in another language and thus entirely ineffective for a business choosing a mark to use across multiple jurisdictions.¹⁴¹ Therefore, one would need to remove all marks that are competitively ineffective in any relevant jurisdiction from a list of globally competitively effective marks. The same holds true for a mark that is competitively effective and available in some jurisdictions but unavailable (because it is already claimed or because it is not protectable) in at least one jurisdiction.

Our approach to this denominator problem has been to focus primarily on major categories of desirable trademarks, principally frequently used words and short, pronounceable neologisms.¹⁴² We also look at probable symptoms of depletion, such as trademark crowding rates, refusal rates, and opposition rates. Admittedly, this is not ideal, and is akin to looking only under the streetlights

¹³⁹ Beebe & Fromer, *supra* note 8 at 1021-26.

¹⁴⁰ *Supra* section I.A.

¹⁴¹ *Supra* section I.A.

¹⁴² Along with surnames, these are precisely the categories on which we focused in our previous empirical study of depletion in the U.S. trademark system. Beebe & Fromer, *supra* note 8, at 964-70, 981-99.

because it is easiest to look there.¹⁴³ In that sense, it both understates and overstates the denominator: understates by looking only to these well-defined categories and overstates by including terms that would never be considered competitively effective. It also does not address the more complex problem raised by global multilingual trademark systems by overstating the number of competitively effective marks, as just discussed. However, the common characteristics of effective brands that we reviewed above suggest that this is the right place to start.¹⁴⁴ In general, firms prefer to use familiar, frequently used words, and in a multilingual marketplace, they especially prefer words that are frequently used in multiple languages. If they resort to neologisms, they prefer that their marks be easily pronounceable and perhaps evocative of and thus similar to more common words. These factors have guided our approach. If we can show that there is significant depletion of words that share these characteristics, we believe that is strong circumstantial evidence of a broader problem.

Finally, it is worth emphasizing that trademark depletion is a chronic rather than a critical condition in a trademark system.¹⁴⁵ It is an incremental process that proceeds along a continuum. We should not expect depletion to reach some point where all viable marks have been claimed and market entry under a unique brand name becomes impossible. Nor should we look for some clear qualitative shift where the extent of depletion, though not yet total, has suddenly become unmanageable.¹⁴⁶ Instead, trademark depletion gradually makes it more difficult for firms to find a competitively effective mark that has not yet been claimed. Their clearance searches grow longer and costlier. The marks they eventually settle upon seem as a whole ever less compelling, and media reports and sharp-eyed consumers increasingly begin to notice new brands with names that are inexplicably ridiculous—like BLIND PIG and PERMANENT FUNERAL for beers¹⁴⁷ and YERVOY, VIIBRYD, and ZYTIGA for pharmaceuticals¹⁴⁸—or banal—such as TRUIST FINANCIAL for the merger of BB&T Corp.

¹⁴³ See generally Michael Walker, *Measurement Issues: Observational Bias and the Streetlight Effect*, Data Sci. Ass'n, Jan. 13, 2015, <http://www.datascienceassn.org/content/measurement-issues-observational-bias-and-streetlight-effect>.

¹⁴⁴ *Supra* section I.A.

¹⁴⁵ Beebe & Fromer, *supra* note 8, at 1023-24.

¹⁴⁶ Cf. Dominic Hydes & Diana Raffman, *Sorites Paradox*, in *The Stanford Encyclopedia of Philosophy* (Edward N. Zalta ed., 2018), <https://plato.stanford.edu/entries/sorites-paradox>.

¹⁴⁷ Rex W. Huppke, *Craft Beer Makers Running Out of Names. How About Flip Donkey Doodleplunk?*, Chi. Trib., Jan. 7, 2015, <https://www.chicagotribune.com/columns/rex-huppke/ct-craft-beer-names-huppke-talk-0107-20150107-story.html>.

¹⁴⁸ Luke Timmerman, *Why Are Drugs Getting Such Weird Brand Names?*, Xconomy, May 9, 2011, <https://xconomy.com/national/2011/05/09/why-are-drugs-getting-such-weird-brand-names>.

and SunTrust Banks¹⁴⁹ and PEARL MILLING COMPANY for the rebranding of the racist AUNT JEMIMA breakfast foods.¹⁵⁰ This continuous process resists categorical measurement. But we think it is enough to offer some estimate of the current level of depletion in the EU trademark system and assess whether the problem is worsening and at what rate.

3. Cross-Language Depletion

A final challenge of studying depletion in a multilingual trademark system like the European Union's is assessing how depletion operates across multiple languages. As explained above, the registration of a single word mark in, say, English can result in a scope of protection beyond the word in question to all English and non-English words that look and sound like that word or are closely similar to it in appearance, sound, meaning, or translation.¹⁵¹ Thus, the mark JOLLY in English would likely cover, for example, JOLLIFY in English, JOLIE in French ("beautiful"), and perhaps also JULI in German ("July"), at least when the two marks are used on related goods or services. The registration may also extend to any non-English words that convey a closely similar meaning in a language, a significant number of whose users would recognize the similarity in meaning, such as FRÖHLICH in German or ALEGRE in Spanish.

For this study, we rely primarily on orthographic and translational similarity across languages to determine which potential word marks qualify as identical or closely similar. With respect to orthographic similarity, we use the Jaro-Winkler measure of similarity, which is based on the edit distance between two strings of characters—that is, the number of edits by character required to transform one string into another.¹⁵² Importantly, the Jaro-Winkler algorithm places more weight, as the EUIPO does in its assessment of mark similarity,¹⁵³ on the similarities among the initial characters of the strings being compared.¹⁵⁴ The algorithm produces a score that is normalized to range from 0 (no similarity) to 1 (identical similarity). Thus, the Jaro-Winkler similarity score

¹⁴⁹ Neil Brown, *Worst Brand Name of 2019?*, Ideas Big, June 19, 2019, <https://www.ideasbig.com/worst-brand-name-of-2019>.

¹⁵⁰ Lia Eustachewich, *Online Critics Slam Aunt Jemima's New Name Pearl Milling Company*, N.Y. Post, Feb. 10, 2021, <https://nypost.com/2021/02/10/critics-slam-aunt-jemimas-new-name-pearl-milling-company>.

¹⁵¹ *Supra* section I.B.2.

¹⁵² William E. Winkler, *String Comparator Metrics and Enhanced Decision Rules in the Fellegi-Sunter Model of Record Linkage*, in Survey Research Methods Section, JSM Proceedings 354 (1990) (setting out the Jaro-Winkler measure).

¹⁵³ Fhima & Gangjee, *supra* note 89, at 20-22.

¹⁵⁴ Winkler, *supra* note 152.

between JOLLY and JOLLIFY is 0.943, between JOLLY and JOLIE is 0.813, and between JOLLY and JULI is 0.670. As in previous work, we coded two terms as closely similar if they produced a Jaro-Winkler similarity score equal to or higher than 0.875.¹⁵⁵ This is a conservative measure of similarity, as the examples just offered suggest and our EUIPO Opposition Division data confirm.¹⁵⁶

To address translational similarity across languages, we also took a conservative approach to minimize false positives. We proceeded from the assumption that with respect to any two of the five major European languages, there exists a significant population in Europe that speaks both of them. We therefore assumed for purposes of assessing translational similarity that our baseline average consumer spoke all of these five languages (and only these five languages). Thus, the registration of a word mark in any of the five languages would likely also claim the translationally equivalent words in each of the other major languages. On this basis, we classified a word in one of the five languages as depleted through translational similarity if it was identical to the translation, if any, into the word's language of a mark registered at the EUIPO when that registered mark also came from one of the five major languages. This approach significantly underestimates depletion through translational similarity because it omits languages outside of the five major languages and thus omits translational similarity between a major language (for example, English) and any minor language or among minor languages.¹⁵⁷ But as we show in a moment, even this approach reveals extraordinarily high levels of depletion through translational similarity in each of the five major languages.

B. General Trademark Depletion

We study general trademark depletion in the EUIPO in English, French, German, Italian, and Spanish.¹⁵⁸ We find that very high proportions of word usage in each of these languages consist of

¹⁵⁵ Beebe & Fromer, *supra* note 8, at 991.

¹⁵⁶ By comparison, of the 47,991 EUIPO Opposition Division decisions that involved opposing word marks and in which the Division sustained the opposition at least in part, the mean Jaro-Winkler score of the opposing marks was 0.796 (SD=.213). Of the 30,098 decisions in which the Division denied the opposition in full, the mean Jaro-Winkler score of the opposing marks was 0.699 (SD=.282).

¹⁵⁷ Our approach is also conservative because it finds translational similarity only when there is an identical match between the translation into a particular language of the registered mark and the frequent word in that language. Thus, a trademark such as SCHNELL in German is arguably translationally similar to potential English word marks such as FAST, QUICK, RAPID, and SWIFT. But the Google Translate API returns only a single result, the word FAST. On that basis, our algorithm would indicate that SCHNELL in German depletes only FAST in English but not the alternative translations QUICK, RAPID, and SWIFT.

¹⁵⁸ *Supra* note 117.

words that are identical or closely similar to marks registered at the EUIPO. We find comparable results for coined terms that are possible in the English language. We then study the particular issues depletion raises in a global multilingual trademark system. We focus primarily on translational depletion and depletion of multilanguage words.

1. Identical Matches

Consider first English. A very high proportion of English word usage consists of words registered as single-word marks at the EUIPO. As Table 2 indicates, of the 1,000 most frequently used English words, 756 were the subject of active registrations in 2017, and these 756 high-frequency words account for 69.4% of all word usage.¹⁵⁹ Of the 20,000 most frequently used words, 8,133 were registered, accounting for 77.3% of all word usage.¹⁶⁰ In effect, when we use English, more than three-quarters of the time we are using a word that identically matches a registered trademark at the EUIPO. The solid black line in Figure 6 shows how quickly this state of affairs came to pass.

Table 2
 Number of Most Frequently Used English Words
 Registered as Single-Word Trademarks in 2017

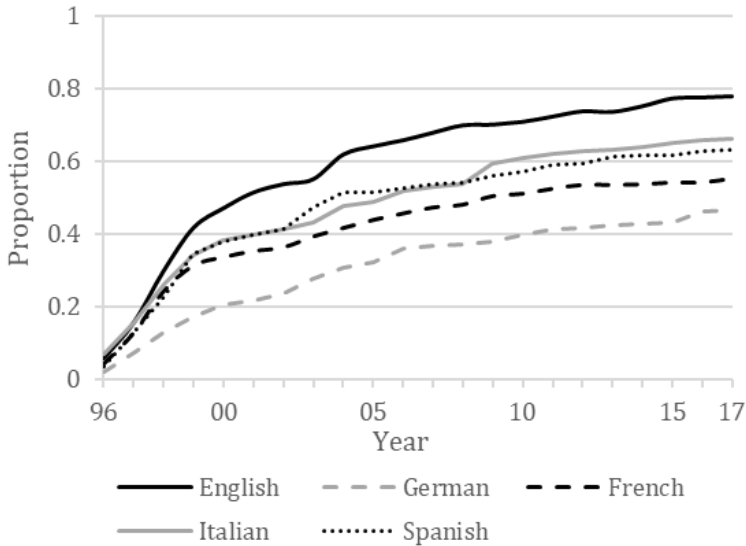
Number of Most Frequent Words	Number Registered as Single-Word Marks (Mean Sentiment Score)	Number <u>Not</u> Registered as Single-Word Marks (Mean Sentiment Score)	% of Word Usage Covered by Words Registered as Single-Word Marks
1,000	756 (0.065)	244 (-0.068)	69.4%
5,000	2,930 (0.031)	2,070 (-0.115)	75.6%
10,000	5,018 (0.020)	4,982 (-0.126)	76.8%
20,000	8,133 (0.018)	11,867 (-0.180)	77.3%

¹⁵⁹ We compare words with diacritics removed, as is generally done for the EU trademark system. *Supra* text accompanying note 91.

¹⁶⁰ Comparable results from the USPTO for active trademark registrations in 2017 are slightly lower in terms of word usage covered by registered marks. For example, of the 20,000 most frequently used words in American English, 10,453 identically matched an active trademark registration at the USPTO in 2017, but these words accounted for 73.8% of total word usage in American English. For further comparative results, see Beebe & Fromer, *supra* note 8, at 982.

Figure 6

Proportion of Word Usage Consisting of Words
Identically Matching Registered Trademarks at EUIPO,
by Language, 1996–2017



What English words are actually left? Focusing on the subset of the 1,000 most frequent English words offers some insight into the general characteristics of those English words that remain unregistered as single-word marks. Of the 244 words that are still unclaimed among the 1,000 most frequent, many remain unregistered for obvious reasons. It is hard to imagine that any of the following words would make effective brand names: AFRAID, BEHIND, DIFFICULT, KILL, KILLED, LOSE, POOR, PROBLEM, PROBLEMS, SORRY, TRYING, USED, WEAKEST, WORRIED, WORRY, WORSE, and WORST. Indeed, Table 2 reports the results of a simple sentiment analysis of frequent words that are already registered as compared with those that have not been registered (with words carrying positive affect coded as 1, those carrying negative affect coded as -1, and neutral words coded as 0). These results are consistent with a more impressionistic perusal of the lists of unclaimed words. Few are commercially viable brand names because of their unfavorable meanings or associations. Those words that are viable are already taken.

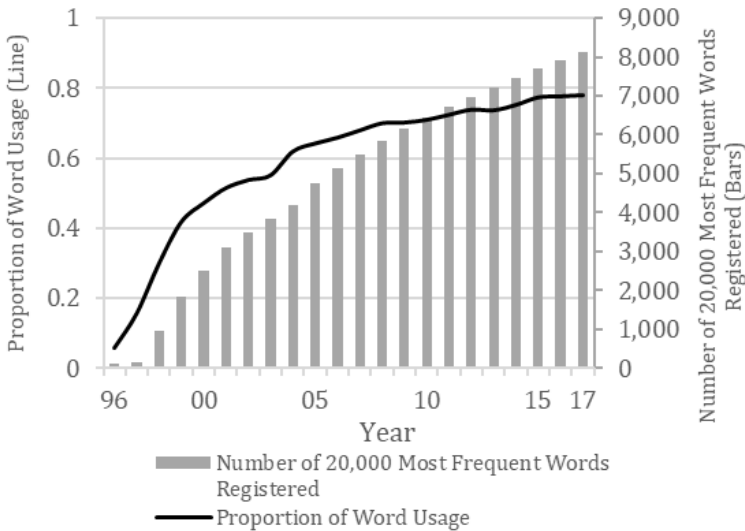
Figure 6 also shows for each of the other four major European languages the proportion over time of word usage consisting of words that identically matched a mark registered at the EUIPO.¹⁶¹ The major Romance languages each report substantial levels of depletion.

¹⁶¹ We present the English results again for ease of comparison.

By 2017, 55.4% of French word usage consisted of words identically matching a registered mark. The results for Italian (65.7%) and Spanish (62.8%) are higher. And as with English, an admittedly impressionistic perusal of those words that remain unclaimed in the three languages often shows why they have not been registered as trademarks for any goods or services. For example, of the 511 words that remain unregistered among the 1,000 most frequently used French words, the following are typical: DÉSOLEÉ (sorry), DIFFICILE, FAIM (hunger), FATIGUÉ (tired), HONTE (shame), PAUVRE (poor), PEUR (afraid), PRESQUE (almost), PROBLÈME, and TUER (kill). German, by comparison, is in better shape, with only 46.2% of word usage consisting of words identically matching a registered mark in 2017.¹⁶²

Figure 7

Proportion of English Word Usage and Number of the 20,000 Most Frequently Used English Words Consisting of Words Identically Matching Registered Trademarks at EUIPO, 1996–2017



¹⁶² We additionally studied trends over time in the length of newly applied-for marks. We found clear increases over time in mark length as measured by character count (from a mean character count of 10.4 characters in 1996 to 12.15 in 2017) and word count (from a mean word count of 1.6 words in 1996 to 1.9 in 2017). Increases were more pronounced for English-language marks, where mean character count increased from 10.9 characters in 1996 to 13.2 in 2017 and mean word count increased from 1.7 words in 1996 to 2.0 in 2017. For English-language marks, syllable count also increased substantially, from a mean syllable count of 3.5 syllables in 1996 to 4.2 in 2017. (Consistent with Mark Twain’s observations, German-language marks tend to be longest, but overall they have not increased appreciably in length over time. Mark Twain, *The Awful German Language, in A Tramp Abroad* 538, 546 (1889) (“Some German words are so long that they have a perspective.”).)

The data show that in each of the five languages, registrants initially rushed in to register the highest-frequency words, which explains why the proportion of word usage covered by registered marks initially increased steeply. Registrants then continued each year to newly register frequently used words, but because the highest-frequency words tended already to be taken, they increasingly resorted to settling for lower-frequency words. This explains why, in Figure 6, the proportion of word usage covered by registered marks flattens over time for each language. Figure 7 depicts this process in more detail for English. For comparison purposes, the solid black line in Figure 7 replicates the solid black line in Figure 6. The bars show the number of the 20,000 most frequently used English words identically matching a live registration over time. By this measure, there is a relatively steady increase over time in the absolute number of the 20,000 most frequently used English words claimed by registrants. In other words, there was initially something akin to a land rush at the EUIPO, but it took the form of a rush to claim the highest-frequency words in English. We find similar trends in the other four major European languages.

We have focused so far on the proportion of frequent words that are registered in any class of goods or services. We have done so because, as explained above, a firm would ideally prefer to be the sole user in the marketplace of a particular term, thus significantly enhancing the uniqueness of its brand.¹⁶³ But as also explained, trademark law will allow parallel uses by different firms of the same term as a trademark provided that in doing so they do not confuse consumers as to source.¹⁶⁴ Thus, AAA as registered by the American Automobile Association at the EUIPO in various Nice classes¹⁶⁵ can coexist with AAA as registered by Whirlpool in other classes.¹⁶⁶ To address the possibility of parallel uses of the same term by different firms in different classes, Figure 8 shows by major language for each Nice Class the proportion of word usage in the language made up of words that match a term actively registered in that class in 2017. Even when breaking down the data by class, we see in each language except German high levels of depletion in important classes, such as Class 9 (electronics goods), Class 25 (apparel goods), Class 35 (general business services), Class 41 (cultural services), and Class 42 (high-technology services).¹⁶⁷ And as expected, the

¹⁶³ *Supra* section I.A.

¹⁶⁴ *Supra* section I.B.2.

¹⁶⁵ EU Trade Mark No. 000066761 (Classes 16, 36, 37, 39, 42).

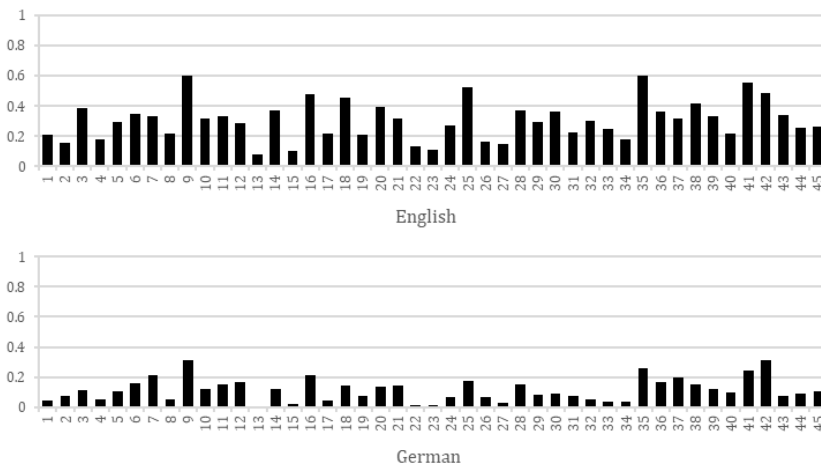
¹⁶⁶ EU Trade Mark No. 002758498 (Classes 7, 11).

