DETERMINING TRADEMARK STANDING IN THE WAKE OF *LEXMARK*

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Introduction

In 2002, Lexmark International, Inc., a manufacturer and seller of laser printers, sued Static Control Components, Inc., which for years has manufactured and sold "components necessary to remanufacture Lexmark ['s] [toner] cartridges."[1] Lexmark installs microchips, identifiable by printers, in its toner cartridges. In order to prevent third parties from remanufacturing and reselling the cartridges, Lexmark began to place in each of its discounted "Prebate" cartridges a microchip that would disable the cartridge once it runs out of toner. Static Control effectively thwarted this effort by "develop[ing] a microchip that could replace the microchip on the Prebate toner cartridges, permitting a third party to remanufacture and sell the toner cartridge again."[2] When Lexmark sued Static Control for violations of copyright laws and the Digital Millennium Copyright Act, Static Control filed counterclaims for false advertising and violation of antitrust law.[3]

When the Supreme Court issued an opinion in this case twelve years later, it did not address the merits of any of these claims.[4] Instead, the sole issue for the Court to decide was whether Static Control was authorized to sue Lexmark for false advertising under section 43(a) of the Lanham Act.[5] The Court decided that Static Control could indeed sue.[6] In reaching that conclusion, the Court decided an issue over which the federal courts of

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1 Static Control Components, Inc. v. Lexmark Int'l, Inc., 697 F.3d 387, 395–97 (6th Cir. 2012).

2 *Id.* at 396.

3 *Id.* at 396–97 ("Static Control claimed that Lexmark's Prebate program unlawfully excluded competition in the aftermarket for Lexmark-compatible cartridges, reducing competition and increasing prices, and that Lexmark falsely told remanufacturers that Static Control was infringing on Lexmark's patents.").

4 Lexmark Int'l, Inc. v. Static Control Components, Inc., 134 S. Ct. 1377 (2014).

5 *Id.* at 1385.

6 *Id.* at 1395.

appeals had previously been split—namely, the standard by which courts should judge whether a plaintiff has standing to sue under section 43(a).[7]

Although the Court's decision in *Lexmark* has resolved the debate over the issue of standing for false advertising claims, it remains unclear whether the Court's holding also extends to trademark infringement suits brought under section 43(a). The Court did not explicitly address this question in its opinion, and district courts thus far have differed in their interpretations of the decision's scope.

This Note addresses that ambiguity and aims to resolve it. It examines relevant statutory language, case law, and scholarly criticism, and ultimately contends that the standard articulated in *Lexmark* should apply to both types of claims. Part I provides background regarding the history of the Lanham Act, looking particularly at the ways in which courts have treated trademarks and false advertising differently. Part II discusses the *Lexmark* decision and the recent district court cases that have addressed its holding. Part III examines the text of both the Lanham Act and the Supreme Court's opinion in *Lexmark* in order to determine the decision's scope, and concludes that *Lexmark*'s holding applies equally to false advertising and trademark claims. Finally, Part IV, which is divided into two subsections, advances policy-based arguments for such a uniform application of the *Lexmark* standard. Generally, Part IV discusses the expansive nature of modern trademark law and explores the ways in which *Lexmark*'s standing requirement might serve as a narrowing force. First, Section IV.A laments the lack of a materiality requirement in trademark law and demonstrates how *Lexmark*'s proximate cause requirement might make up for that absence. Section IV.B focuses specifically on one area of application in trademark law—the initial interest confusion doctrine—and suggests that *Lexmark*, if properly applied, could possibly eliminate this doctrine.

I. Background

Enacted in 1946, the Lanham Act provides federal protection against unfair competition.[8] Section 43(a) of the Act establishes private causes of action against trademark infringement and false advertising.[9] Section 43(a)(1)(A) provides a remedy for trademark infringement against behavior that "is likely to cause confusion" as to the origin of goods or services, while section 43(a)(1)(B) protects against false advertising by prohibiting misrepresentations "in commercial advertising or promotion" about either one's own goods or services or another person's goods or services.[10] The statute makes clear that any person who violates either of these provisions "shall be

7 *Id.* at 1385; *see also infra* text accompanying notes 25–28 (providing an account of the circuit split on this issue).

