

## **Competition, Communication, and Confusion** **by William McGeeveran and Mark P. McKenna**

The “likelihood of confusion” metric in trademark law has metastasized. As many commentators have noted, what began as a heuristic to guide analysis of infringement in particular situations transformed over time into the primary concern of trademark law. In the process, courts lost sight of the proper role of consumer confusion and its relationship to two more fundamental values: fair competition and informative communication. Trademark doctrine generally disfavors confusing uses of a trademark because they impair competition and communication. In many ordinary cases, this works very well. But identifying and preventing confusion is only a means to achieving these other objectives, not an end in itself.

Unfortunately, the cancerous growth of confusion-based reasoning has distorted much of trademark doctrine. The confusion emphasis squeezes out competition and communication values, leading to problematic results in some individual cases. Moreover, it has become self-reinforcing: courts seldom need to think hard about whether these important values might outweigh confusion, and they never develop any metric for considering how much confusion might be tolerable on the other side.

This project joins recent efforts by ourselves and others to identify and repair the damage. After expanding on the normative values at stake, we will critique existing trademark law. We will examine several case studies (perhaps including genericide, functionality, geographic scope, and nominative use) to demonstrate where courts improperly elevate confusion over competition and communication (and where they do not).

We expect to offer two responses to the problems we identify. First, trademark law should embed normative trade-offs between confusion and other values within the doctrines themselves. Much as the Supreme Court held in *KP Permanent* that the descriptive fair use doctrine applies regardless of potential confusion, other uses of a mark also should be insulated by doctrinal tools distinct from the confusion analysis. In the case of comparative advertising, for example, the law should recognize its significant benefits to competitive markets and informed consumers, even in situations where one might find residual potential confusion. Sometimes these doctrinal changes might be new affirmative defenses, and other times they might simply adjust rules so that relevant values are before the court more explicitly.

Second, courts should embrace more flexible remedies. Too often, judges now face – or believe they face – an unappetizing choice between a global injunction against the alleged infringer or the complete invalidation of a valuable trademark. In cases of aesthetic functionality, for example, a court should be free to examine the circumstances and allow a particular defendant’s uses of a claimed feature without canceling the plaintiff’s trademark. In other cases, courts could tailor the scope of injunctive relief through disclaimer requirements and other strategies that accommodate values other than an excessive avoidance of confusion.

These adjustments might help restore the proper hierarchy of values in trademark law by highlighting robust competition and accurate communication as the objectives and recognizing prevention of consumer confusion as an important corollary.