¹⁶⁷ Comparable class-specific results for active registrations at the USPTO in 2017 were lower in each class when measured by proportion of word usage. Across all 45 Nice classes and limited only to identical non-translational matches, the average difference in the proportion of word usage covered by marks registered in the class at the EUIPO

words that remain unclaimed in particular classes tend as a general matter to be those that would be less competitively effective as trademarks. For example, in Class 25, of the 5,000 most frequent English words, 1,264 were actively registered in 2017, accounting for 51.7% of word usage and with a mean sentiment score of 0.043, as compared with the 3,736 that remained unregistered, with a mean sentiment score of -0.032.¹⁶⁸

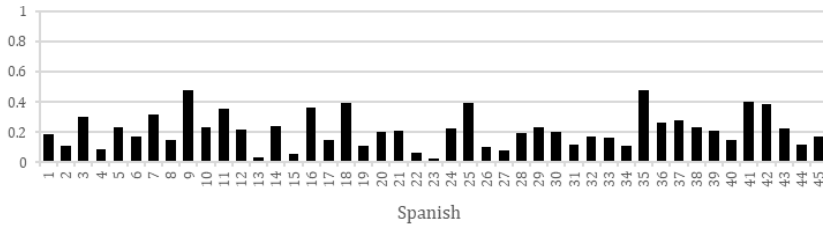
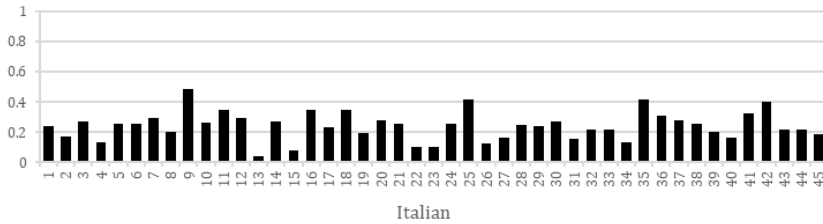
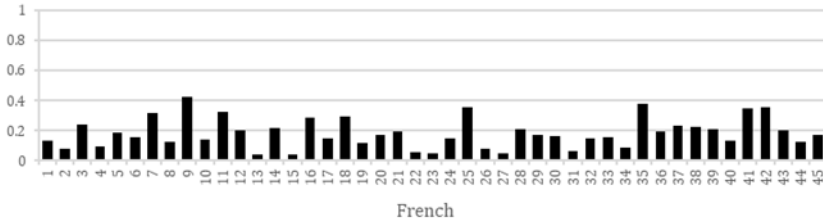
Figure 8

Proportion of Word Usage Consisting of Words Identically Matching Registered Trademarks at EUIPO by Nice Class, 2017



versus the proportion covered by marks registered in the class at the USPTO was 0.114—that is, on average, registrations at the EUIPO covered 0.114 more word usage per class.

¹⁶⁸ To get some sense of the degree to which even coined word marks are depleted at the EUIPO, we focused on coinages pronounceable at least by English speakers. We further focused on potential single-syllable coinages in part because firms prefer shorter word marks. We compared phonetic representations of all unique syllables used in English to phonetic representations of all English-language single-word word marks registered at the EUIPO from 1996 through 2018. We found that by 2018, 80.0% of all syllable usage in English consisted of syllables that were the subject of single-word English-language trademark registrations at the EUIPO. Certain Nice classes were especially depleted. For example, 66.6% of English syllable usage is claimed by single-syllable English-language marks registered in Class 9 (electronics goods) and 58.3% in Class 25 (apparel goods). Our approach focuses only on English-language syllables. We anticipate that a more rigorous analysis that incorporates frequently used syllables common to at least the four other major European languages would show substantially more advanced levels of depletion.



2. Close Similarity

New market entrants may face significant barriers to adopting a particular word as a trademark not just if it identically matches an already-registered mark, but also if it is closely similar though non-identical to an already-registered mark.¹⁶⁹ To estimate the proportion of frequently used words in each of the five major languages that are closely similar to already-registered marks, we calculated for each language the Jaro-Winkler similarity scores between each of the 20,000 most frequently used words in the language and each of the 1,247,549 marks registered at the EUIPO in 2017.

Focusing first on English, the results of our Jaro-Winkler similarity analysis indicate severe depletion of the stock of common English words that are not closely similar to an already-registered mark. Of the 20,000 most frequently used English words, only 59 were not closely similar to a registered mark at the EUIPO in 2017.

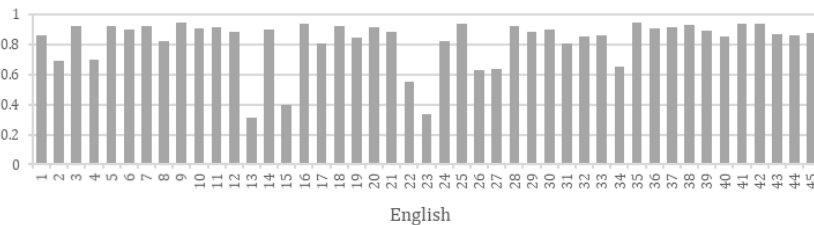
¹⁶⁹ The Court of Justice of the European Union has ruled that mark similarity—visual, aural, or conceptual—is a critical component of assessing the likelihood of confusion. Case C-251/95, *SABEL BV v. Puma AG, Rudolf Dassler Sport*, 1997 E.C.R. 528. Because consumers might pay more or less attention to the subtleties of marks in particular contexts, close similarity might often result in confusing similarity, but not always. *Fhima & Gangjee*, *supra* note 89, at 17-66.

The remaining 19,941 words that were closely similar account for 94.8% of English word usage. In effect, it is essentially no longer possible for an entity to adopt a commonly used English word as a trademark and expect to be the only user of that mark in the European marketplace. Moreover, in those cases in which the mark would be confusingly similar to another registered mark, the entity might face significant barriers to registering it if it wanted to do so. Even when focusing on particular classes of goods or services, the availability of sufficiently dissimilar marks is severely limited. As Figure 9 shows, a significant number of Nice classes show levels of depletion amounting to over 90% of word usage. For example, 94.6% of word usage consists of words closely similar to a mark already registered in Class 9 (electronics goods), and the statistic is 94.5% for Class 35 (general business services) and 93.7% for Class 25 (apparel goods).

Jaro-Winkler similarity analyses for the other four major languages yield similarly disturbing results. Of the 20,000 most frequently used French words, 19,854 were closely similar to a mark registered at the EUIPO in 2017, accounting for 88.2% of French word usage. For German, 17,914 of the 20,000 most frequently used words were closely similar to a registered mark, accounting for 82.6% of German word usage. Italian and Spanish show similar results.¹⁷⁰ In each of these languages, market entrants will almost certainly fail to find a frequently used word in the language that is not closely similar to an already-registered mark. As Figure 9 shows, for the other four major languages, depletion is found in nearly every Nice class—with the exception of some of the more eccentric Nice classes, such as Class 13 (firearms and explosives), Class 15 (musical instruments), and Class 23 (yarns and threads).

Figure 9

Proportion of Word Usage Consisting of Words Closely Similar to Registered Trademarks at EUIPO by Nice Class, by Language, 2017



¹⁷⁰ For Italian, 17,914 of the 20,000 most frequently used words were closely similar to a registered mark, accounting for 84.2% of Italian word usage. For Spanish, 19,829 words were closely similar, accounting for 83.1% of word usage.

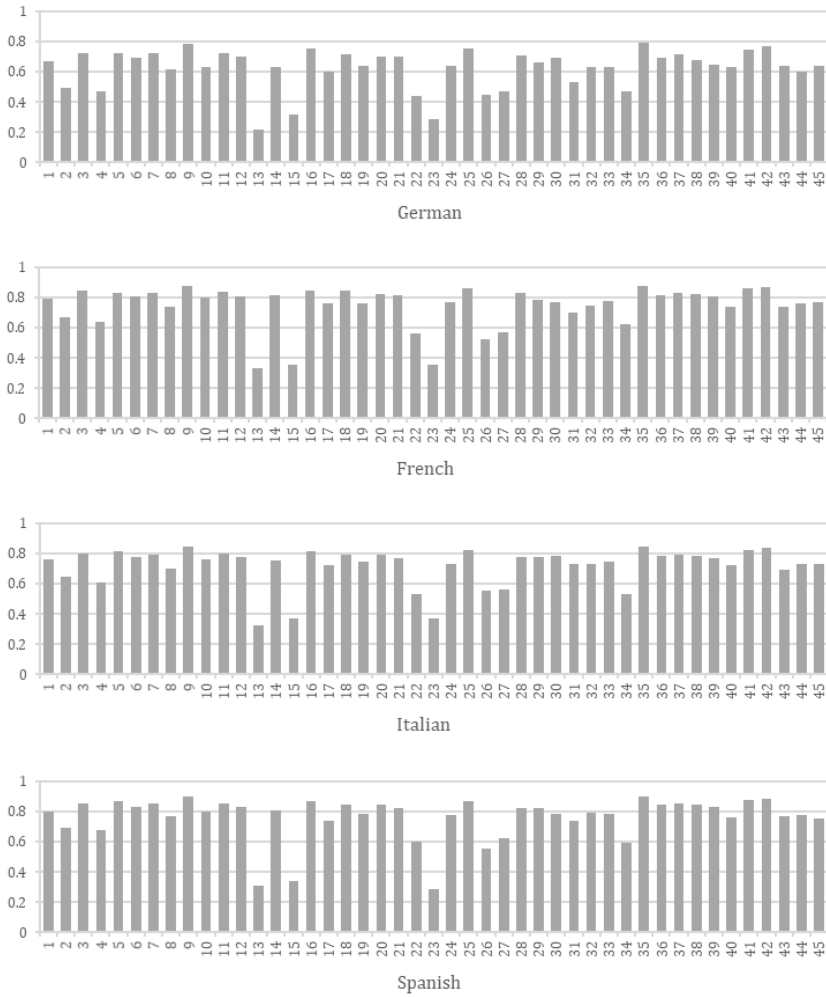
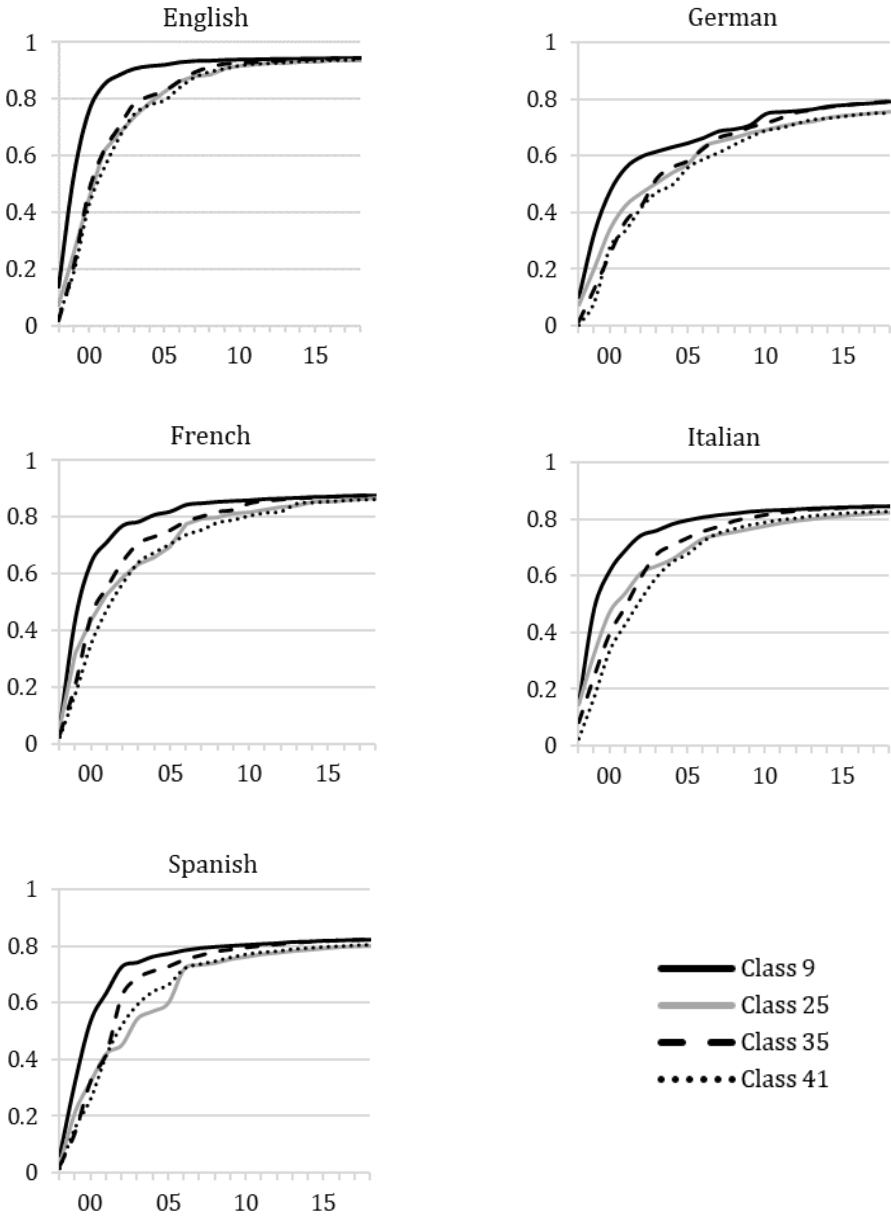


Figure 10 shows for certain Nice classes the rapid depletion over time in the stock of common words in each of the five languages not closely similar to a mark already registered in that class. By 2010, depletion through close similarity had essentially hit its maximum possible extent in each of the five major European languages, at least with respect to the 20,000 most frequently used words.

Figure 10

Proportion of Word Usage Consisting of Words Closely Similar to Registered Trademarks at EUIPO by Select Nice Classes, by Language, 1997–2017



C. Translational Trademark Depletion

The picture painted in the previous section shows relatively severe general trademark depletion across the five major European languages. Yet it does not account for translational similarity. In this study, we conservatively assume that a significant population of EU consumers is capable of understanding any two of the five major European languages.¹⁷¹ On that basis, any term that is registered in, say, English would be unavailable for registration were it translated into French, German, Italian, or Spanish. Registration in any of these five languages thus also depletes the translation of those words into the other four languages, even if those translations are not actually registered. Once we account for translational similarity in our study of depletion, a major feature of a global multilingual system, the degree of trademark depletion is significantly worse. We call this increased degree of depletion “translational depletion.” This yields the “reverse Babel problem,” in that this scenario represents the reverse of the lack of understanding between everyone, each speaking a different language, in the Biblical story of the Tower of Babel.¹⁷²

Our findings show that translational depletion is so significant that even languages in which there is less trademark depletion as measured by identical matching, such as German,¹⁷³ become severely depleted overall once translational depletion is incorporated into our measure of depletion.

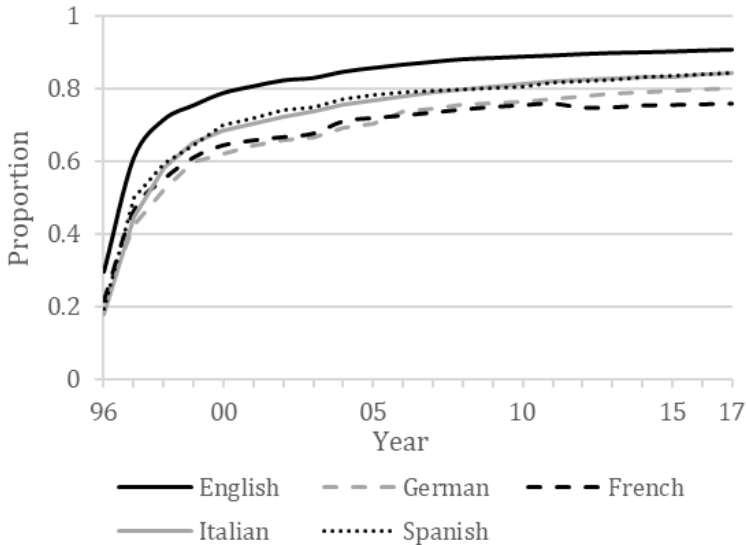
¹⁷¹ *Supra* note 118. It is likely that in the European Union, this assumption might further be true of more languages than these five, which is why our assumption is conservative.

¹⁷² *Genesis* 11:1-9; *infra* section V.B.3.

¹⁷³ *Supra* section B.1.

Figure 11

Proportion of Word Usage Consisting of Words Identically or Translationally Matching Registered Trademarks at EUIPO, by Language, 1996–2017



Consider English first. The solid line in Figure 11 takes into account translational similarity for English. It shows the proportion over time of English word usage consisting of words that were either the subject of an active registration at the EUIPO or that were translationally similar to an active registration. By 2017, 90.8% of English word usage consisted of words already claimed as registered marks at EUIPO either directly, in that the registered term identically matched the English word, or indirectly, in that a translation into English of the registered term identically matched the English word.

When translations into English are taken into account, the number of frequent words that remain unclaimed declines significantly. Only 30 of the 1,000 most frequently used words in English fail to match either a registered term or a translation into English of a registered term. Such words as *WEAKEST*, *WORRIED*, and *WORRY* are still available. But other English words trigger conflicts: for example, *SORRY* because of the registered marks *SCUSI*¹⁷⁴ and *SCUSA*¹⁷⁵ (both meaning “sorry” in Italian), and

¹⁷⁴ EU Trade Mark No. 008545899.

¹⁷⁵ EU Trade Mark No. 008590184; EU Trade Mark No. 016871956.

DIED because of the registered mark STARB¹⁷⁶ (meaning “died” in German).

As to the other major European languages, Figure 11 shows that when translations are taken into account, each of them, even German, shows severe levels of depletion. Frequently used words that would appear to be unclaimed because they do not identically match an already-registered mark have nevertheless effectively been claimed because they match an already-registered mark as translated. For example, with respect to German, recall from Figure 6 that by 2017 46.7% of German word usage consisted of words that identically matched a term registered at the EUIPO. When translational similarity is taken into account, however, that statistic jumps to 80.1%. Viewed differently, of the 1,000 most frequently used words in German, 628 are orthographically different from any registered mark. Of these, many might make viable brand names, especially because, at least as a matter of orthographic uniqueness, the owner would be the only user of the word in the marketplace. Yet after translated similarity is considered, only 218 of these words remain unclaimed both orthographically and as translated. Among the 410 German words that are claimed only as translated are SPAß, which matches the registered mark FUN (English);¹⁷⁷ EINFACH, which matches the registered marks SIMPLE (English),¹⁷⁸ SIMPLICE (Italian),¹⁷⁹ and SIMPLESTA (Spanish);¹⁸⁰ GERNE (“with pleasure”), which matches the registered marks AVEC PLAISIRS (French),¹⁸¹ CONGUSTO (Spanish),¹⁸² and CONPIACERE (Italian);¹⁸³ and GEFÜHL, which matches FEELING (English).¹⁸⁴ Though each of these words, if adopted as a mark, would be orthographically unique, they would be conceptually equivalent to many other registered marks.

Figure 12 depicts the impact of translational similarity on German in absolute numbers of claimed words rather than

¹⁷⁶ EU Trade Mark No. 003293966.

¹⁷⁷ *E.g.*, EU Trade Mark No. 011218559. The potential German word mark SPAß also translationally matches the registered mark LEUK (Dutch), EU Trade Mark No. 015915606.