8 15 U.S.C. §§ 1051–1127 (2012).

9 *Id.* § 1125(a).

10 *Id.*

liable in a civil action by any person who believes that he or she is or is likely to be damaged by such act."[11]

Over the years, federal courts in the United States have developed various doctrines in order to guide themselves in adjudicating claims arising under the Lanham Act.[12] Interestingly, these courts often have applied divergent standards to trademark infringement and false advertising claims, even though the two causes of action arise out of the same section of the Lanham Act.

Rebecca Tushnet has comprehensively detailed these differences in application.[13] In one article, for instance, she highlights what she terms the "overexpansiveness" of trademark law by contrasting the treatment of trademark claims with that of false advertising claims.[14] She notes first that, when adjudicating infringement claims, courts assess likelihood of confusion by using multifactor tests.[15] Through the use of these tests, she argues, "almost any association between a trademark owner and a defendant may sow confusion."[16] In contrast to the imprecise balancing tests employed in trademark cases, courts use "rigid doctrinal categories" when addressing false advertising claims.[17]

Another divergence in application discussed by Professor Tushnet is courts' treatment of materiality in Lanham Act cases.[18] In addressing false advertising claims, courts impose a materiality requirement to ensure that the alleged false statement is "likely to affect a reasonable consumer's purchasing decision."[19] Courts adjudicating trademark claims, on the other hand, impose no such requirement.[20]

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11 *Id.*

12 *See, e.g.*, New Kids on the Block v. News Am. Pub., Inc., 971 F.2d 302 (9th Cir. 1992) (introducing a "nominative fair use defense" against trademark infringement claims); Rogers v. Grimaldi, 875 F.2d 994 (2d Cir. 1989) (articulating a standard by which courts can judge whether an artistic work violates the Lanham Act).

13 *See* Rebecca Tushnet, *Running the Gamut From A to B: Federal Trademark and False Advertising Law*, 159 U. PA. L. REV. 1305 (2011).

14 *Id.* at 1313–18.

15 *Id.* at 1313; *see also* Savin Corp. v. Savin Grp., 391 F.3d 439, 456 (2d Cir. 2004) (listing the Second Circuit's eight "*Polaroid* factors" for assessing likelihood of confusion, including the similarity between the two marks, the proximity of the products, and actual confusion (citing Polaroid Corp. v. Polarad Elecs. Corp., 287 F.2d 492, 495 (2d Cir. 1961))).

16 *See* Tushnet, *supra* note 13, at 1313.

17 *Id.* at 1318–27; *see also* Southland Sod Farms v. Stover Seed Co., 108 F.3d 1134, 1139 (9th Cir. 1997) (enumerating three categories—literally false, false by necessary implication, or literally true but likely to mislead—into which a statement in an advertisement may fall in order to be considered false under the Lanham Act (citing Castrol Inc. v. Pennzoil Co., 987 F.2d 939, 946 (3d Cir. 1993))).

18 *See* Tushnet, *supra* note 13, at 1344–73.

19 *Id.* at 1344.

20 *Id.* at 1352–60. For further discussion of materiality's absence in trademark law, see *infra* Section IV.A.

The third major area of difference between trademark and false advertising doctrines that Professor Tushnet identifies is standing.[21] Plaintiffs who sue for trademark infringement may do so rather easily under the lax standing requirements imposed by courts.[22] In false advertising cases, however, courts have applied much stricter standards to determine whether a plaintiff has standing to sue.[23]

Professor Tushnet offers heavy criticism of these variances in application.[24] Whatever the merits of her arguments, her article makes clear one obvious truth: courts, for whatever reasons, have chosen to treat the two parts of section 43(a) quite differently. This Note attempts to question the extent to which that practice should continue, in light of a recent Supreme Court holding.