¹⁷⁸ EU Trade Mark No. 013166293.

¹⁷⁹ EU Trade Mark No. 005533492.

¹⁸⁰ EU Trade Mark No. 004248456. The potential German word mark EINFACH also is translationally closely similar to the registered mark SIMPLA (“simply” in nearby Romanian), EU Trade Mark No. 000066282.

¹⁸¹ EU Trade Mark No. 015301427.

¹⁸² EU Trade Mark No. 009647587.

¹⁸³ EU Trade Mark No. 013098066.

¹⁸⁴ EU Trade Mark No. 004477162. The potential German word mark GEFÜHL also translationally matches the registered marks OLO (Finnish), EU Trade Mark No. 009618381, and PATYMUA (Lithuanian), EU Trade Mark No. 013370044.

proportion of word usage. The black bars represent over time the number of the most frequent German words that identically matched a mark registered at the EUIPO. The gray bars show the number of such words that either identically matched a registered mark or a translation into German of that mark. Translational similarity largely accounts for the depletion of German at the EUIPO.

Figure 12

Number of 20,000 Most Frequent German Words Identically Matching Registered Trademarks at EUIPO or Translations of Registered Marks, 2017

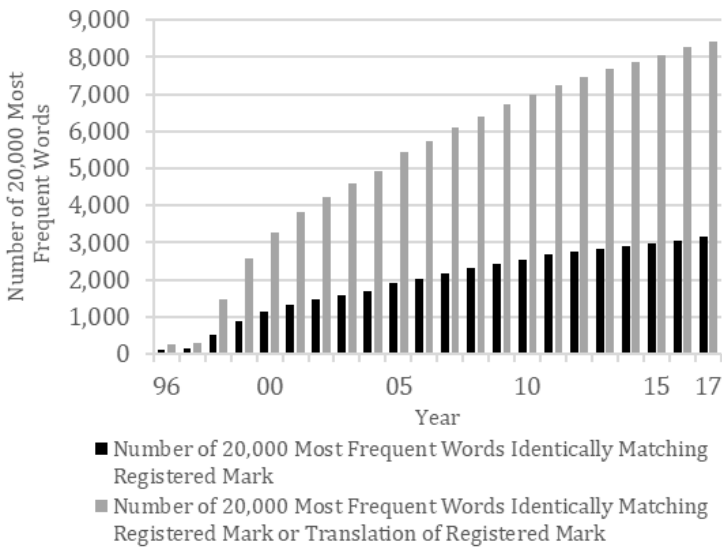
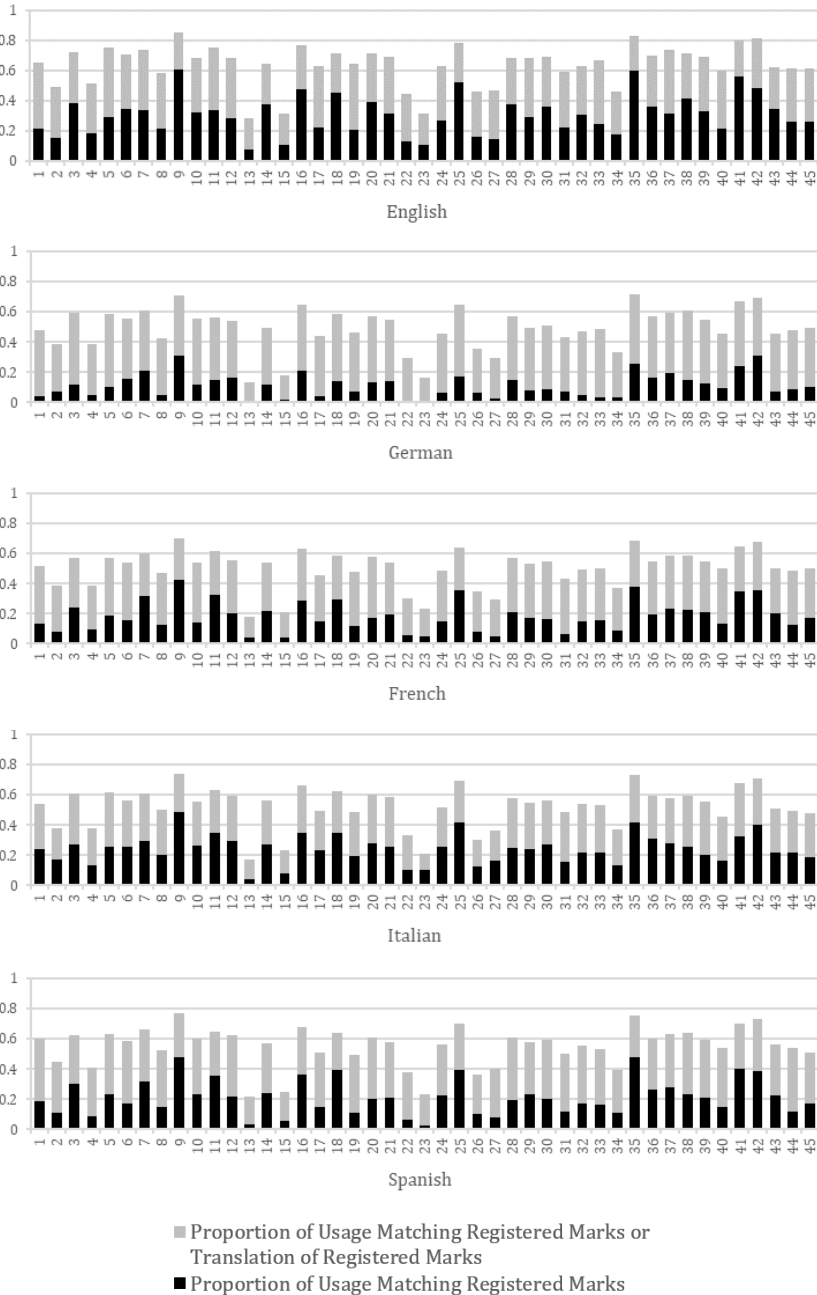


Figure 13 shows the extraordinary impact of translational similarity in particular Nice classes for each of the five major languages. To aid in comparison, the black bars are the same as those shown in Figure 8 and indicate the proportion of word usage consisting of words identically matching a mark registered in the class. The gray bars indicate the proportion of word usage either identically matching a mark registered in the class or a translation of the mark into the indicated language. For example, for English, in Class 1 (chemical products), 21.3% of English-language word usage consists of words that identically match a registered mark in the class, yet translational depletion raises the level of depletion to 65.1% in the class. In Class 25 (apparel), 52.4% of English-language word usage consists of words identically matching a mark registered in the class, but translational depletion raises the level of depletion to 78.6% in the class.

Figure 13

Proportion of Word Usage Consisting of Words Identically or Translationally Matching Registered Trademarks at EUIPO by Nice Class, 2017



The other four languages show similar results. The results for German are especially striking. In Class 35 (general business administrations services), 25.8% of German-language word usage consists of words identically matching a registered mark, yet translational depletion raises the level of depletion to 72.1% in the class. In Class 25 (apparel), the level of depletion rises from 17.3% to 64.8%. Overall, the data make clear that translational similarity accounts for a large portion of the depletion of frequently used words in the four major languages other than English, especially German.

D. The Depletion of Multilanguage Words

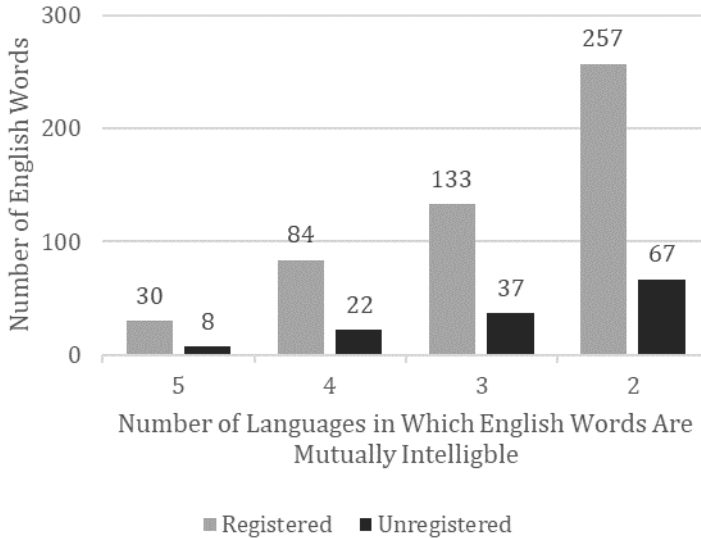
We also studied the number of trademark registrations at the EUIPO that consist of or include what we call “multilanguage words.” As discussed above, such words often take the form of cognates or borrowings, are orthographically closely similar across multiple languages, and convey roughly similar meanings in each of those languages (such as FANTASTIC and its close variations across the five major European languages).¹⁸⁵

The data indicate that a strikingly high proportion of multilanguage words have already been registered as single-word trademarks at the EUIPO. Figure 14 shows that, of the 1,000 most frequently used words in English, 38 qualify as universal words across the five major European languages. Of these, all but eight were registered as single-word marks. 106 of the 1,000 most frequently used words in English are mutually intelligible across at least four of the major European languages, and all but 22 of these are registered as single-word marks.

¹⁸⁵ *Supra* section I.A. We identified a frequently used English word as a multilanguage word if it was closely similar (that is, with a Jaro-Winkler score greater than or equal to 0.875) to a word in one or more of the four other major languages and that word’s translation into English matched the English word.

Figure 14

Registration Status in 2018 of 1,000 Most Frequently Used English Words by Number of the Five Major European Languages in Which They Are Intelligible



The data further show the depletion in particular of the subset of multilanguage words that convey positive affect. This should not be surprising. Just because a word like VIRUS is mutually intelligible across the five major European languages does not mean that it would make a good brand name. Instead, firms tend to seek universal words that also carry positive connotations. Of the 20,000 most frequently used English words that are mutually intelligible in the five major European languages, those that were the subject of live single-word registrations in 2018 yielded a mean sentiment score of 0.049, while those that remain unregistered yielded a mean sentiment score of -0.149. Similarly, of the 20,000 most frequently used English words that are mutually intelligible in at least four of the major European languages, those that were the subject of a single-word registration yielded a mean sentiment score of 0.035, while those that remain unregistered yielded a mean score of -0.137.

E. The Shift to Coined Terms

In our work on trademark depletion in the U.S. trademark system, we noted a steady increase over the past decades in the proportion of trademark applications for single-word word marks that are for coined terms.¹⁸⁶ We proposed that this trend was

¹⁸⁶ Beebe & Fromer, *supra* note 8, at 999-1000.

consistent with the hypothesis that new applicants were progressively shifting away from dictionary words because such a high proportion of such words are already claimed.¹⁸⁷

We find similar trends in the EU trademark system. To estimate if an applied-for single-word mark is an invented word rather than an already-existing word from some language in the world, we took advantage of a feature of the Google Translate API. For any word that the API was unable to identify as a word in one of the 109 languages that it recognized, it would return that word unmodified or sometimes with slight modifications.¹⁸⁸ We identified an applied-for word as invented if the API returned the identical word (or a closely similar word as measured by a Jaro-Winkler score equal to or exceeding 0.875) into at least four of the five major European languages, did not match an already-existing word in any of those languages, and did not match a surname appearing on the U.S. census list of the 151,671 most commonly occurring surnames in the United States.¹⁸⁹ As with our other measures, our goal was to minimize false positives and err toward underestimating the magnitude of any shift toward coined terms in the EU trademark system.

Figure 15 shows the proportion of single-word word-mark applications submitted to the EUIPO from 1996 through 2018 that were for marks consisting of coined terms across all classes and in Class 25 (apparel goods) in particular. As in the U.S. trademark system, Class 25 shows an especially clear shift toward invented words. Recall that coined terms are generally less preferred as brand names for a variety of reasons discussed above.¹⁹⁰ We think that the trends shown in Figure 15 are symptomatic of a trademark system in which significant levels of trademark depletion are pushing new applicants toward invented words.

¹⁸⁷ *Id.*

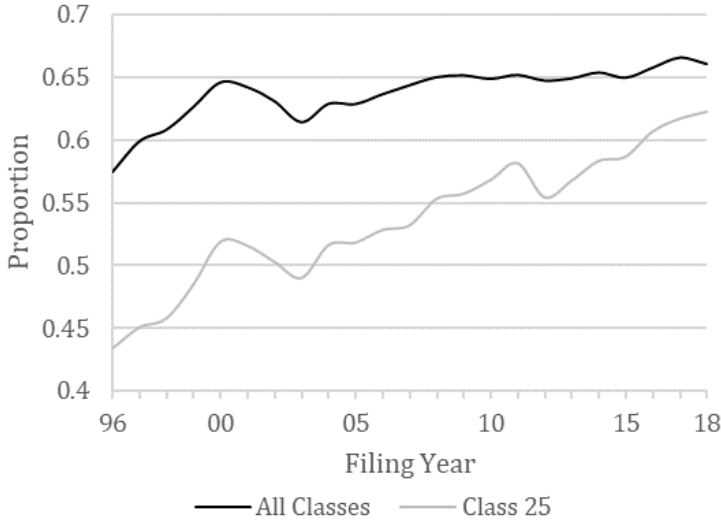
¹⁸⁸ Google, Google Translate, <https://translate.google.com> (last visited June 17, 2022). Though unrecognized single words are not translated, there have been isolated instances of Google Translate using its machine-learning model to translate nonsense phrases or sentences into bizarre translations that have been deemed “ominous.” See Jon Christian, *Why Is Google Translate Spitting Out Sinister Religious Prophecies?*, *Vice*, July 20, 2018, <https://www.vice.com/en/article/j5npeg/why-is-google-translate-spitting-out-sinister-religious-prophecies>.

¹⁸⁹ We derive the census data from *Frequently Occurring Surnames from the Census 2000*, U.S. Census Bureau, http://www.census.gov/topics/population/genealogy/data/2000_surnames.html (last updated Sept. 15, 2014).

¹⁹⁰ *Supra* section I.A.

Figure 15

Proportion of Single-Word Word Mark Applications at EUIPO for Marks Consisting of Coined Words, 1996–2018



F. Domain Name Depletion in the Major European Languages

We noted above that companies launching new brands strongly prefer terms that they can register in the .com top-level domain.¹⁹¹ Yet, as Table 3 reports, large proportions of the 20,000 most frequently used words in each of the five major European languages have already been registered in the .com top-level domain. Any company that wishes to adopt such a word as a brand name will likely be unable to register it in the .com domain. At best, it will need to acquire the domain name from a preexisting registrant or choose country-specific top-level domains for each country in which it operates. This may help to explain why so many trademark applicants in the EU trademark system are shifting to less-preferred coined terms.

¹⁹¹ *Supra* text accompanying notes 31-32.

Table 3

Number of the 20,000 Most Frequently Used Words in the Five Major European Languages Registered as Domain Names in the .com Top-Level Domain

Language	Number	% of Word Usage Consisting of Registered Words
English	19,841	87.3%
German	13,445	87.0%
French	15,714	78.8%
Italian	15,792	83.3%
Spanish	17,262	84.9%

* * *

Overall, our data indicate that trademark depletion in the EU market has reached severe levels. Businesses have already claimed nearly all potential brand names consisting of or closely similar either orthographically or translationally to a frequently used word in one or more of the five major European languages. To be sure, a business can conceivably seek to coin a new term dissimilar to any frequently used word in these languages and our data suggest that businesses are increasingly resorting to this expedient. But even here, they are finding that others have preempted them. A business can also abandon the search for a mark that is unique across the entire European marketplace and seek out one that is unique at least within a particular sector of goods or services. But the data show that class-specific depletion within the major Nice classes is just as severe. The stock of potential competitively effective trademarks in the EU marketplace is clearly under significant pressure. This is particularly true because the European Union is a global multilingual economy, which aggravates depletion of competitively effective marks via translational depletion to yield the reverse Babel problem.

We now turn to how the EU trademark system seeks to relieve this pressure. The system has sprawled across the five major languages—and undoubtedly many of the other European languages as well—to such an extent that there is little unclaimed space left. Given this limit, the system appears to be maintaining its growth by allowing increased density. Having built out, it is now building up. The next Part addresses this phenomenon of trademark crowding.

IV. TRADEMARK CROWDING AND OPPOSITIONS IN A GLOBAL MULTILINGUAL ECONOMY

We emphasized above that even if an entity has already registered a particular mark in connection with particular goods or services, it is still possible for other, unrelated entities to register the same or a closely similar mark even in connection with the same or related goods or services.¹⁹² The existence of an earlier registration will make any subsequent registration of a conflicting mark more difficult, but not impossible. The market entrant that becomes aware of a conflict with an earlier registration faces a choice between two alternatives: it may seek out a different mark that no one has yet claimed (thus worsening depletion) or it may “have a go”¹⁹³ at applying to register a mark that conflicts with an already-registered mark and hope that the application registers. The EUIPO data suggest that entrants are increasingly turning to this second alternative and are increasingly succeeding in registering conflicting marks. The result is “trademark crowding,” in which numerous unrelated entities own registrations of closely similar or even identical marks for closely related products.

In this Part, we focus on the worsening problem of trademark crowding in the EU trademark system. While our discussion of trademark depletion above occasionally benchmarked EU results against those in the United States, here we bring the American comparison to the fore. We do so to convey just how bad conditions have become in the EU trademark system. In 2018, the 1.3 million trademark registrations on the EUIPO register were only about half as many as the 2.4 million registrations on the USPTO’s Principal Register, yet as we show, rates of trademark crowding on the EUIPO register have been increasing rapidly over the past two decades and are now far higher than those at the USPTO. We argue that one leading cause of this difference is that, unlike the USPTO, the EUIPO does not engage in *ex officio* examination of applied-for marks for confusing similarity with already-registered marks. Like many other trademark systems around the world, the EU trademark system relies only on a third-party opposition process to filter out confusingly similar registrations. We present data showing that, on its own, this opposition process is simply not adequate to prevent trademark crowding. The result is that the EUIPO risks becoming little more than a rubber-stamping agency for ever more crowded fields of marks. As we suggest here and develop more fully in Part V, this rise in trademark crowding represents, we think, one potential, but preventable future for the global trademark system.

¹⁹² *Supra* section I.B.2.

¹⁹³ Firth, Lea & Cornford, *supra* note 84, at 9.

A. Trademark Crowding

The EUIPO registry is rife with crowded fields, so much so that in many classes of goods and services, market entrants face a very real challenge in finding any areas that are *not* crowded with already registered marks. For a simple example of a crowded field, consider the well-established French fashion brand SANDRO,¹⁹⁴ which is highly successful in the marketplace and highly sophisticated. Yet in 2017 in Class 25 (apparel goods), other entities owned live registrations for the marks SANDRA,¹⁹⁵ SAND,¹⁹⁶ SANJO,¹⁹⁷ SANO,¹⁹⁸ SANRIO,¹⁹⁹ and SKANDO,²⁰⁰ to name just a few of the approximately 35 closely similar marks registered in the class by unaffiliated entities. For another, extreme example, consider the trademark LOVE. In 2017 just in Class 25, at least 10 unaffiliated entities owned active registrations in the word itself, while at least an additional 75 unaffiliated entities owned active registrations in close variations on the word, such as LOVER,²⁰¹ LOVME,²⁰² LOVEDO,²⁰³ LOVERS,²⁰⁴ LOVLEE,²⁰⁵ LOVECHILD,²⁰⁶ and LOVERBIRD.²⁰⁷ And when translational similarity is taken into account,²⁰⁸ the crowded field around the trademark LOVE expands to 95 different trademark owners, including for the marks AMORE²⁰⁹ (Italian for “love”), AMOUREUSE²¹⁰ (French for “in love”), and LIEBESKLEID²¹¹ (German for “love dress”).

¹⁹⁴ EU Trade Mark No. 008772568.

¹⁹⁵ EU Trade Mark No. 015209414.

¹⁹⁶ EU Trade Mark No. 003105491.

¹⁹⁷ EU Trade Mark No. W01058767.

¹⁹⁸ EU Trade Mark No. W00988377.

¹⁹⁹ EU Trade Mark No. 000123125.

²⁰⁰ EU Trade Mark No. 002302354.

²⁰¹ EU Trade Mark No. W01365492.

²⁰² EU Trade Mark No. 013886361.

²⁰³ EU Trade Mark No. 009782723.

²⁰⁴ EU Trade Mark No. 008895237; EU Trade Mark No. 009653437.

²⁰⁵ EU Trade Mark No. 015821796.

²⁰⁶ EU Trade Mark No. 00436501.

²⁰⁷ EU Trade Mark No. W00871665. Because we use a conservative matching protocol, our matches do not include such marks as LUVÉ (JW=0.850) and LOVEIT (JW=0.857), whose Jaro-Winkler scores with respect to LOVE fall under 0.875.

²⁰⁸ See Examination Guidelines, *supra* note 91, at § 3.4.3.1 (citing “love” as one example of “very basic words, which will be understood in all Member States because they have become internationally used”).

²⁰⁹ EU Trade Mark No. 012951406.

²¹⁰ EU Trade Mark No. 008418221.

²¹¹ EU Trade Mark No. 010606556.

Such crowded fields of marks impair the workings of a trademark system in several ways touched upon above.²¹² First, closely similar marks may cause consumer confusion as to source. Some proportion of relevant consumers may believe that unrelated marks originate from the same commercial entity. For example, even consumers who notice the difference between SANDRO and SANDRA may assume that the latter is affiliated with the former, perhaps as a spin-off brand. Second, closely similar marks may increase consumer search costs. Even consumers who are not confused as to source will need to attend more carefully to the slight differences among the trademarks they confront.²¹³ Thus, consumers may be well aware that SANDRO and SANDRA originate from unrelated entities. Still, they must be careful not to mistakenly choose the one rather than the other. Third, in a process akin to a tragedy of the commons, crowding reduces the distinctiveness of any trademark in a crowded field from other marks in that field. All marks in the field suffer the resulting loss in brand differentiation and “selling power.”²¹⁴ As a brand name, variations on LOVE and their equivalents in the other major European languages are clearly hackneyed, overused signifiers.

The EUIPO data indicate that trademark crowding has been increasing at the EUIPO at a far faster rate than at the USPTO. The result is that after only two decades since the establishment of the EUIPO register, levels of crowding at the EUIPO already exceed those at the USPTO. For each of the leading Nice classes at the EUIPO and USPTO, Figure 16 estimates a mean crowding score by year (the solid dots) and, for the EUIPO, a mean translational-crowding score by year (the hollow dots). We developed these scores as follows: For any individual registered mark in a class, that mark’s crowding score is the number of other registered marks in the class that are orthographically closely similar to the mark and are owned by unaffiliated entities. A class’s mean crowding score is the estimated average of the crowding scores of all marks in the class, based on a random sample.²¹⁵ An individual mark’s translational-

²¹² *Supra* section I.B.

²¹³ Barton Beebe, Roy Germano, Christopher Jon Sprigman & Joel H. Steckel, *Testing for Trademark Dilution in Court and the Lab*, 86 U. Chi. L. Rev. 611 (2019).

²¹⁴ Frank I. Schechter, *The Rational Basis for Trademark Protection*, 40 Harv. L. Rev. 813, 819 (1927).

²¹⁵ To develop these data, for each year from 1998 through 2018, we randomly sampled 500 actively registered single-word trademarks from each leading class and calculated Jaro-Winkler scores between each of the 500 sampled marks and all other single-word marks registered in the class in the particular year. We then counted, for each of the 500 sampled registrations, the number of trademark registrations closely similar to the sampled mark ($JW \geq 0.875$) but owned by entities different from the owner of the registration of the sampled mark. Figure 23 shows, by year and Nice class, the mean number of registrations closely similar to each sampled mark, as well as a second-order polynomial trendline of that mean over time.

crowding score is the number of unaffiliated marks in the mark's class that are orthographically closely similar to the original mark or, if the mark is intelligible in one of the five major EU languages, to the mark as translated into any of the five major European languages. A class's mean translational-crowding score is the estimated average of the translational-crowding scores of all marks in the class, again based on a random sample.²¹⁶

The results across the six classes detailed in Figure 16 all show similar trends over time. Crowding levels at the USPTO are flat or suggest only relatively modest increases. By contrast, crowding at the EUIPO has been increasing rapidly, especially when translational similarity is taken into account. For example, in Class 5 (pharmaceutical goods), crowding at the USPTO increased over the 21-year period from a mean crowding score of 3.93 closely similar marks in 1998 to 7.46 in 2018. In comparison, the EUIPO data report more significant increases, with a rise in the mean crowding score from 0.58 in 1998 to 10.71 in 2018 and in the mean translational crowding score from 0.64 to 13.45. These trends in Class 5 at the EUIPO are particularly revealing because we would expect to see levels of crowding in the class that are low and relatively stable over time, as they are at the USPTO. For pharmaceutical names, regulatory agencies employ their own highly restrictive tests of similarity.²¹⁷ But even in this class, the EUIPO system appears unable to control crowding.

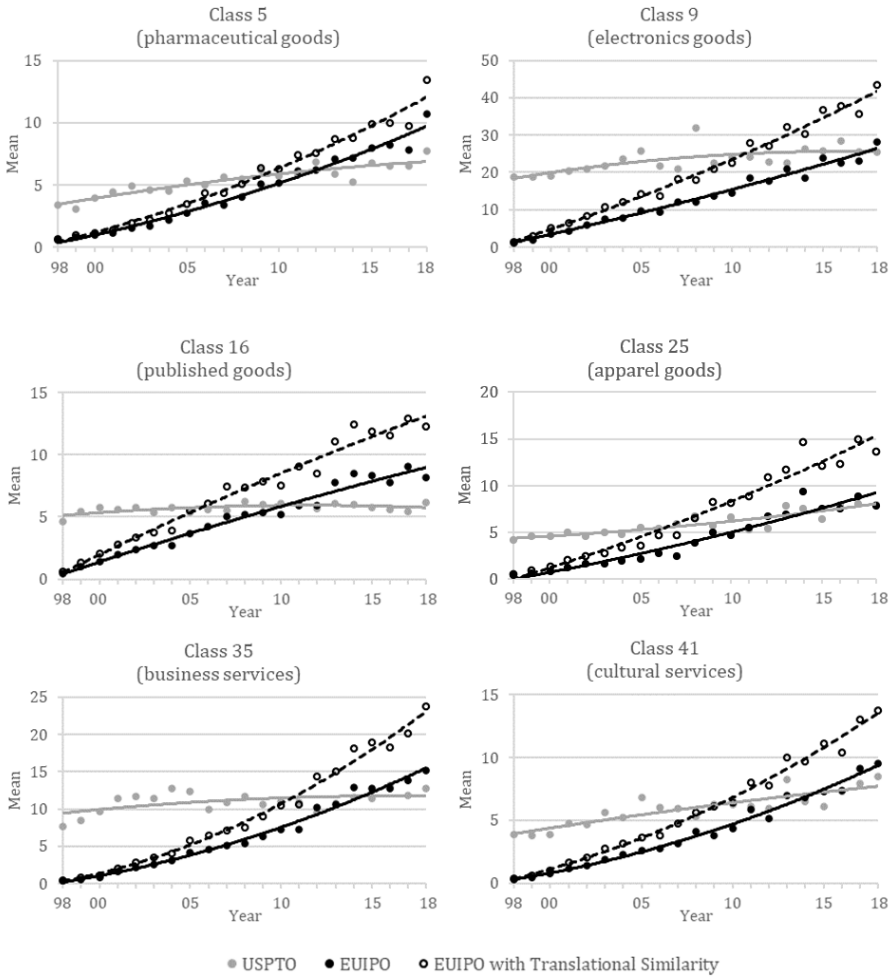
We used a random sample because this is a computationally intensive process. Our sample is sufficiently large to yield good estimates of the underlying quantities of interest. For example, the largest subpopulation of EUIPO registrations from which we sampled consisted of 349,934 active registrations in Class 9 in 2018. A random sample of 500 of such registrations yields a confidence interval under 5% at a 95% confidence level.

²¹⁶ We used an analogous approach to calculate this score as described above in note 215, taking a different random sample from that used for our estimates of non-translational mean crowding scores.

²¹⁷ Beebe & Fromer, *supra* note 8 at 1038-39.

Figure 16

Estimated Mean Number of Orthographically Closely Similar and Translationally Closely Similar Marks Registered by Unrelated Entities in Select Nice Classes, 1998–2018



Other classes show even higher levels of crowding at the EUIPO. In Class 16 (published goods) and Class 35 (business services), crowding scores at the USPTO have remained flat over time. At the EUIPO, they have been increasing dramatically. Admittedly, like Class 9 (electronics goods), Class 35 covers such a broad range of goods or services that identical marks used by unaffiliated firms can coexist in the classes without necessarily confusing consumers as to source. But even if closely similar marks are not confusing as to

source, their similarity nevertheless increases consumer search costs and reduces the distinctiveness of each mark from other marks. The latter is especially a concern in a class like Class 25 (apparel goods), where the perceived uniqueness of a mark may greatly contribute to the marketability of the goods to which it is affixed. Indeed, the mark's uniqueness as against other marks may often be the only "unique selling proposition"²¹⁸ that the goods' producer has to offer.

B. Trademark Oppositions

In theory, the EUIPO's third-party opposition process should on its own be sufficient to prevent trademark crowding. Incumbent registrants are well placed to evaluate applied-for marks for confusing similarity with their own registered marks and have strong incentives to do so. Our data show, however, that in practice the EUIPO opposition process is not widely used and opposition rates have been declining even as crowding has been increasing. This is in stark contrast to conditions at the USPTO. There, ex officio refusal rates during trademark examination have been steadily increasing while third-party opposition rates have remained flat. Combined, these trends in the U.S. data indicate that ever higher proportions of trademark applications at the USPTO are failing on the basis of confusing similarity with already-registered marks. This helps to explain why crowding rates at the USPTO have remained relatively stable.

1. The Limited Population of Users of the Opposition Process

The EUIPO opposition process is dominated by a relatively small set of very frequent opposers from an even smaller set of countries.²¹⁹ Of the 460,441 corporate entities that filed a trademark application at the EUIPO from 1996 through 2017, only 11.6% ever filed an opposition during that period. Just 1% of those 460,441 corporate applicants accounted for 58.4% of all corporate oppositions, and 5% accounted for 73.4% of all corporate oppositions. A list of the five most frequent corporate opposers reveals the usual suspects, at least to those familiar with the European market: Henkel AG & Co. KGaA (1242 oppositions), El Corte Inglés, S.A. (1187), Lidl Stiftung & Co. KG (999), Société des Produits Nestlé S.A. (935), and Metro AG (804). Three countries dominated the

²¹⁸ James Blythe, *Essentials of Marketing* 250 (3d ed. 2005); Rosser Reeves, *Reality in Advertising* 48 (1961).

²¹⁹ The EUIPO dataset anonymizes the identity of non-corporate applicants filing under their personal names, so it is not possible to study the opposition practices of such applicants. The data suggest that such applicants account for 25.1% (or 76,089) of the total of 303,607 oppositions filed against applications filed from 1996 through 2017.

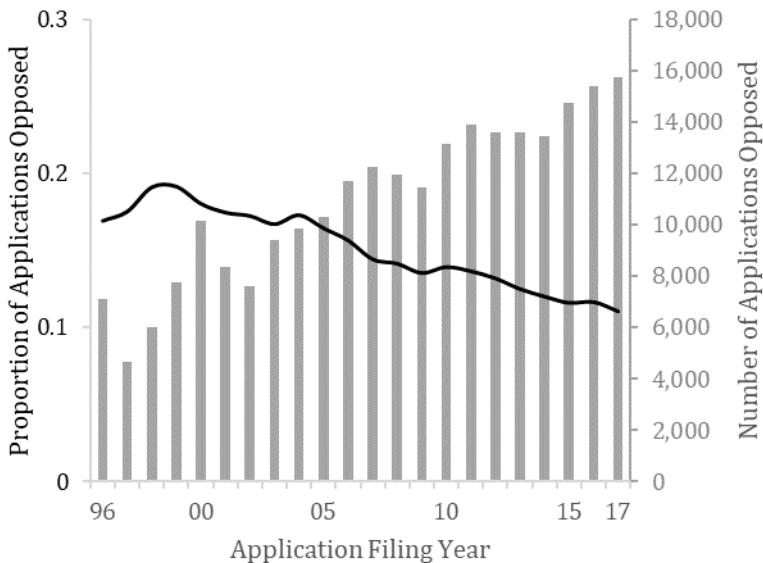
oppositions process. German entities filed 28.5% of all corporate oppositions but were responsible for only 15.4% of all trademark applications. Spanish entities filed 14.7% of all oppositions and accounted for only 7.4% of all applications. Finally, unlike German and Spanish entities, American businesses were responsible for a greater proportion of all applications, at 15.6%, than all oppositions, at 11.5%.

2. Declining Opposition Rates

That so few entities actually engage in the opposition process may explain why the data show a steady decline over time in the EUIPO opposition rate (the annual proportion of EUIPO trademark applications that are opposed). As Figure 17 shows, the annual number of EU trademark applications that are opposed has been increasing (the bars and right y-axis). But this increase has not kept up proportionally with the even greater increase in the number of applications filed each year. The result is that the annual opposition rate has been steadily declining (the line and left y-axis), so that by 2017, only 11.1% of applications were opposed. Indeed, across all the major Nice classes, and filtering for application characteristics such as country of origin or language of application, opposition rates have been declining.

Figure 17

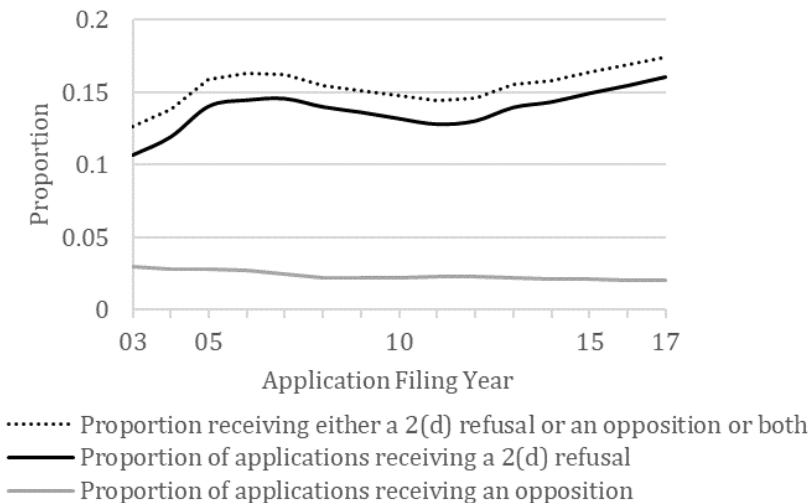
Annual Number and Proportion of EUIPO Applications Opposed, 1996–2017



The declining opposition rate at the EUIPO is especially surprising when compared to trends at the USPTO. As Figure 18 indicates, for the period 2003 through 2017, there has been a clear increase over time in the proportion of applications receiving a refusal from a trademark examiner based on confusing similarity with an already-registered mark (the solid black line), from 10.6% of all applications filed in 2003 to 16.0% of those filed in 2017. Opposition rates at the USPTO over the same period have been steady (the solid gray line). It appears that the USPTO’s in-house refusal process serves as the primary device to filter out confusingly similar registrations. These USPTO data paint a picture of a registration system that is experiencing severe trademark depletion and in which applicants are responding to depletion in part by seeking to register ever higher proportions of closely similar marks. But the registering agency is refusing to relieve the pressure depletion is placing on the supply of viable trademarks by allowing trademark crowding.

Figure 18

Annual Proportion of USPTO Trademark Applications Receiving Ex Officio Likelihood of Confusion Refusals, Third-Party Oppositions, or Both, 2003–2017



3. The Role of the Cooling-Off Period

As explained above, the filing of an opposition at the EUIPO initiates a cooling-off period of at least two months in which the applicant and opposer are given the opportunity to settle the

opposition.²²⁰ The cooling-off mechanism plays an important role in the opposition process. The data show that a large proportion of oppositions are resolved before leading to an Oppositions Division decision. For the 1,570,264 applications filed from 1996 through 2016, 216,195 (or 13.8%) were the target of at least one opposition on the basis that the applied-for mark was identical or confusingly similar to an already-registered mark. Of these opposed applications, 64.3% (or 139,054) were never the subject of an Oppositions Division decision, and of these, 72.6% (or 101,011) registered. The EUIPO can justifiably claim that the cooling-off period is a successful mechanism for allowing opposing parties to settle their disputes without recourse to an administrative tribunal.²²¹ Oppositions that never reach an Oppositions Division decision are typically settled with the applicant's agreement to narrow the applied-for goods or services or a coexistence agreement, such as to operate in distinct regions.²²² The parties otherwise agree to coexist in their use of (often closely) similar marks on goods or services that are also likely to be closely related. Courts have generally upheld such agreements,²²³ and the EUIPO allows an applicant's mark to register alongside those marks that served as the basis for the opposition when there is such a governing coexistence agreement. The Open Dataset does not provide the data that would allow a quantitative study of these settlement practices, as coexistence agreements are generally kept private.²²⁴ But qualitative accounts of the cooling-off period indicate that these kinds of settlement agreements are the most common outcome.²²⁵ It is also an outcome that greatly contributes to trademark crowding.

²²⁰ *Supra* section I.B.2.

²²¹ EUIPO, EUIPO Trade Mark Focus: 2010 to 2019 Evolution, at 26 (2020), <https://euipo.europa.eu/ohimportal/en/news/-/action/view/5864974>.

²²² Zoom Interview with Douglas Wolf (Sept. 24, 2020); Zoom Interview with Imogen Fowler (Aug. 31, 2020); accord Joel Smith & Megan Compton, *Trademark Coexistence Agreements—Practicalities and Pitfalls*, World Trademark Rev. 37, 37 (Nov.-Dec. 2008).

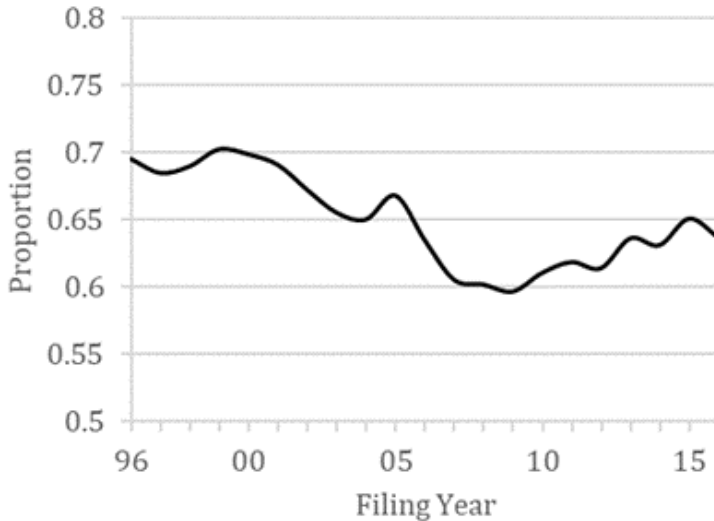
²²³ *Omega Eng. Inc. v Omega SA* [2010] EWHC (Ch) 1211 (dismissing an opposition based on a coexistence agreement dividing up the market by Nice class); cf. *BAT Cigaretten-Fabriken GmbH v. Commission*, Case 35/83, 1985 E.C.R. 363 (ruling that coexistence agreements “are lawful and useful if they serve to delimit, in the mutual interests of the parties, the spheres within which their respective trademarks may be used, and are intended to avoid confusion or conflict between them”). *But cf.* T-90/2005, *Omega SA v OHIM - Omega Eng. Inc.*, 2007 E.C.R. II-00145 (allowing a party to a coexistence agreement to oppose a trademark application when the agreement did not govern the opposition at hand).