II. The *Lexmark* Decision and the Resulting Ambiguity

Prior to the Supreme Court's decision in *Lexmark*, federal courts differed in their application of standing requirements for false advertising cases. As the Court pointed out in the unanimous *Lexmark* opinion, the various circuit courts of appeals seemed to apply three distinct standards.[25] The Seventh, Ninth, and Tenth Circuits allowed only direct competitors of defendants to maintain false advertising suits.[26] The Second Circuit, meanwhile, used a "reasonable interest" test to determine standing.[27] Finally, the Third, Fifth, Eighth, and Eleventh Circuits employed a multifactor balancing test to determine whether a plaintiff had standing.[28] When Static Control initially tried to bring a claim for false advertising, the district court opted to apply that multifactor balancing test, concluding that Static Control did not have standing to sue.[29] After Static Control appealed the dismissal of its claim, the Sixth Circuit instead applied the Second Circuit's reasonable interest test and

21 *Id.* at 1374–82.

22 *Id.* at 1374–75.

23 *Id.* at 1375–82. For a more detailed account of these standing requirements, see *infra* text accompanying notes 25–28.

24 *See generally* Tushnet, *supra* note 13 (urging that trademark law should be treated similarly to false advertising law with regard to implications and materiality, while trademark law's more lenient standing requirement should apply to false advertising cases).

25 Lexmark Int'l, Inc. v. Static Control Components, Inc., 134 S. Ct. 1377, 1385 (2014).

26 *Id.* (citing Static Control Components, Inc. v. Lexmark Int'l, Inc., 697 F.3d 387, 410 (6th Cir. 2012)).

27 *Id.* ("[A] Lanham Act plaintiff 'has standing [under this test] if the claimant can demonstrate '(1) a reasonable interest to be protected against the alleged false advertising and (2) a reasonable basis for believing that the interest is likely to be damaged by the alleged false advertising.''" (quoting *Static Control*, 697 F.3d at 410)).

28 *Id.* (citing *Static Control*, 697 F.3d at 410).

29 *Id.* (citing Petition for Writ of Certiorari at 83, *Lexmark*, 134 S. Ct. 1377 (No. 12-873), 2013 WL 166412).

reversed the lower court's dismissal.[30] After granting certiorari, the Supreme Court set out to resolve this dispute regarding which standard to apply.[31]

The Court began its opinion by clarifying that, contrary to arguments made by Lexmark, the question at issue involved the statutory scope of the Lanham Act, rather than Static Control's "prudential standing" to bring a claim.[32] Writing for the Court, Justice Scalia acknowledged the principles traditionally associated with prudential standing,[33] but insisted that Lexmark's reliance on this doctrine was misplaced.[34] Instead, Justice Scalia explained, the question of whether a plaintiff falls within a "zone of interests" protected by a particular statute is a question of statutory interpretation, not of prudential standing.[35] The Court made clear, then, that the question at issue in this case was "a straightforward question of statutory interpretation"—ostensibly, whether Congress authorized Static Control to sue under section 43(a) of the Lanham Act.[36]

In order to resolve that question, the Court looked first to the statutory language. After all, the statute itself appears to state rather clearly who is authorized to bring a claim—namely, "any person who believes that he or she is or is likely to be damaged by" a defendant's false statement or representation.[37] The Court insisted, however, that this language should not be read so broadly that the statute "'allow[s] all factually injured plaintiffs to recover.'"[38] Rather, there exist two limitations—zone of interests and proximate cause—upon the statute's scope.[39]

The first principle enumerated by the Court is that "a statutory cause of action extends only to plaintiffs whose interests 'fall within the zone of interests protected by the law invoked.'"[40] Each statute requires a different zone-of-interests analysis, and the Lanham Act's protected interests can be gleaned most easily from the text of section 45, which lays out the Lanham Act's purpose.[41] In light of that purpose, the Court concluded that a plaintiff's inter-

30 *Static Control*, 697 F.3d at 410–11.

31 *Lexmark*, 134 S. Ct. at 1385.

32 *Id.* at 1386–88.

33 *Id.* at 1386 (quoting Elk Grove Unified Sch. Dist. v. Newdow, 542 U.S. 1, 12 (2004)).