²²⁴ Smith & Compton, *supra* note 222, at 39. An important exception is the French IP Office, which lists coexistence agreements as part of the documents to include in a trademark application. Institut National de la Propriété Industrielle, *Faire Vivre Votre Marque*, <https://www.inpi.fr/fr/valoriser-vos-actifs/faire-vivre-votre-marque/transmettre-ou-exploiter-une-marque> (last visited June 17, 2022).

²²⁵ Zoom Interview with Imogen Fowler (Aug. 31, 2020).

Figure 19

Of Applications Receiving Oppositions on the Basis of Confusing Similarity, Proportion by Filing Year That Were Not the Subject of an EUIPO Oppositions Division Decision, 1996–2016



While the cooling-off period facilitates settlement, its capacity to do so is diminishing. The proportion of oppositions that are resolved before resulting in an Oppositions Division decision has been declining. Figure 19 focuses on applications that received an opposition on the basis that the applied-for mark was identical or confusingly similar to an already-registered mark. It reports the proportion by filing year of such applications whose oppositions resolved before resulting in an Oppositions Division decision. The downward trend is slight but unmistakable. It is consistent with a condition in which parties to oppositions are finding it more difficult to find space in which to coexist.

4. Opposer Win Rates

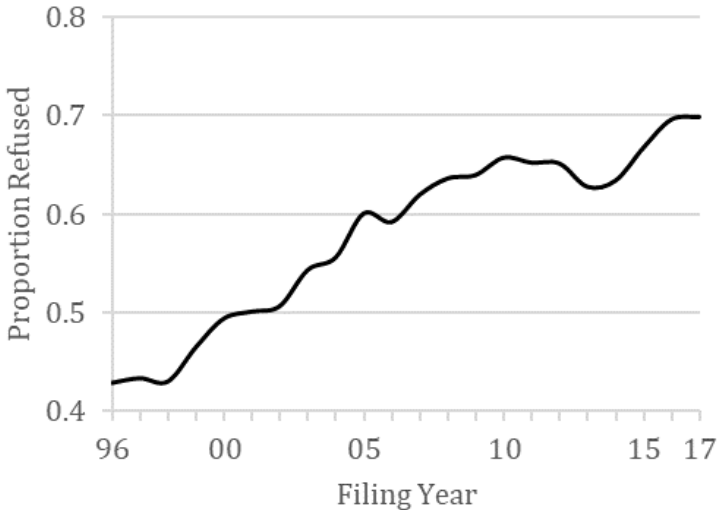
Our primary goal has been to present evidence of the high levels of trademark crowding at the EUIPO and the apparent inefficacy of the third-party opposition process to control crowding. But we note two additional trends in the opposition data, specifically relating to opposer win rates when no settlement is reached, that may further reflect on both of these phenomena in the EU trademark system.

The first is the increase over time in the win rate of parties that do bother to file an opposition and pursue that opposition through to a decision by the EUIPO Oppositions Division. Figure 20 focuses on applications that were the subject of an Oppositions Division

decision on the basis that the applied-for mark was identical or confusingly similar to an already-registered mark. The figure reports by filing year the proportion of such applications that were refused registration either in whole or part.²²⁶ We think these data represent further evidence of the severity of crowding at the EUIPO. At least among those who pursue oppositions through to decisions, their increasing success reflects the increasing strength of those oppositions that are filed.²²⁷

Figure 20

Of Applications That Were the Subject of an Oppositions Division Decision on the Basis of Identity or Confusing Similarity, Proportion by Filing Year That Were Refused Either in Whole or Part, 1996–2017



A second trend relates to applications that received multiple oppositions from multiple different opposers. Figure 21 reports the registration rate of applications by the number of different entities who filed one or more oppositions to the applications on the basis that the applied-for mark was identical or confusingly similar to their already-registered mark. As expected, unopposed applications enjoy a very high registration rate of 0.922. Also as expected, the

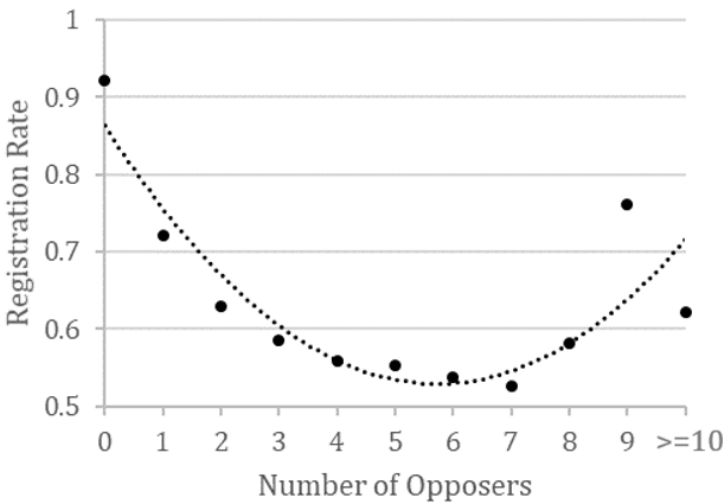
²²⁶ There was no substantial difference in the trend lines when the data are broken out into two trend lines, one for applications that were opposed on the basis of “double identity” under article 8(1)(a) of the Trade Mark Regulation and another for applications that were opposed on the basis of confusing similarity under article 8(1)(b) of the Trade Mark Regulation.

²²⁷ We know of no factors that might exert a selection effect on oppositions that are pursued to decision that would explain the significant rise in opposer win rates.

registration rate then declines with the number of opposers who arrayed themselves against any particular application. But interestingly, at seven opposers, the registration rate bottoms out at 0.527 and then begins to increase. At this inflection point, the crowded field is apparently occupied by so many different registrants of closely similar marks that the scope of each registrant’s property right is critically narrowed and incumbents’ ability to prevent entrance into the crowded field declines. At the extremes, the data indicate that the 2008 application for the mark PLUS ONE was opposed by 20 different entities,²²⁸ the 2012 application for the mark STUDIOLINE was opposed by 32 entities,²²⁹ the 2005 application for the mark BONOLOTO was opposed by 33 entities,²³⁰ and at the outermost extreme, the 2010 application for the mark Ö was opposed by 103 different entities.²³¹ All of these applications overcame their many opposers and succeeded to registration. These crowded fields represent the final breakdown of signification in the most overpopulated areas of a trademark system, where individual tokens cease to exist and every mark is merely a type.

Figure 21

Application Registration Rate by Number of Opposers, 1996–2017



* * *

In sum, we find high and still increasing levels of trademark crowding in the EU trademark system in the major Nice classes.

²²⁸ EUIPO Application No. 7308554.

²²⁹ EUIPO Application No. 11171527.

²³⁰ EUIPO Application No. 004368684.

²³¹ EUIPO Application No. 8933145.

The EUIPO's third-party opposition process has proven incapable of controlling crowding. If businesses even become aware of an application for a closely similar mark and then go so far as to file an opposition to it, they often settle with the applicant in a manner that allows the coexistence of similar marks. Already, pockets of the EU trademark system have collapsed into supercrowded fields of essentially indistinguishable and indistinctive marks. The lack of oversight provided by examiner review for confusing similarity is taking its toll. As their settlement behavior suggests, many firms may not see a problem with trademark crowding as a means of coping with trademark depletion. But its effects on the integrity of the trademark system, competition, and consumers is another matter. With these effects in mind, we turn now to the legal and policy implications of our findings for the global multilingual economy.

V. LEGAL AND POLICY IMPLICATIONS

In this Part, we focus on what the EU example may teach the rest of the world, including the United States. The costs of trademark depletion and crowding on competitors and consumers are especially severe in a multinational multilingual trademark system like the EU system. Our primary point is simply to urge recognition of the fact that trademark systems have ecological limits, and globally integrating multilingual trademark systems—whether *de jure* or *de facto*—have especially pronounced limits. At these limits, the costs of granting new trademark rights may outweigh the benefits in ways not previously appreciated when the supply of new trademarks seemed inexhaustible. We then turn to potential reforms that may minimize these costs. To reduce trademark depletion and crowding, we advocate that trademark law significantly curtail the application of translational similarity as a basis for confusing similarity. We also evaluate the clear benefits of *ex officio* review for confusing similarity, but we recognize that if a trademark system will not impose this form of review, it should at least improve the information it makes available to existing registrants of potentially conflicting marks who may wish to oppose the registration of an applied-for mark. Additionally, we recommend reformed fee structures calibrated to the costs that the claiming of certain terms, such as multilanguage words, imposes on others. Finally, we advocate, among other measures, stronger enforcement in all trademark systems of a requirement that a trademark actually be used in commerce to qualify for and retain protection. We then respond to a potential counterargument that depletion and crowding may yield net benefits.

A. The Costs of Trademark Rights in a Global Multilingual Economy

Trademark thinking has long been sensitive to the fact that granting exclusive rights in a trademark to one company can sometimes impose costs on the company's competitors. Indeed, in the very earliest cases in English trademark law, courts expressed great hostility toward the monopoly rights they were being asked to enforce.²³² Trademark law has traditionally operated according to the principle that it will grant exclusive rights in a trademark only if competitors still have access to "a latitude of competitive alternatives,"²³³ to adequate alternative means of describing and designating the source of their products. This is one reason why trademark law refuses to protect generic terms²³⁴ and functional product features²³⁵ and has special rules for the protection of descriptive terms.²³⁶ This is also why trademark law purports to grant broader rights to marks that qualify as arbitrary (in that they have no semantic connection to their product, such as HORIZON for banking services) or fanciful (in that they are coined terms, such as TONO-BUNGAY for a beverage).²³⁷ The idea is that competitors have no need to use such marks to compete effectively, so exclusive rights in them impose no costs on others.²³⁸

Though trademark thinking thus recognizes the costs of trademark rights, it has traditionally conceived of these costs only in isolation, on a case-by-case basis, not in the aggregate, not as these externalities may accumulate over time.²³⁹ This is understandable. Until recently, the law had no need to worry about such concerns—just as until recently there may have been no need

²³² *E.g.*, *Blanchard v. Hill*, 26 Eng. Rep. 692 (Ch. 1742).

²³³ *Taco Cabana Int'l, Inc. v. Two Pesos, Inc.*, 932 F.2d 1113, 1119 (5th Cir. 1991), *aff'd sub nom.* *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763 (1992).

²³⁴ *Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4, 9–11 (2d Cir. 1976); Fromer, *supra* note 27; Jake Linford, *A Linguistic Justification for Protecting "Generic" Trademarks*, 17 *Yale J.L. & Tech.* 110, 133-40 (2015); Lisa P. Ramsey, *Descriptive Trademarks and the First Amendment*, 70 *Tenn. L. Rev.* 1095, 1121-24 (2003).

²³⁵ *Traffix Devices, Inc. v. Mktg. Displays, Inc.*, 532 U.S. 23, 32 (2001); Mark P. McKenna, *(Dys)functionality*, 48 *Hous. L. Rev.* 823 (2011).

²³⁶ *Abercrombie*, 537 F.2d at 9-11; Fromer, *supra* note 27; Ramsey, *supra* note 234, at 1110-21.

²³⁷ *Abercrombie*, 537 F.2d at 9-11; Fromer, *supra* note 27; Jake Linford, *Are Trademarks Ever Fanciful?*, 105 *Geo. L.J.* 731 (2017).

²³⁸ *Virgin Enters. Ltd. v. Nawab*, 335 F.3d 141, 147-48 (2d Cir. 2003) (Leval, J.). For a critique that these rules are nonetheless not capacious enough to advance the fair competition that trademark law promises, see Fromer, *supra* note 27.

²³⁹ *But see In re Morton-Norwich Prod., Inc.*, 671 F.2d 1332, 1336 (C.C.P.A. 1982).

to worry about running out of phone numbers²⁴⁰ or Internet protocol addresses.²⁴¹ But as we have sought to show, the cumulative systemic costs of new trademark rights can reach a point where they begin to impair competition within particular economic sectors and even across the economy because competitors no longer have access to competitive alternatives. At this point, market entrants face a dilemma: they must somehow navigate between the Scylla of further depletion and the Charybdis of further crowding. They may either choose a not-yet-claimed mark, which often retains that status because it is inferior to already-claimed marks, or they may pursue a mark that is closely similar or identical to an already-claimed mark.²⁴² The entrant must choose not the better option, but the less bad between the two.²⁴³ To be sure, there may appear to be a third option, which is to claim a mark that some other entity is no longer using and has left fallow. But abandonment rates in the EU trademark system, like those in the U.S. system, do not come close to meeting the demand for new marks.²⁴⁴

The systemic costs of trademark rights increase with the size of the trademark system. As our data show, these costs accelerate in a trademark system consisting of once-independent markets that are increasingly integrating, especially when those markets bring with them new major languages and multilingual consumers. Through such consumers, translational similarity exerts a multiplier effect on both trademark depletion and crowding. A claim over a single word will result in claims over the set of words that any significant population of consumers will perceive as orthographically, phonetically, or translationally similar.²⁴⁵ Meanwhile, as markets integrate and transnational businesses increasingly pursue global branding strategies, these businesses confront local businesses that now have potential blocking rights not just in their national market

²⁴⁰ See Jon Porter, *Japan Is Running Out of Phone Numbers, So It's Making Longer Ones*, Verge, May 16, 2019, <https://www.theverge.com/2019/5/16/18627581/japan-phone-numbers-10-billion-14-digit-numbers>.

²⁴¹ See Robert McMillan, *Coming This Summer: U.S. Will Run Out of Internet Addresses*, Wall St. J., May 13, 2015, <https://www.wsj.com/articles/coming-this-summer-u-s-will-run-out-of-internet-addresses-1431479401>.

²⁴² Beebe & Fromer, *supra* note 8, at 1028-29; *cf.* Hemel & Ouellette, *supra* note 38.

²⁴³ Because trademark depletion and crowding have both reached such severe levels, we think a multinational trademark system like the European Union's is well beyond trading off between proximity costs (akin to allowing further crowding) and distance costs (akin to allowing further depletion), something Daniel Hemel and Lisa Larrimore Ouellette posit is intrinsic to any trademark system. Hemel & Ouellette, *supra* note 38. That is, because the proximity costs and distance costs are both so high, they must both be reduced to improve the trademark system's functioning, as discussed in this Part.

²⁴⁴ For a simple example, there were 1,160,540 active trademark registrations at the end of 2016 at the EUIPO. Of these, only 41,159 expired, were cancelled, or were otherwise removed from the register through the course of 2017. Meanwhile, there were 142,150 new applications in 2017, of which 127,997 registered by the end of 2018.

²⁴⁵ *Supra* section I.B.2.

but, in effect, transnationally.²⁴⁶ A global firm may be willing to bypass a spoiler in a single small country but not when that spoiler denies access to a significant market. All of these factors result in a rapid increase in the numerator of already-claimed marks in a trademark system. As for the denominator of potential competitively effective marks, when a market increases in size and diversity, the set of marks that will be effective throughout that market decreases in size.²⁴⁷ A viable mark must fall within the intersection of the subsets of marks that are viable in the various regions, languages, and cultures of a global market. And all the while, as a trademark system grows in size, more and more companies are vying to claim rights over the same shrinking reservoir of marks.²⁴⁸ Taking into account all of these processes, it is not difficult to understand how the EU trademark system and, more broadly, the de facto global trademark system could reach a stage where there are no longer a sufficient number of competitive alternatives available to market entrants.

The costs of trademark depletion and crowding are particularly pronounced in their effect on competition. Trademark depletion impairs competition for at least three reasons. First, market entrants face greater difficulties than incumbents did in searching for an unclaimed competitively effective mark or at least a mark that is not yet overcrowded with multiple parallel claimants.²⁴⁹ Second, market entrants are often compelled to settle for less effective marks, and studies have shown that such marks hinder the long-term performance of firms saddled with them.²⁵⁰ Third, even as later entrants struggle to find a competitively effective mark, incumbents are typically able to leverage their preexisting registrations for proven marks across Nice classes into new registrations in classes of goods or services that they have not yet claimed.²⁵¹

Trademark crowding similarly impairs competition, but affects both market entrants and incumbents. As new marks crowd around a preexisting mark, all marks in the crowded field suffer from a loss of distinctiveness. The likelihood of consumer confusion as to the sources of the products bearing these marks increases. Even if consumers are not confused, each mark's difference from other

²⁴⁶ *Supra* section I.A.

²⁴⁷ *Supra* section III.A.2.

²⁴⁸ *Supra* section I.A.

²⁴⁹ Beebe & Fromer, *supra* note 8, at 1021.

²⁵⁰ *E.g.*, Michael J. Cooper, Orlin Dimitrov & P. Raghavendra Rau, *A Rose.com by Any Other Name*, 56 J. Fin. 2371 (2001); Michael J. Cooper, Huseyin Gulen & P. Raghavendra Rau, *Changing Names with Style: Mutual Fund Name Changes and Their Effects on Fund Flows*, 60 J. Fin. 2825 (2005); T. Clifton Green & Russell Jame, *Company Name Fluency, Investor Recognition, and Firm Value*, 109 J. Fin. Econ. 813 (2013).

²⁵¹ Beebe & Fromer, *supra* note 8, at 1022.

marks declines, and with it the ability of the mark to stand out in the marketplace. This effect can be especially damaging to small businesses, which may lack the resources to compensate for their mark's loss of distinctiveness through greater advertising. Finally, at the extreme, crowded fields of marks can devolve into noise, reducing all trademarks in them to ineffective and indistinguishable empty signs, signifying nothing.

Equally as important are the costs that depletion and crowding impose on consumers.²⁵² Depletion damages consumer welfare by pushing entrants toward marks that increase consumer search costs. As depletion eats away at the stock of unclaimed marks, businesses may be forced to turn to marks that are less consumer-friendly, in that they are less memorable and generally less effective in serving as shorthand for the characteristics of the goods or services to which they are affixed.²⁵³ Meanwhile, crowding requires consumers to devote more care to distinguishing closely similar marks.²⁵⁴

As increasing proportions of consumers engage in transnational consumption,²⁵⁵ depletion hurts such consumers in additional ways. When a firm is blocked from using the same mark in multiple national markets because a competitor has already claimed the mark in one of those markets, consumers may be confused as to the true source of all the products involved. We see this readily from the example of U.S.-based retailer TJ MAXX adopting the mark TK MAXX in England to avoid a similar mark for clothing stores,²⁵⁶ leading consumers exposed to both marks to ponder whether the two are the same²⁵⁷ and the media to emphasize that they are the same even if consumers are likely to be confused.²⁵⁸ Similarly, candy connoisseurs have created website upon website in an attempt to clarify the confusion consumers face over MARS, MILKY WAY, and

²⁵² Cf. Hemel & Ouellette, *supra* note 38 (discussing systemic costs).

²⁵³ Beebe & Fromer, *supra* note 8, at 1024.