34 *Id.* at 1386–87 (explaining that *Associated General Contractors of California, Inc. v. Carpenters*, 459 U.S. 519 (1983), the case upon which Lexmark relied to make this argument, did not address prudential standing, but instead focused on the scope of the remedy provided by the Clayton Act).

35 *Id.* at 1387 ("'"Prudential standing" is a misnomer' as applied to the zone-of-interests analysis, which asks whether 'this particular class of persons ha[s] a right to sue under this substantive statute.'" (quoting Ass'n of Battery Recyclers, Inc. v. EPA, 716 F.3d 667, 675–76 (D.C. Cir. 2013) (Silberman, J., concurring))).

36 *Id.* at 1387–88.

37 15 U.S.C. § 1125(a)(1) (2012).

38 *Lexmark*, 134 S. Ct. at 1388 (quoting Holmes v. Sec. Investor Prot. Corp., 503 U.S. 258, 266 (1992)).

39 *Id.*

40 *Id.* (quoting Allen v. Wright, 468 U.S. 737, 751 (1984)).

41 *Id.* at 1389 (citing Halicki v. United Artists Commc'ns, Inc., 812 F.2d 1213, 1214 (9th Cir. 1987); 15 U.S.C. § 1127).

ests fall within the zone of interests of the Lanham Act only if he "an injury to a commercial interest in reputation or sales" is alleged.[42]

Next, the Court noted that "a statutory cause of action is limited to plaintiffs whose injuries are proximately caused by violations of the statute."[43] The Court pointed out that proximate causation requires that a plaintiff's injury is not too remote, while also clarifying that Lanham Act claims alleging an "intervening step of consumer deception" are not too remote to satisfy this requirement.[44] In order to satisfy this proximate causation requirement, a plaintiff "must show economic or reputational injury flowing directly from the deception wrought by the defendant's advertising . . . that occurs when deception of consumers causes them to withhold trade from the plaintiff."[45]

The Court went on to consider the proper method for assessing whether a plaintiff falls within the zone of interests protected by the statute and alleges an injury proximately caused by the defendant's actions. The Court actually rejected each of the competing approaches previously used by the Circuit Courts.[46] With regard to the direct-competitor test, the Court explained that this approach unnecessarily restricts the class of eligible Lanham Act plaintiffs due to a misunderstanding of the statute's language.[47] The Court also dismissed the Second Circuit's reasonable interest test both because the test's "vague language" tends to prevent uniformity in application as well as the fact that "[t]he relevant question is not whether the plaintiff's interest is 'reasonable,' but whether it is one the Lanham Act protects; and not whether there is a 'reasonable basis' for the plaintiff's claim of harm, but whether the harm alleged is proximately tied to the defendant's conduct."[48] In response to Lexmark's contention that the Court should apply the multifactor balancing test, the Court noted that, while this test's factors might conceivably mirror the zone-of-interests and proximate cause principles, "it is not correct to treat those requirements, which must be met in every case, as mere factors to be weighed in a balance."[49]

Rather than adopt any of the proposed standards, the Court concluded that "a direct application" of the two requirements—zone of interests and proximate cause—is the proper test to determine whether a plaintiff is authorized to sue under the statute.[50] Under this two-part test, Static Control was authorized to sue.[51]

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42 *Id.* at 1390.

43 *Id.*

44 *Id.* at 1391.

45 *Id.*

46 *See supra* text accompanying notes 25–28 (describing these approaches).

47 *Lexmark*, 134 S. Ct. at 1392 (stating that "[i]t is . . . a mistake to infer that because the Lanham Act treats false advertising as a form of unfair competition, it can protect *only* the false-advertiser's direct competitors").

48 *Id.* at 1393.

49 *Id.* at 1392.

50 *Id.* at 1391.

51 *Id.* at 1393–94 (indicating, first, that the lost sales and damaged reputation alleged by Static Control fall within the zone of interests protected by the Lanham Act, and, sec-

In the concluding paragraph of its opinion in *Lexmark*, the Supreme Court summarized its holding: "To invoke the Lanham Act's cause of action for false advertising, a plaintiff must plead (and ultimately prove) an injury to a commercial interest in sales or business reputation proximately caused by the defendant's misrepresentations."[52] The scope of this holding remains unclear, however. The Supreme Court failed to specify whether this standard applies only to false advertising claims brought pursuant to section 43(a)(1)(B) of the Lanham Act, or if it also applies to false association claims brought under section 43(a)(1)(A).

Since the *Lexmark* decision, several cases have prompted district courts to address the outstanding question of whether that decision applies to trademark cases.[53] Unsurprisingly, in light of the ambiguity of the Court's opinion, courts have differed in their interpretations of *Lexmark*'s scope.

In *Ahmed v. Hosting.com*, a court held that the plaintiff, Naeem Ahmed, lacked standing to bring trademark infringement suits against the defendants.[54] The court first explained that Ahmed could not sue under section 32 because he failed to show that he was the owner or licensee of any registered marks.[55] The court also held that Ahmed lacked standing to sue under section 43(a).[56] Interestingly, the court applied two tests in making this determination—the First Circuit's "reasonable interest" test[57] and, alternatively, the standard from *Lexmark*.[58] In doing so, the court expressed its own uncertainty about the scope of the holding in *Lexmark*. The court noted that "[w]hile the *Lexmark* case was decided in a false advertising context, it is unclear whether the Supreme Court's holding extends to false association claims, as is at issue here."[59] Because—according to the court's analyses—Ahmed lacked standing under both tests, the court declined to decide whether *Lexmark* applies to trademark cases.[60]

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ond, that Lexmark's alleged misrepresentations proximately caused these injuries, even though the causation "is not direct, but includes the intervening link of injury to the remanufacturers").

52 *Id.* at 1395.

53 Peter Kiewit Sons', Inc. v. Wall Street Equity Grp., Inc., No. 8:10-CV-365, 2014 WL 4843674 (D. Neb. Sept. 29, 2014); Lundgren v. AmeriStar Credit Solutions, Inc., No. 3:12-263, 2014 WL 4079962 (W.D. Pa. Aug. 18, 2014); Reynolds Consumer Prods., Inc. v. Handi-Foil Corp., No. 1:13-CV-214, 2014 WL 3615853 (E.D. Va. July 18, 2014); Ahmed v. Hosting.com, Nos. 13-13117-WGY, 14-10026-WGY, 2014 WL 2925292 (D. Mass. June 27, 2014).

54 *Ahmed*, 2014 WL 2925292, at *3.

55 *Id.* at *5.

56 *Id.* at *5–7.

57 *Id.* at *5 ("The First Circuit has interpreted section 1125(a) to require that the plaintiff have a 'reasonable interest' to be protected and demonstrate a 'sufficient nexus between [herself] and the alleged conduct.'" (quoting Quabaug Rubber Co. v. Fabiano Shoe Co., 567 F.2d 154, 160 (1st Cir. 1977))).

58 *Id.* at *6–7.

59 *Id.* at *6 (citation omitted).

60 *Id.* ("[T]his Court need not resolve the issue here, and assumes without deciding that *Lexmark* applies in false association claims.").

The court in *Lundgren v. AmeriStar Credit Solutions, Inc.* took a similar stance when it applied the *Lexmark* analysis to determine that a plaintiff lacked standing to sue.[61] In *Lundgren*, the plaintiff, Gary Lundgren, made claims against his former employee for both false advertising and false association. There, the court found *Lexmark* controlling.[62] The court did acknowledge, however, that *Lexmark* involved only a false advertising claim.[63] In a reference to the *Ahmed* opinion, the court went on to clarify that it would assume without deciding that *Lexmark* applies to false association cases.[64] Notably, though, the court did provide reasoning to support the premise that *Lexmark* does indeed apply to false association cases. The court "note[d] that the Court of Appeals for the Third Circuit previously held that, for purposes of the standing analysis, there was no distinction between the two types of actions."[65] In applying the *Lexmark* analysis, the court ultimately concluded that Lundgren could not "establish the necessary nexus for proximate cause" and therefore could not bring either of his Lanham Act claims.[66]