²⁵⁴ *Supra* text accompanying note 213. Alfred Yen argues that any modest confusion or extra effort is desirable in that it “teaches consumers to identify and distinguish trademarks” better. Alfred C. Yen, *The Constructive Role of Confusion in Trademark*, 93 N.C. L. Rev. 77, 86 (2014). While consumers’ adaptability to crowding or confusion is an empirical claim deserving more study, extreme levels of crowding—rather than the modest levels of confusion Yen presumes—cannot be conducive to consumer welfare.

²⁵⁵ See Katyal, *supra* note 35, at 888.

²⁵⁶ *Supra* text accompanying note 41.

²⁵⁷ E.g., *What's with the Different Names Between TJMaxx (US Version) and TKMaxx (British Version)?*, Quora, <https://www.quora.com/Brands-and-Branding/Whats-with-the-different-names-between-TJMaxx-US-version-and-TKMaxx-British-version> (last visited June 17, 2022).

²⁵⁸ Mary Hanbury, *TJ Maxx Has a Different Name in Europe and Australia, and There's a Simple Reason Why*, Bus. Insider, Aug. 26, 2018, <https://www.businessinsider.com/tj-maxx-and-tk-maxx-are-same-company-2018-8>.

THREE MUSKETEERS chocolate bars, which are different in the United States and the United Kingdom.²⁵⁹

Finally, we suggest an additional effect of trademark depletion and crowding in the global context. The firms of the Global North dominate transnational trademark registrations, so much so that developing-world trademark offices find themselves largely serving foreign clients.²⁶⁰ It may prove to be a bitter irony that the Anglosphere in particular has imposed the English language on much of the world and is now succeeding, through American companies especially, in asserting exclusive rights in much of that language throughout the world, at least for purposes of distinguishing products and designating their source. The degree to which depletion and crowding benefit rich-world market incumbents in the overall global marketplace to the detriment of developing-world market entrants deserves further study. This process may already be occurring on a smaller scale within the European Union, where firms of the EU core countries may be preempting the rights of periphery-country firms.²⁶¹

Given the vital role that trademarks will continue to play in facilitating competition in a global marketplace,²⁶² we now turn to possible ways to minimize these costs.

B. Ameliorating Trademark Depletion and Crowding

Efforts to ameliorate trademark depletion and crowding in any trademark system must come to terms with difficult questions of design. There are, for example, basic questions of tailoring: Should reforms set out uniform, one-size-fits-all rules that apply to all applications and registrations or should they be more narrowly

²⁵⁹ *Supra* text accompanying notes 43-45; e.g., J. Fergus, *Food Fight: Mars Bars vs Milky Way*, Foodbeast, Dec. 1, 2016, <https://www.foodbeast.com/news/mars-bars-vs-milky-way>.

²⁶⁰ Eugenia Baroncelli, Carsten Fink & Beata Smarzynska Javorcik, *The Global Distribution of Trademarks: Some Stylised Facts*, 28 *World Econ.* 765 (2005).

²⁶¹ *Supra* section I.B.5.

²⁶² In recent years, owing principally to online product reviews, some have wondered whether trademarks are less necessary to promoting competition and consumer welfare. After all, one can peruse product reviews to learn whether a good is worthy of purchase instead of relying on the goodwill associated with a mark. E.g., Itamar Simonson & Emanuel Rosen, *Absolute Value: What Really Influences Customers in the Age of (Nearly) Perfect Information* (2014); Hemel & Ouellette, *supra* note 38; Lisa Larrimore Ouellette, *Does Running Out of (Some) Trademarks Matter?*, 131 *Harv. L. Rev. F.* 116, 122-23 (2018). While we think that genuine product reviews are generally a positive contribution, we also believe that trademarks are here to stay, both because they still continue to designate source instead of or in addition to online product information and because they help build a business's identity. E.g., Brad VanAuken, *The End of Brands?*, *Branding Strategy Insider*, Feb. 25, 2014, <https://www.brandingstrategyinsider.com/the-end-of-brands>.

targeted?²⁶³ Specifically, should they be directed only toward specific economic sectors where levels of depletion and crowding are especially severe? Should they take account of the significant differences in resources available to small- and medium-sized enterprises as compared to larger transnational or even global companies?²⁶⁴ Will reforms that work well in alleviating trademark depletion and crowding in, say, the apparel fashion sector work equally as well in other sectors such as pharmaceuticals, food products, or business-to-business services? Related to these questions of tailoring, there is also a basic problem akin to the grandfathering problem in environmental law.²⁶⁵ One simple way to limit trademark depletion and crowding is to make the acquisition of trademark rights more difficult. But doing so may impose even worse barriers to entry on market entrants than those formed by depletion and crowding, with the result that market incumbents benefit even more from having already secured their property rights.²⁶⁶

Trademark registration agencies must also confront a fundamental question of balance, specifically, how to balance the goal of registering as many trademarks as possible as expeditiously as possible with other goals, such as protecting incumbent registrants and consumers from confusingly similar marks. It is now a common practice among registration agencies around the world to tout impressive annual increases in the numbers of trademarks on their registers, as if these data indicate both the growing industriousness and importance of the agency as well as the growing strength of the economy which it shares in regulating.²⁶⁷ More difficult to quantify, however, is the degree to which the agency has acted to protect competition and consumers by closely examining and even refusing to register applied-for marks or by cancelling already-existing registrations. The example of the EU trademark system is instructive in this regard. Many current EUIPO policies appear to place greater emphasis on facilitating new registrations than on competing priorities such as protecting consumers from confusion as to source.

Keeping these considerations in mind, we think that there are a number of fundamental reforms that may help to alleviate trademark depletion and crowding in a global multilingual

²⁶³ Beebe & Fromer, *supra* note 8, at 1029-33.

²⁶⁴ *Id.* at 1032-33.

²⁶⁵ Jonathan Remy Nash & Richard L. Revesz, *Grandfathering and Environmental Regulation: The Law and Economics of New Source Review*, 101 Nw. U. L. Rev. 1677, 1677-78 (2007).

²⁶⁶ Beebe & Fromer, *supra* note 8, at 1030.

²⁶⁷ *E.g.*, U.S. Patent & Trademark Office, FY 2020: Performance and Accountability Report 211 tbl. 16, 213 tbl. 18. (2021), <https://www.uspto.gov/sites/default/files/documents/USPTOFY20PAR.pdf>; EUIPO, 2019 Annual Report 3-4 (2020), https://euipo.europa.eu/tunnel-web/secure/webdav/guest/document_library/contentPdfs/about_euipo/annual_report/annual_report_2019_en.pdf.

trademark system without unduly burdening market entrants or incumbent registrants.

1. The Reverse Babel Problem

As the world's markets continue to integrate, the EU trademark system teaches that it may be time for the world's trademark systems to abandon or at least significantly moderate application of the doctrine of translational similarity. Recall that this doctrine holds that two or more marks may be confusingly similar if they convey the same meaning to any significant population of consumers capable of understanding the terms in both languages.²⁶⁸ We showed how this has created a “reverse Babel problem” in the EU trademark system, in which, in effect, nearly everyone may be presumed to understand everyone else regardless of which language they are using.²⁶⁹ The result is that any claimed mark in a major language may deplete or crowd translationally equivalent marks in a wide variety of major and minor languages spoken in a multilingual society.

The doctrine of translational similarity and the reverse Babel problem are also found in the U.S. trademark system, though their effects are less severe. U.S. law employs what it calls the “doctrine of foreign equivalents.”²⁷⁰ As the Trademark Trial and Appeal Board has observed, “the doctrine ... extends the protection of the [Lanham] Act to those consumers in this country who speak other languages in addition to English ... [when] [a]t least one significant group of ordinary American purchasers is the purchaser who is knowledgeable in English as well as the pertinent foreign language.”²⁷¹ The result, unsurprisingly, is that U.S. law often treats Spanish-language terms as confusingly similar to their translational equivalents in English,²⁷² as 41 million people in the United States—13.5% of the population—speak Spanish at home²⁷³

²⁶⁸ *Supra* text accompanying note 92.

²⁶⁹ *Supra* section III.C.

²⁷⁰ United States Patent and Trademark Office, Trademark Manual of Examining Procedure 1207.01(b)(vi) (July 2022), <https://tmepp.uspto.gov/RDMS/TMEP/current#/current/TMEP-1200d1e5616.html>.

²⁷¹ *In re Spirits Int'l N.V.*, 86 U.S.P.Q.2d 1078, 1083-85 (T.T.A.B. 2008), *rev'd on other grounds*, 563 F.3d 1347 (Fed. Cir. 2009). It is applied only when the “ordinary American purchaser” would “stop and translate” the foreign wording in a mark into its English equivalent. *Palm Bay Imps., Inc. v. Veuve Clicquot Ponsardin Maison Fondee en 1772*, 396 F.3d 1369, 1377 (Fed. Cir. 2005).

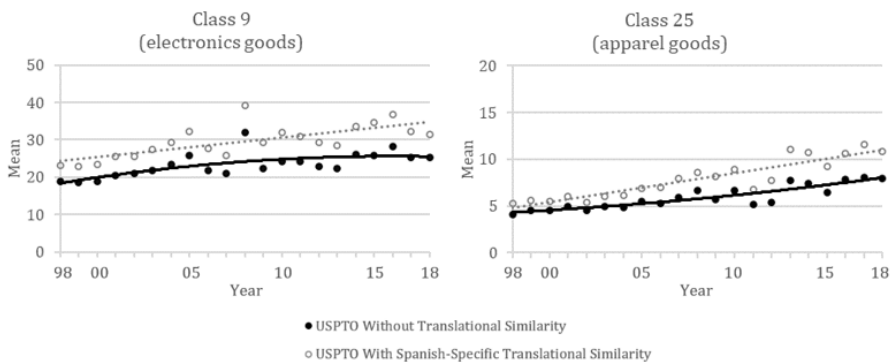
²⁷² *E.g.*, *In re La Peregrina Ltd.*, 86 U.S.P.Q.2d 1645 (T.T.A.B. 2008) (PILGRIM and LA PEREGRINA for jewelry); *In re Hub Distrib., Inc.*, 218 U.S.P.Q. 284 (T.T.A.B. 1983) (SUN for footwear and EL SOL for apparel); *In re Am. Safety Razor Co.*, 2 U.S.P.Q.2d 1459 (T.T.A.B. 1987) (GOOD MORNING for shaving cream and BUENOS DIAS for soap).

²⁷³ *Hispanics in the US Fast Facts*, CNN, Mar. 6, 2020, <https://www.cnn.com/2013/09/20/us/hispanics-in-the-u-s-/index.html>.

and it is the most studied foreign language in U.S. schools.²⁷⁴ But the law will sometimes do the same for terms in French—when spoken very well or well by 0.6% of the American population²⁷⁵—and Russian—when spoken by 706,000 people living in the United States²⁷⁶—and many other languages.²⁷⁷ To investigate the effect of Spanish on levels of depletion and crowding in the U.S. trademark system, we translated all applied-for and registered marks at the USPTO from 1998 through 2018 into Spanish. Figure 22 presents representative results from Class 9 (electronics goods) and Class 25 (apparel goods). Though we find that the resulting levels of depletion and crowding in the U.S. system do not reach the levels we reported above for the European Union in Figure 16, the data indicate that even in less polyglot markets translational similarity can exacerbate the problem of trademark crowding.

Figure 22

Estimated Mean Number of Orthographically Closely Similar and Translationally Closely Similar Marks Registered by Unrelated Entities in Classes 9 and 25 at the USPTO, 1998–2018



To mitigate the reverse Babel problem in trademark systems going forward, we think it will be necessary to eradicate, or at the very least moderate, the reach of translational-similarity doctrine.

²⁷⁴ Rachel Bierly, *Spanish in U.S. Education*, Panoramas Scholarly Platform, Nov. 27, 2018, <https://panoramas.secure.pitt.edu/news-and-politics/spanish-us-education>.

²⁷⁵ *In re Thomas*, 79 U.S.P.Q.2d 1021, 1024 (T.T.A.B. 2006).

²⁷⁶ *In re Joint Stock Co. “Baik”*, 80 U.S.P.Q.2d 1305, 1310 (T.T.A.B. 2006).

²⁷⁷ *Weiss Noodle Co. v. Golden Cracknel & Specialty Co.*, 290 F.2d 845 (C.C.P.A. 1961) (Hungarian); *Ex Parte Monarch Wine Co.*, 117 U.S.P.Q. 454 (C.C.P.A. 1958) (Polish); *In re S. Malhotra & Co. Ag.*, 128 U.S.P.Q.2d 1100 (T.T.A.B. 2018) (Greek); *In re Tokutake Industry Co.*, 87 U.S.P.Q.2d 1697 (T.T.A.B. 2008) (Japanese); *In re Oriental Daily News, Inc.*, 230 U.S.P.Q. 637 (T.T.A.B. 1986) (Chinese); *In re Geo. A. Hormel & Co.*, 227 U.S.P.Q. 813 (T.T.A.B. 1985) (Italian); *In re Jos. Schlitz Brewing Co.*, 223 U.S.P.Q. 45 (T.T.A.B. 1983) (German); *In re Bagel Nosh Inc.*, 193 U.S.P.Q. 316 (T.T.A.B. 1976) (Yiddish); *In re Hag Aktiengesellschaft*, 155 U.S.P.Q. 598 (T.T.A.B. 1967) (Serbian, Ukrainian).

It would be preferable to remove the doctrine from trademark law in recognition of the depletive and crowding effects it has in a global multilingual trademark system already experiencing severe levels of depletion and crowding without it. Even if that it is not possible, at the very least, the doctrine should require a higher showing; not simply that consumers are capable of understanding the common meaning of two marks from different languages, but that this understanding will lead a significant proportion of consumers to believe that the two marks originate from the same source. Admittedly, greater tolerance of translationally similar marks may produce some degree of consumer confusion in the short run. But here trademark law may take advantage of its inherent circularity to train consumers over time to expect that translationally equivalent marks do not necessarily originate from the same source.²⁷⁸ As consumers become aware of more such marks' coexistence, their expectations in the market may change and they may be less likely to be confused. Indeed, their expectations will need to change as conditions of depletion and crowding intensify.

2. The Benefits and Costs of Examiner Review for Confusing Similarity

As discussed above, trademark registering agencies around the world employ one of two different methods to determine if an applied-for mark is confusingly similar to an already-registered mark.²⁷⁹ Some agencies provide two stages of review, consisting of review by a trademark examiner followed by a third-party opposition process, while others rely on only one stage of review, consisting solely of a third-party opposition process. The EUIPO is the leading expositor of the opposition-only approach to trademark registration, while the USPTO is the leading practitioner of examiner review. The example of the EU trademark system teaches that examiner review is by far superior to an opposition-only process for purposes of reducing levels of trademark crowding, protecting consumers from confusion as to source, and maintaining the integrity of a trademark system.

When the EU trademark system was first formed, its designers openly embraced a neoliberal, laissez-faire framework for filtering trademark applications for confusing similarity. As the European Commission explained:

²⁷⁸ Barton Beebe, *Search and Persuasion in Trademark Law*, 103 Mich. L. Rev. 2021, 2066 (2005) (“The scope of trademark protection is based largely on the law’s assessment of the degree of actual search sophistication among consumers in the marketplace, yet the degree of search sophistication consumers bring to the marketplace depends largely on the scope of trademark protection they expect to find there.”).

²⁷⁹ *Supra* section I.B.2.

Prior trade mark rights are ... private rights, the defence of which is primarily their owners' concern. Because of their close knowledge of the market situation, these owners are ... in a better position to judge the extent to which the value of their trade marks will suffer economic detriment by virtue of the application for a confusingly similar trade mark by a third party.²⁸⁰

This framework was thought to be preferable to “a system in which the likelihood of confusion between the trade mark applied for and prior third party rights is automatically presumed and leads to immediate rejection of the application, even where the owner of the prior right does not enter an opposition to it.”²⁸¹ Such a system “could lead to the rejection of newly filed trade marks in many cases even though no actual conflict exists or is likely to arise.”²⁸² Thus, in the European Commission's view, market forces could be relied upon to vindicate trademark rights and in the process protect the public from confusion caused by confusingly similar mark.²⁸³

While this might be a sensible position in theory, as our data indicate, the third-party opposition process at the EUIPO has utterly failed to limit trademark crowding and prevent the registration of closely similar if not confusingly similar marks.²⁸⁴ The EUIPO's crowding rates are especially striking compared to those in the USPTO, which have remained relatively flat over time. In the U.S. trademark system, all registered marks must survive actual—not merely potential—review of whether they are confusingly similar to earlier-registered marks. Our evidence suggests that such review is useful in protecting consumers and competition, particularly for small businesses. The USPTO, with its review, is thereby staving off the increased crowding that would likely emerge in a global economy were things left to market forces as in the EUIPO. In keeping crowding rates lower and steady, the USPTO is promoting fair competition, consumer welfare, and the integrity of the register.

Opposition rates at the EUIPO are surprisingly low and have been declining.²⁸⁵ It may be that a high proportion of owners of EU trademark registrations see nothing wrong with the registration of marks that are similar—confusingly or not—to their own registered marks. Yet we find this explanation altogether implausible. It is inconsistent with numerous accounts of trademark owners' efforts

²⁸⁰ Commission Memorandum on the Creation of an EEC Trade Mark, ¶ 78, SEC (1976) 2462 (July 6, 1976).

²⁸¹ *Id.*

²⁸² *Id.*

²⁸³ *Id.* ¶ 79; Max Planck Study, *supra* note 81, at 273.

²⁸⁴ *Supra* section IV.A.

²⁸⁵ *Supra* section IV.B.

to aggressively assert their trademark rights against the world.²⁸⁶ We think it is more likely that in addition to the considerable expense of filing an opposition,²⁸⁷ there are at least two other factors at work: first, most prior registrants are unaware of potentially confusingly similar applied-for marks, and second, those prior registrants that are aware often reach secret settlements with the applicant rather than file an opposition or pursue an opposition through to a decision. Both of these factors indicate that the EUIPO and other offices that do not engage in examiner review for confusing similarity must either initiate such review or at the very least provide better information to owners of already-registered marks about potentially conflicting applications.

As to registrants' lack of awareness of potentially confusing applied-for marks, most owners of EU trademark registrations lack the resources or sophistication to continuously monitor applications at the EUIPO.²⁸⁸ According to an authoritative survey of EU trademark registrants, companies that are not frequent filers at the EUIPO—and especially small- and medium-sized enterprises—strongly support the institution by the EUIPO of examiner review for confusing similarity.²⁸⁹ It is not difficult to understand why. As discussed above, the comically inadequate search reports that the EUIPO issues fail to provide these companies with the information they need to defend their registrations.²⁹⁰ This tilts the playing field toward larger companies that can devote resources to trademark surveillance. The story of TJ Maxx is instructive. Recall that TJ Maxx thought it necessary to adopt the mark TK MAXX in Europe (rather than the mark TJ MAXX that it used in the United States) because a UK-based retailer was already using the mark TJ HUGHES.²⁹¹ Nonetheless, two decades after entering the European market, TJ Maxx went ahead and “had a go” at applying to register

²⁸⁶ *E.g.*, Mark A. Lemley & Mark McKenna, *Irrelevant Confusion*, 62 *Stan. L. Rev.* 413 (2010); Mark A. Lemley & Mark P. McKenna, *Owning Mark(et)s*, 109 *Mich. L. Rev.* 137 (2010); William McGeeveran & Mark P. McKenna, *Confusion Isn't Everything*, 89 *Notre Dame L. Rev.* 253 (2013); Mark P. McKenna, *A Consumer Decision-Making Theory of Trademark Law*, 98 *Va. L. Rev.* 67 (2012). Though these accounts focus on the U.S. trademark system, there is nothing to suggest that owners of trademarks in the EU system, a significant proportion of whom are American companies, would adopt a different view of their property rights.

²⁸⁷ The average cost of an opposition in the European Union is \$5,000-\$25,000. Caroline Mrohs, Comment, *How Many Likes Did It Get? Using Social Media Metrics to Establish Trademark Rights*, 25 *Cath. U. J.L. & Tech.* 154, 178 n.179 (2016).

²⁸⁸ von Graevenitz, Ashmead & Greenhalgh, *supra* note 101, at 84; Jessica M. Kiser, *To Bully or Not to Bully: Understanding the Role of Uncertainty in Trademark Enforcement Decisions*, 37 *Colum. J.L. & Arts* 211, 222 (2014).

²⁸⁹ Max Planck Study, *supra* note 81, at 272 (reporting the results of a survey of EU trademark registrants conducted by the Institut für Demoskopie Allensbach).

²⁹⁰ *Supra* text accompanying notes 81-84.

²⁹¹ *Supra* text accompanying note 41.

TJ MAXX at the EUIPO. The search report generated by the EUIPO listed only a handful of registered marks, all of which were single-word marks consisting of MAXX or TJ.²⁹² It made no mention of TJ HUGHES, which is the mark that prompted TJ Maxx to adopt TK MAXX in the first place. Nor did the report mention TJ Maxx's own preexisting mark TK MAXX. With such search reports providing no help, less sophisticated EU trademark registrants that lack the resources of a major retailer like TJ Maxx likely fail to learn of conflicting applications until it is too late to oppose. The result is increased trademark crowding.

As to secret settlements, these occur when prior registrants who are able to monitor applications at the EUIPO learn of a conflicting application and pursue a settlement or coexistence arrangement with the applicant either during the cooling-off period²⁹³ or even before any opposition is filed.²⁹⁴ Such settlements are dark matter that resist systematic measurement.²⁹⁵ We can report, however, that based on interviews with American and European trademark lawyers who practice at the EUIPO, they routinely negotiate coexistence agreements with earlier conflicting registrants or later conflicting applicants instead of engaging in the opposition process.²⁹⁶ These agreements typically take the form of commitments by the parties to operate in different geographic regions within the European Union or to limit the use of their marks only to certain categories of products. The terms of these agreements are not reviewed by or recorded at the EUIPO and they are rarely publicly disclosed.²⁹⁷ Of course, this may appear to be a fine example of private bargaining at its best.²⁹⁸ But left out of the

²⁹² Office for Harmonization in the Internal Market, Community Search Report for Application CTM 010696664, June 3, 2012.

²⁹³ *Supra* section IV.B.3.

²⁹⁴ Nikos G. Prentoulis, *Co-Existence Agreements and Trade Mark Practice*, 30 Eur. Intell. Prop. Rev. 202, 202 (2008); Zoom Interview with Douglas Wolf (Sept. 24, 2020); Zoom Interview with Imogen Fowler (Aug. 31, 2020).

²⁹⁵ *Supra* note 224.

²⁹⁶ Zoom Interview with Douglas Wolf (Sept. 24, 2020); Zoom Interview with Imogen Fowler (Aug. 31, 2020); accord Kelly Lee, *A Comparison of the US and EU Mark Registration Systems*, 19 J. Contemp. Legal Issues 423, 427 (2008).

²⁹⁷ *Supra* note 294 (noting the exception of France). See also Kristen Gilbert, *Coexistence Agreements—Are You in Danger of Just Agreeing Now to Disagree Later?*, World Trademark Rev. 75, 75 (June-July 2011) (“In the United Kingdom and at a European level ..., it is not possible to register a coexistence agreement against a trademark on the register, as a coexistence agreement in its usual form is not considered a registrable transaction.”).

²⁹⁸ Hemel & Ouellette, *supra* note 38 (citing R.H. Coase, *The Problem of Social Cost*, 3 J.L. & Econ. 1 (1960)). As Hemel and Ouellette observe, trademark doctrines forbidding assignments in gross and naked licensing make bargaining over trademark rights unlikely to occur. *Id.* Moreover, we are skeptical that newer businesses are trying to overcome depletion or crowding by licensing more desirable, but already claimed, marks from preexisting businesses with rights in those marks on any significant scale because

bargain are consumers, who must then navigate a more crowded field of marks and overcome any confusion as to source that may occur.²⁹⁹ Also left out are later entrants that might see reflected on the register a more crowded field than truly exists and consequently and unnecessarily decline to seek marks they prefer.³⁰⁰ These secret settlements thereby undermine the integrity of the EUIPO register. It is precisely out of these concerns for secret settlements that the USPTO, in contrast to the EU approach, may refuse to register any mark that its examiner review deems confusingly similar with an already-registered mark even if the parties themselves believe that there is no likelihood of confusion and have reached a coexistence agreement.³⁰¹

We think that as trademark systems have become increasingly global, it is imperative that trademark offices actively work to decrease crowding and the damage it does to competition and consumer welfare. They can accomplish this, as the USPTO does, by implementing likelihood-of-confusion review by trademark examiners.³⁰² But to the extent a trademark office insists on adhering to the European view—that market participants are well-placed to assess confusing similarity whereas examiners are not³⁰³—trademark systems ought to be structured to do a more effective job than the EUIPO in controlling crowding. For one thing, these offices must provide all registrants—especially small businesses unlikely to be monitoring their trademarks independently—with adequate means of learning about applications for potentially conflicting marks. Specifically, the EUIPO must improve its search reports to identify all potential conflicts and should err toward false positives rather than false negatives, thus empowering prior registrants to decide for themselves whether they will initiate an opposition. In an age of Google, the technology exists to perform this task. In particular, third-party providers of trademark monitoring services have

existing firms generally have incentives not to license their marks to producers of competing goods or services. Jeanne C. Fromer, *The Unregulated Certification Mark(et)*, 69 *Stan. L. Rev.* 121, 129–30 (2017).

²⁹⁹ Marianna Moss, *Trademark “Coexistence” Agreements: Legitimate Contracts or Tools of Consumer Deception?*, 18 *Loy. Consumer L. Rev.* 197, 199 (2005); Prentoulis, *supra* note 294, at 204; Smith & Compton, *supra* note 222, at 40.

³⁰⁰ Moss, *supra* note 299, at 219; Prentoulis, *supra* note 294, at 204; Smith & Compton, *supra* note 222, at 40.

³⁰¹ J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition* §§ 23:85–23:88 (5th ed. 2020) (explaining that coexistence agreements do not foreclose refusal to register by the USPTO but are entitled to substantial weight).

³⁰² In the case of the EUIPO, the Office could devote part of its enormous surplus to cover the costs of such a review system. On the EUIPO’s budget surplus, see European Court of Auditors, *EU Intellectual Property Office Should Use Surplus Money Productively*, May 15, 2019, <https://www.eca.europa.eu/en/Pages/NewsItem.aspx?nid=12100>.

³⁰³ *Supra* text accompanying notes 280–283.

demonstrated considerable sophistication in automating the production of such reports.³⁰⁴ Alternatively, offices like the EUIPO should consider adopting what might be termed an “examiner search” approach, in which human examiners combine with automated search to produce reports to prior registrants of potentially conflicting applications. Unlike USPTO trademark examiners, such examiners need not rule on whether an application conflicts with a prior registration. But like USPTO examiners, they can develop expertise in evaluating potentially confusing marks and prepare useful search reports on that basis.

For another thing, in light of the prevalence of secret settlements whose terms are not made public, it may be useful to encourage or even require the contracting parties to publish those terms in the EUIPO register, especially if those terms limit the goods or services on which the parties will use the marks at issue or where in the European Union they will use them. Such disclosures would ensure that newer entrants could ascertain with greater accuracy the true state of the EU trademark register. Finally, if the EUIPO were to initiate examiner review for confusing similarity, then the EUIPO should also seriously consider following the example of the USPTO by requiring that its examiners review the terms of any coexistence agreement to ensure that it is not inordinately contributing to greater crowding and consumer confusion.³⁰⁵ If an agreement fails this review, the later-filed mark should not merit registration.

3. Reformed Fee Structures

Most trademark offices around the world, including the EUIPO and the USPTO, impose uniform, one-size-fits-all fee structures on their applicants and registrants regardless of the nature of the marks they are applying for or have registered.³⁰⁶ Offices also typically do not reduce fees for small- and medium-sized enterprises.³⁰⁷ Such a crude fee structure, combined with a first-come-first-served approach to the registration of marks, may have made sense in the earliest years of modern trademark systems. But the problems of trademark depletion and crowding, particularly in the transnational and multilingual context, call for a more refined approach.

Trademark offices should adjust their fees to compel applicants and registrants to internalize some part of the costs they are imposing on others by registering frequently used words rather than

³⁰⁴ *E.g.*, Markify, *Best-in-Class Full Trademark Search and Watch*, <https://www.markify.com> (last visited June 17, 2022).

³⁰⁵ *Supra* text accompanying note 301.

³⁰⁶ *E.g.*, Madrid System: Schedule of Fees, WIPO, <https://www.wipo.int/madrid/en/fees/sched.html> (last visited June 17, 2022).

³⁰⁷ *E.g.*, *id.*

coined terms.³⁰⁸ This is not a radical idea in trademark law. U.S. trademark doctrine, for example, already affords a broader scope of protection to coined terms to encourage their adoption and because providing exclusive rights in them is understood to impose lower costs on others.³⁰⁹ Consistent with this approach, the EUIPO could discount fees for word marks that qualify as coined terms in that they are not identical to or mere misspellings of words (or proper nouns) in any EU official language. More significantly, registering agencies should impose higher fees on multilanguage words to reflect the substantially higher value of these words as brand names in a global multilingual economy. Such a fee structure would of course require judgment calls concerning whether a word mark qualifies as a neologism, but registering agencies make such judgment calls all the time, particularly when they are reviewing applications for absolute grounds of refusal such as whether an applied-for mark is generic or merely descriptive.

As we have suggested in previous work, trademark offices could also impose congestion pricing schemes on registrations in especially depleted or crowded classes of goods and services.³¹⁰ Offices may find such schemes to be less challenging to administer than those based on individualized analyses of the lexicographic or etymological characteristics of applied-for marks. Quantitative assessments of depletion and crowding in particular classes could form the basis for the differential fee schedule. The regressive effects of congestion pricing could be mitigated with discounts offered to small- and medium-sized enterprises.³¹¹

4. Enforcing the Use Requirement

As explained above, the EUIPO will register a mark even if the registrant is not using the mark in commerce.³¹² The EU trademark registrant enjoys a five-year grace period from the registration date to make use of the mark, and even after that grace period has expired, the registration will remain in effect unless a third party challenges it for non-use—and third parties rarely initiate such

³⁰⁸ Beebe & Fromer, *supra* note 8, at 1030-33 (discussing tiered fees generally).

³⁰⁹ *Virgin Enters. Ltd. v. Nawab*, 335 F.3d 141, 147-48 (2d Cir. 2003) (Leval, J.). Admittedly, Judge Leval also applies this reasoning to arbitrary marks, which consist of dictionary words that have no semantic connection to the product to which they are affixed (for example, BLACKBERRY for mobile phones). But in light of the problems of depletion and crowding that we identify, we think that the reasoning now only properly applies to coined terms.

³¹⁰ See Beebe & Fromer, *supra* note 8, at 1031-33.

³¹¹ See *id.* at 1032-33. Trademark offices could also increase fees for registration of a mark in additional classes of goods and services. As we discussed above, *supra* note 111, the EUIPO abandoned its flat fee for registration in up to three Nice classes in 2016. The data show that this reform has curtailed multiclass registrations.

³¹² *Supra* text accompanying notes 95-98.

challenges.³¹³ Other registration-based trademark systems around the world have similarly lax use requirements.³¹⁴

This permissive approach to the use requirement may once have been sensible when there appeared to be an inexhaustible supply of trademarks and the granting of trademark rights appeared to be costless. It perhaps mattered little whether a registrant was actually using the mark for any or all of the goods or services it specified because there were so many alternative marks available to others. But as we have sought to show, that era has passed. Empirical studies reveal that the multinational multilingual EUIPO register now suffers from significant levels of trademark clutter of unused marks, particularly as compared to the USPTO register.³¹⁵ For example, Georg von Graevenitz and other scholars have found that 6% of EU marks for pharmaceuticals are not being used³¹⁶ and that EU marks claim 50% more goods and services than identical marks registered at the USPTO, where use in commerce is required to protect or register a mark.³¹⁷ Clearing out this clutter promises to substantially mitigate trademark depletion and crowding in the EU trademark system.

The most effective way that the EUIPO and other registration-based trademark systems can reduce clutter is by taking steps to actually enforce the use requirement. Take the EUIPO. A simple first step would be to require EUIPO applicants to submit a declaration at the time of application explicitly stating that they either have a good-faith intent to use or are already using the applied-for mark in connection with all the goods and services specified in the application. That EU trademark law currently requires no such declaration might surprise American trademark lawyers, who must submit such declarations to the USPTO at the time of application.³¹⁸ A second simple step after registration would be to require registrants to submit declarations every ten years during the registration period—as USPTO registrants are required to do³¹⁹—attesting to the fact that they are using the registered

³¹³ *Supra* text accompanying note 99.

³¹⁴ Indeed, Canada has recently amended its trademark law to eliminate its previous requirement that an applicant must submit a declaration that it is making an actual use of its mark in commerce for a registration of the mark to issue. Josh Gerben, *Canada's June 2019 Trademark Law Changes—"Use" Is No Longer Required and Other Highlights*, Gerben, <https://www.gerbenlaw.com/blog/canadas-june-2019-trademark-law-changes-use-is-no-longer-required-and-other-highlights> (last visited June 17, 2022).

³¹⁵ Georg von Graevenitz, *Trade Mark Cluttering—Evidence from EU Enlargement*, 65 *Oxford Econ. Papers* 721 (2013); von Graevenitz, Ashmead & Greenhalgh, *supra* note 101.

³¹⁶ von Graevenitz, *supra* note 315.

³¹⁷ von Graevenitz, Ashmead & Greenhalgh, *supra* note 101.

³¹⁸ 15 U.S.C. §§ 1051(a)(3)(C) & 1051(b)(3)(C).

³¹⁹ *Id.* at § 1058(a)(2).

mark in connection with all of the goods and services claimed in the registration. To be sure, many EUIPO registrants will oppose such administrative requirements as unnecessary,³²⁰ and it may once have been unnecessary—just as the regulation of fisheries or carbon emissions may once have been unnecessary. But again, the EU trademark system teaches that trademark systems around the world can no longer assume that they consist of an inexhaustible resource and rules and practices based on obsolete assumptions must yield to new realities.³²¹

An additional way in which the world's trademark offices can reduce clutter is by initiating their own auditing program of registrations to require registrants to submit specimens of use supporting their claims of use. The EUIPO specifically is not empowered to do so.³²² Even if it becomes aware of registered marks that are not being used, it has no means to cancel the relevant registrations. By contrast, as we discuss in previous work, the USPTO undertook a highly successful pilot program that audited registrations for use and found that about half of all marks registered at the USPTO were not being used in commerce as claimed.³²³ The USPTO has since made this auditing program permanent.³²⁴ We expect that a comparable program at the EUIPO and other trademark offices around the world would find even higher levels of non-use.³²⁵

C. The Virtues of Trademark Depletion and Crowding?

We conclude this Part by addressing an interesting and important counterargument that may be levelled against our claim that heightened levels of trademark depletion and crowding impair competition by impeding market entry and further harm consumers

³²⁰ Max Planck Study, *supra* note 81, at 88–89 (discussing opposition to a periodic declaration-of-use requirement).

³²¹ In the recent case of *Sky Plc. v. SkyKick UK Ltd.*, Case C-371/18 (Jan. 29, 2020), the Court of Justice of the European Union was given the opportunity, which it spurned, to establish a principle that bad-faith registrations of very broad categories of goods or services will be cancelled either in whole or part. Commentators have since strongly criticized the *SkyKick* opinion, and justifiably so. *E.g.*, Darren Meale, *SkyKick: The Disappointment of the Decade*, 15 J. Intell. Prop. L. & Practice 227, 227 (2020) (commenting that in the wake of *SkyKick*, “the trade mark registers of Europe will keep expanding and specifications will not be getting shorter. Eventually something (perhaps my clients’ patience for brand clearance) will break.”).

³²² *Supra* text accompanying note 97.

³²³ Beebe & Fromer, *supra* note 8, at 1034–35.

³²⁴ *Id.*

³²⁵ Of course, requiring the EUIPO to review marks for use would be costly, but it can pass through this cost to registrants, just as the USPTO does. As explained below, EUIPO fees are currently exceptionally low. *Infra* section 5.

by increasing their search costs. This counterargument asserts that, on the contrary, depletion and crowding may result in net benefits for fair competition and consumers. The assertion takes two very different forms.

The first is that heightened levels of depletion and crowding may actually produce a net benefit precisely because they impede market entry, and by doing so, they reduce further artificial product differentiation in the marketplace. The underlying assumption that drives this view is that new trademarks do not necessarily represent new goods or services. Rather, they may represent closely similar if not entirely fungible goods and services that are artificially distinguished by multiple different brands.³²⁶ On this view, extreme levels of depletion and crowding are better understood as a sign that the market is already overfull of unnecessary trademarks. Many of these marks may confuse consumers, but not in the way traditionally understood. Instead, they confuse consumers in that they lead consumers to believe that various products are originating from different sources or possess different characteristics when in fact they are all originating from the same source or possess exactly the same characteristics. If this description of the marketplace is accurate, then initiating reforms that facilitate brand entry would unnecessarily increase consumer search costs with no offsetting benefits to consumer welfare. Importantly, the sensible version of this counterargument would hold that the circumstances it describes are not found in all market sectors, but primarily in those where depletion and crowding have reached their most extreme levels—for example, in the apparel fashion sector.

The second, more speculative form of this counterargument is that the processes of trademark depletion and crowding will eventually result in a net benefit for consumers because these processes will result in a general breakdown of the global trademark system. As certain market sectors become more and more crowded with ever-less-distinctive brands, these sectors may reach an inflection point beyond which consumers come to see all the brands in the sectors, if not all brands, as indistinguishable ambient noise.³²⁷ The result will be “peak trademark,” not in the sense of “peak oil,”³²⁸ but of “peak Kardashian,”³²⁹ after which the consumer economy of factitious distinctions, having reached its extreme, will finally retreat to another incarnation. Perhaps, as is periodically

³²⁶ Ralph S. Brown, Jr., *Advertising and the Public Interest: Legal Protection of Trade Symbols*, 57 *Yale L.J.* 1165, 1171 (1948).

³²⁷ See Barton Beebe, *Intellectual Property Law and the Sumptuary Code*, 123 *Harv. L. Rev.* 809, 829–30 (2010) (discussing this possibility).

³²⁸ *Supra* note 16.

³²⁹ Mark Gongloff, *Kylie Jenner’s \$600 Million Payday May Be Peak Kardashian*, *Bloomberg*, Nov. 19, 2019, <https://www.bloomberg.com/opinion/articles/2019-11-19/kylie-jenner-s-600-million-coty-payday-is-peak-kardashian>.

predicted, the result will be the “end of brands,”³³⁰ this time with consumers relying largely on online product reviews or barcodes.³³¹

A full consideration of these arguments and the cost-benefit analyses underlying them is beyond the bounds of this article, but we find them unpersuasive, at least in the short run. It is important to recognize that trademarks themselves function as products and consumers have long revealed a preference for purchasing such products, even when the underlying material good is little more than an alibi for the consumption of the brand it carries. Artificial product differentiation is not necessarily artificial to consumers who are willing to pay for it.³³² In any case, we find evidence of heightened levels of trademark depletion and crowding not merely with respect to apparel goods or other usual suspects that appear (whether fairly or not) in the artificial product differentiation lineup. We also find them in connection with high-technology goods and services and indeed across all classes of services, where the artificial product differentiation argument is less compelling. Finally, reports of the imminent death of brands are likely exaggerated. As the lingua franca of a global marketplace, they serve primal commercial and social purposes, including conveying information succinctly and colorfully, serving to express social distinction, and personifying businesses.³³³

* * *

In this Part, we have used the example of the EUIPO to propose four main reforms that may aid trademark systems in coping with increasing levels of trademark depletion and crowding in a globally integrating marketplace: (1) elimination of—or at least a more restrained application of—translational similarity doctrine, (2) institution of examiner review of confusing similarity where it is not currently used, or at least the provision of better information to current registrants about conflicting applications and the true status of the trademark register, (3) reformed fee structures calibrated to the claiming of valuable terms, such as multilanguage words, and (4) more effective enforcement of the use requirement. Other reforms may also be promising. In particular, we support an overhaul of the Nice classification scheme to organize the classes of goods and services in a manner that corresponds to the current marketplace rather than the marketplace of the late nineteenth century. We also support the creation of more numerous and more specific classes than the forty-five currently provided by the Nice scheme. At the very least, such reforms would allow registering

³³⁰ *Supra* note 262.

³³¹ *Id.*

³³² Jessica Litman, *Breakfast with Batman: The Public Interest in the Advertising Age*, 108 *Yale L.J.* 1717 (1999).

³³³ *Supra* note 262.

agencies to more closely monitor the levels of depletion and crowding on their registers.

We recognize that, contrary to the laissez-faire sensibility of the EU trademark system and the many other systems around the world like it, many of our proposals call for greater regulation and the insourcing of tasks otherwise performed by market actors. We also recognize that certain of our proposals are based on the American example. The irony is that the U.S. trademark statute, the Lanham Act, is practically archaic compared to other, more modern trademark statutes around the world, yet many of its rules relating to registration and USPTO practices have proven to be more advanced and better able to meet the challenges of depletion and crowding than perhaps anywhere else in the world. Part of this may be owing to the influence of the common law tradition and its emphasis on use rather than registration as the basis of trademark rights.³³⁴ But we think it is also because the problems of trademark depletion and crowding first appeared in the U.S. trademark system, even if they are now more pronounced in the European Union and elsewhere. To its credit, the USPTO has pursued policies that have at least moderated the rise of trademark depletion and crowding.

CONCLUSION

Intellectual property thinking has lately begun to contemplate the potential role of intellectual property law in a future post-scarcity society, one in which technological advances make possible a superabundance of both tangible and intangible goods and services.³³⁵ If trademark thinking seeks to join in this trend, it may face difficulties. For centuries, it has based itself upon a foundational assumption that there is an inexhaustible supply of potential trademarks available for adoption. Now it is recognizing that this assumption no longer holds. Compared to other areas of intellectual property thinking, trademark thinking is moving in reverse, from a framework akin to post-scarcity to one very much constrained by scarcity. Trademarks are not like other intellectual properties, the accumulation of which may apparently progress unendingly. A trademark system is not just an economic system. It is also a sign system, one constrained by the limits of human cognition, and at these limits, such sign systems face a tradeoff between expansion and coherence.

³³⁴ *Supra* note 100.

³³⁵ *E.g.*, Mark A. Lemley, *IP in a World Without Scarcity*, 90 N.Y.U. L. Rev. 460 (2015); Deven R. Desai & Gerard N. Magliocca, *Patents, Meet Napster: 3D Printing and the Digitization of Things*, 102 Geo. L.J. 1691 (2014); accord Barton Beebe, *Intellectual Property Law and Post-Scarcity Society*, 2019 Singapore J. Leg. Stud. 377; Beebe, *supra* note 327.

Our data show that the EU trademark system is beginning to test these limits, if it has not already surpassed them. Levels of trademark depletion and trademark crowding in the European Union exceed even those we found in our previous work in the United States.³³⁶ But what makes the EU results so important, we think, is not just their greater magnitude. Because of the special characteristics of the European Union—its massively multilingual and multicultural population, its status as a highly advanced consumer society, its continuing process of market integration—the EU trademark system likely represents in microcosm the future of the global trademark system. This system will likely confront severe, even critical, levels of trademark depletion and crowding, particularly in the major global languages. Market incumbents may stake their claims to the commanding heights of this system, if they haven't already, well before others have a chance to enter. The need for the kinds of reforms we set out may grow urgent.

In the meantime, further work remains to be done on trademark depletion and crowding in the world's trademark systems. Most importantly, we need to better understand how the systems compare by tracing on a large scale any differences in outcomes when the same business applies for the same mark in different systems.³³⁷ There is also Amazon's de facto global trademark system, whose many sellers have been pushed toward increasingly bizarre brand names as the processes of trademark depletion within the Amazon marketplace have taken their toll.³³⁸ The goal throughout should be to ensure that somehow, despite the limits of a global trademark system, there remains "enough and as good" left for others.

³³⁶ Beebe & Fromer, *supra* note 8.

³³⁷ For an international dataset linking common trademarks across different countries, see Stephen Petrie, Mitchell Adams, Benjamin Mitra-Kahn, Matthew Johnson, Russell Thomson, Paul H. Jensen, Alfons Palangkaraya & Elizabeth Webster, *TM-Link: An Internationally Linked Trade Mark Database*, 53 *Austl. Econ. Rev.* 254 (2000).

³³⁸ John Hermann, *All Your Favorite Brands, From BSTOEM to ZGGCD*, N.Y. Times, Feb. 11, 2020, <https://www.nytimes.com/2020/02/11/style/amazon-trademark-copyright.html>; Jeanne C. Fromer & Mark P. McKenna, *Amazon's Quiet Overhaul of the Trademark System* (unpublished manuscript).

BOOK REVIEW

*By Désirée Fields**

Ambush Marketing and Brand Protection: Law and Practice.

Phillip Johnson. 3d edition. 2021. Pp. 656. \$210 (hardback); Oxford University Press, Great Clarendon Street, Oxford, England, OX2 6DP, UK.

Ambush marketing is a subject that fascinates everyone from layperson to lawyer because it is a marketing strategy that is highly effective in influencing consumers. Ambush marketing campaigns are usually clever, carefully thought out, and entertaining and are therefore often more memorable than “regular” advertising. Some forms of ambush marketing are legal, some are illegal, and some tread a fine line between the two. According to the book’s author, the meaning of the term “ambush marketing” has changed considerably since it was first coined by Jerry C. Welsh, but in essence it refers to a situation where a non-sponsoring company attempts to deflect the attention to itself and away from the sponsoring company, which undermines the effectiveness of the sponsorship communication and so also the value of the sponsorship.

Ambush marketing is most prevalent in the context of sports events. Indeed, the global development of laws in this field has tracked major sports events, in particular the Olympics. The rise of incidents of ambush marketing has been particularly impacted by the increase of sophistication of sports sponsorship, with the worldwide value of the global sponsorship market estimated at \$62.7 billion in 2017.

With this in mind, the value of a book focusing specifically on the protection of major event sponsorship and laws to control ambush marketing can immediately be appreciated. In that regard, Phillip Johnson’s treatise is one of a kind. Now in its third edition, Johnson’s book provides a detailed overview of the laws relating to ambush marketing in the United Kingdom and other jurisdictions, including the European Union, United States, Australia, New Zealand, Canada, and South Africa, as well as some other European countries.

The author is a Professor of Commercial Law at Cardiff Law School and a practicing barrister at the Intellectual Property Bar, as well as a member of the Irish Bar, the California Bar, and the

* Legal Director, Pinsent Masons LLP, Member, International Trademark Association. Ms. Fields is a member of *The Trademark Reporter* Committee.

Washington, D.C., Bar. He writes extensively on intellectual property issues and has provided consultancy services to the UK Intellectual Property Office, the World Intellectual Property Organization, foreign governments, and industry. As such, Johnson is well qualified for the mammoth task of distilling the complex area of ambush marketing into a user-friendly guide.

Ambush Marketing and Brand Protection is divided into three parts (Parts A, B, and C), each of which is subdivided into several chapters (sixteen in total); the chapters are divided into sections with headings A, B, C, etc. Throughout, paragraphs are numbered consecutively with chapter and paragraph number (e.g., 2.01, 2.02, etc.).

Part A sets the scene for the remainder of the book, introducing the concept and development of ambush marketing. In Chapter 1, Johnson defines “ambush marketing” and explains its importance, including the commercial value of the sponsorship market. He then provides an overview of the different types of ambush marketing as well as a myriad of pertinent real-life examples to make the topic come alive and whet readers’ appetites for more (see, in particular, Section F). Chapter 2 then describes the evolution of ambush marketing legislation, constitutional restraints, policy control, and ethics. This is clearly interesting for academics and gives more color to this topic.

Part B, which consists of Chapters 3 to 10, focuses in detail on the ambush marketing laws in the United Kingdom and the European Union. In essence, Part B is an overview of intellectual property rights in the context of ambush marketing.

Chapter 3 provides a whistle-stop tour of the laws relating to trademarks and merchandising in the United Kingdom and European Union and covers all the basics of brand protection from registration to enforcement, as well as the laws surrounding special protection for certain signs. It is well written and easy to read and gives an overview of the rights a brand owner might have and how to acquire and enforce them against ambush marketers. Trademark and other intellectual property practitioners will, of course, be aware that in order to advise clients comprehensively on trademark issues, a deeper understanding is required. The slight danger for a student is that the chapter provides only a relatively high-level summary of this complex area of trademark law. Having said that, it is a useful revision tool for a trademark exam. In any event, it is not to be forgotten that this is a book about ambush marketing and, as the author indicates in places, some areas are simply outside the scope of this treatise.

One particularly interesting topic covered in Chapter 3 is the analysis of Article 6bis of the Paris Convention (which gives the owner of a well-known mark a right to object to the registration of a mark that might be confusingly similar) and Article 6ter of the Paris

Convention (which provides that armorial bearings, flags, emblems, abbreviations, and names of international organizations shall not be registered as trademarks and that their use shall be prevented, without the authority of the organization). Johnson outlines how to obtain protection via this route as well as the key differences between these provisions and trademark law, drawing attention to the benefits and drawbacks of these provisions.

Chapter 4 provides an overview of passing off, copyright, and designs and related rights. While the chapter is excellent at introducing these various other intellectual property rights that need to be considered in the context of ambush marketing, it feels too “broad-brush” in parts, with further explanation being desirable. For example, it would have been better to skip certain topics (such as the section on how to file a domain name complaint and the basic procedure) and to state that such aspects are outside of the scope of the book, rather than treating them too briefly. Readers would be well advised to use the chapter as an initial guide to these various rights and, if any of these aspects are indeed applicable in a particular scenario, to dig deeper into the particular issues by consulting the primary sources in the footnotes or seeking out other texts on the topic.

Given that symbols associated with major events, such as the Olympics, can have substantial commercial significance, Chapter 5 is devoted to the protection that exists for the Olympic symbol under international law as well as in the United Kingdom. It also looks at the protection given in the United Kingdom to the names of certain other organizations. On the whole, this is an interesting chapter, although it does end a little abruptly and certainly could have benefitted from a short conclusion paragraph or a summary referring back to the objective of the book and how this chapter is relevant specifically to ambush marketing. Indeed, such conclusion sections or paragraphs have been used sporadically and inconsistently throughout most of the book; a future edition would benefit from these being added to each chapter.

It is a well-known fact that a crucial requirement for being granted the right to host a major international sports event such as the Olympics, the FIFA World Cup, or the Commonwealth Games is to provide adequate protection for the event’s brand. For example, countries that host the Olympics are usually required to put in place legislation to specifically “reduce and sanction” ambush marketing. Chapter 6 discusses this requirement in more detail, explaining the prohibition against associations being made with certain events, who is authorized to make a representation of being associated with an event, and the exceptions to infringement.

Chapter 7 then moves on to consider the exploitation of intellectual property rights and the potential “complex webs of agreements granting rights to use the brand in conjunction with

sponsorship payments as well as other obligations.” Johnson provides a good summary of licensing and the limitations of intellectual property rights as a result of competition law and exhaustion. Particularly helpful is the table at paragraph 7.04, which outlines the main issues to be considered in licensing arrangements and any problems that may arise. Given their commercial importance in the sports sector, Section E also very briefly addresses broadcasting issues. The author notes that broadcasting rights do not exist as such, at least not in the United Kingdom. Nonetheless, there are, of course, broadcasting deals that cover numerous legal and nonlegal matters, including issues such as access rights to a venue and ticketing conditions on spectators who broadcast or film events. These are succinctly outlined here.

Chapter 8, which is entitled “Advertising and Trade Regulation,” is dedicated to the laws and practices that prohibit or restrict a trader making a misleading or false suggestion of an association or affiliation with an event. The chapter covers fraud, misleading advertising, and consumer protection and analyzes the various advertising codes in the United Kingdom. The most fascinating aspects of this chapter relate to the various forms of placing of advertising, street trading, and aerial advertising. It is interesting to note that there is no prohibition in place against most forms of aerial ambush marketing, with restrictions on this form of advertising appearing to be quite limited, which makes this type of ambush marketing attractive.

By far the most captivating section of the book from the point of view of those who enjoy attending live sports events is Chapter 9, which deals with the topic of selling tickets for promotional purposes. It provides practical guidance and draws attention to huge ambush marketing problems that would not otherwise appear as such to the uninitiated. There are many interesting facts included here about ticketing. Apparently, the secondary sales market of all types of tickets (“ordinary persons” and “corporate hospitality”) is worth £1 billion per year in the United Kingdom. Additionally, it is possible to ambush an event by using tickets for promotional purposes, for example, where traders who are not official sponsors run competitions to give away tickets to a particular event. This chapter looks at how such activities can be restricted but does not examine the wider implications of restricting the secondary market. It includes a detailed examination of ticketing conditions and covers the criminal offenses in this area.

Part B concludes with Chapter 10, which provides an overview of civil and criminal proceedings and border control issues. Johnson manages reader expectations well by stressing that this chapter is intended to be only an outline of the issues and basic principles and not a substitute for specialist texts. A great feature at the end of each of the sections on civil enforcement, border control, and

criminal enforcement is the summary section, which explains the topic's relevance to ambush marketing and draws out any key points. Of great interest is Section E, which outlines steps that can be taken to reduce ambush marketing opportunities in order to avoid the need for costly legal action later.

Having provided an overview of all legal issues pertaining to ambush marketing in the United Kingdom and European Union, Johnson undertakes, in Part C (which covers Chapters 11 to 16), the very ambitious task of exploring ambush marketing laws around the world. It would be too much to expect the entire world to be featured, but Johnson makes a good effort to discuss the topic as comprehensively as possible, covering certain major international sports events in Chapter 11, followed by the laws of Australia, Canada, New Zealand, South Africa, and the United States in Chapters 12 to 16.

Chapter 11 "looks at the international context of ambush marketing of major events." In particular, it discusses the legislative response to the five commercially significant international sporting events: the Olympics, the FIFA World Cup, the Commonwealth Games, the ICC Cricket World Cup, and the Rugby World Cup. It does not appear to be an exhaustive analysis, but one that is intended to show readers how ambush marketing has been dealt with in relation to certain events in certain jurisdictions and to provide resource materials to those who need to dive deeper into a particular event or territory. Section H nicely draws together the common themes among all the events. The conclusion: While ambush marketing is a global phenomenon and ambush marketing laws around the world have evolved to provide more events with greater level of protection, there is no move toward international consensus.

The key jurisdictions that are discussed in the remainder of Part C were selected by the author because of their commercial importance or because they have a particular significance in relation to ambush marketing. Each of the chapters takes a similar approach and structure by providing an overview of broadly the same ambush marketing issues that were covered in Part B while also highlighting the peculiarities of each country and flagging differences from the United Kingdom and European Union. The discussion in these chapters does not go into as much detail as in Part B.

Chapter 12 summarizes the position of the Commonwealth and the states of Australia, which have been very proactive in legislating for major events. This is because Australia has attracted a significant number of sports events, many of such cultural and political importance as to warrant special legislation.

Canada, which takes center stage in Chapter 13, has been included as an example of a country that has adopted laws to protect particular events, such as the Vancouver Olympics in 2010.

In Chapter 14 we learn that New Zealand was the first country to adopt a generic anti-ambush marketing law to cover a number of issues, namely, ticketing, advertising, commercial connections, and management aspects. While this law was introduced in anticipation of the Rugby World Cup 2011, it can also be used more widely. New Zealand has classified events by size, protecting a significant number of events as “major events.” However, interestingly, conventional intellectual property laws, especially in relation to trademarks and copyright, have been problematic for organizers of major events, as further outlined in this chapter.

For those who enjoy drama, Chapter 15, which discusses intellectual property laws relevant to ambush marketing in South Africa, makes for a good read. South Africa has not only been at the forefront of ambush marketing laws, but it has also not been short of controversies surrounding them. Ambush marketing laws in South Africa were first mooted in the lead-up to the 1996 Rugby World Cup but were not implemented. The first ambush marketing laws were adopted in 2001 with the amendment of the Trade Practices Act 1976, which was closely followed by the amendment of the Merchandise Marks Act of 1941 in 2002. The application of these laws has led to interesting incidents, such as removing a spectator drinking COCA-COLA soda rather than PEPSI soda and lengthy terms of imprisonment being imposed for ticket reselling. Conventional intellectual property laws have not been helping event organizers prevent ambush marketing, but South Africa does have exceptionally broad laws preventing unlawful competition, which provide useful ammunition in this field.

Of course, a book on global ambush marketing laws has to cover the United States, which regularly hosts events of international importance, sporting and otherwise. Accordingly, traditional intellectual property rights in the United States, such as trademarks and copyright, have been well adapted to deal with such events, and their interpretation has been pushed to the limits. However, other than the protection granted to the American Olympics Committee in relation to the protection of Olympic and Pan American Games symbols, the United States has, perhaps surprisingly, not yet enacted specific laws relating to ambush marketing.

The book concludes with an appendix setting out a selection of laws from around the world relating to ambush marketing, with a particular focus on the Olympics. At first blush, one questions the utility of an incomplete list, but Johnson explains that the gaps are due to the difficulty of accessing materials relating to certain jurisdictions and the lack of a central source. Nonetheless, it is a

useful tool for those interested in the sources of legislation protecting the Olympics.

A quick word on the index: This is not organized by sport—for example, tennis or hockey (although football—i.e., European football, or soccer—has its own entry, and certain major events, like Cricket World Cup, are specifically mentioned). By way of example, if a reader is looking for tennis-related entries in the hardcover version of the book, even by specific tournament names, that reader would be disappointed, despite the fact that tournaments such as Wimbledon and the Australian Open are cited more than once in the book. This makes the physical book hard to search; the digital version is much more helpful in that regard and is highly recommended.

In conclusion, this book is a very useful tool for those interested in sports law and ambush marketing. The title of the book probably does not do it justice, since it is about so much more than just ambush marketing. While patchy in some places, it gives a near complete overview of all intellectual property rights that may be involved in sporting events and covers all possible issues, explaining in each case where an infringement might arise and how intellectual property rights could be enforced. While in some areas further reading or a deeper dive is recommended, the book is an absolute must-read for anyone advising on intellectual property rights in the sports sector.

At the time of publication of the third edition of this book, the metaverse and non-fungible tokens (“NFTs”) were not as topical as they are now. It will be interesting to see if the next edition will venture into discussing this area given the pertinence of the topic in the field of sports.

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