In *Reynolds Consumer Products, Inc. v. Handi-Foil Corp.*, a court denied the defendant Handi-Foil's renewed motion for judgment as a matter of law, rejecting its argument that *Lexmark* should invalidate the infringement claims made by plaintiff Reynolds Consumer Products, Inc.[67] In contrast to the restraint demonstrated by the courts in *Ahmed* and *Lundgren*, the court in *Reynolds* explicitly rejected the argument that *Lexmark*'s standard applies to trademark cases.[68] To support its reasoning, the court pointed to the language used by Justice Scalia in the *Lexmark* opinion.[69] Specifically, the court cited two passages from *Lexmark*. First, the court quoted from the final paragraph of the background section in *Lexmark*: "In *Lexmark*, the Supreme Court 'granted certiorari to decide the appropriate analytical framework for determining a party's standing to maintain an *action for false advertising* under the Lanham Act.'"[70] Notably, however, the *Reynolds* court omitted the internal quotation marks and citation from that passage.[71] In doing so, the court

61 Lundgren v. AmeriStar Credit Solutions, Inc., No. 3:12-263, 2014 WL 4079962, at *5–8 (W.D. Pa. Aug. 18, 2014).

62 *Id.* at *6.

63 *Id.* at *8 n.4 (citing *Ahmed*, 2014 WL 2925292, at *6).

64 *Id.*

65 *Id.* (citing Conte Bros. Auto., Inc. v. Quaker State-Slick 50, Inc., 165 F.3d 221, 234 (3d Cir. 1998)).

66 *Id.* at *8.

67 Reynolds Consumer Prods., Inc. v. Handi-Foil Corp., No. 1:13-CV-214, 2014 WL 3615853, at *2 (E.D. Va. July 18, 2014) ("Handi-Foil asserts that under *Lexmark* Reynolds cannot prevail on its trade dress infringement claim because it did not produce 'substantial evidence' of harm during trial.").

68 *Id.* (referring to *Lexmark* as "totally inapplicable" in the context of trade dress infringement).

69 *Id.*

70 *Id.* (citing Lexmark Int'l, Inc. v. Static Control Components, Inc., 134 S. Ct. 1377, 1385 (2014)).

71 The court indicated the omitted citation (in addition to noting its added emphasis), but failed to make note of the absence of internal quotation marks.

gave the impression that the language originated with the Supreme Court's decision in *Lexmark*. In reality, however, the language is a direct quotation from Lexmark's petition for certiorari.[72] The other passage that the *Reynolds* court cited comes from the concluding paragraph of the *Lexmark* decision.[73]

As in *Reynolds*, the court in *Peter Kiewit Sons', Inc. v. Wall Street Equity Group, Inc.* dismissed the notion that *Lexmark* applies to trademark cases.[74] In *Kiewit*, the plaintiff brought claims against the defendant for both trademark infringement and false advertising.[75] After entering a default judgment against the defendants, the Court determined that the defendants were liable for trademark infringement but that the plaintiff could not sue for false advertising due to its failure to meet the standard laid out in *Lexmark*.[76] In its discussion of the plaintiff's false advertising claim, the court specifically addressed the question of *Lexmark*'s scope.[77] The court's conclusion that *Lexmark* is not applicable in the context of trademark infringement appears to be supported by two lines of reasoning. First, the court pointed out that "the [Supreme] Court's reasoning [in *Lexmark*] is particular to false advertising claims."[78] Second, the *Kiewit* court expressed concern that extending the scope of *Lexmark* would cause a "sea change in trademark infringement law."[79]

The divergent approaches taken by these courts are indicative of the general confusion that *Lexmark* left in its wake regarding standing under section 43(a). Despite this apparent ambiguity, however, it is possible to come to a clear conclusion regarding *Lexmark*'s ultimate effect.

III. A Textual Analysis of *Lexmark*'s Scope

In light of the Supreme Court's holding in *Lexmark*, courts should apply the zone-of-interests and proximate cause requirements to all section 43(a) claims. This conclusion finds significant support in the texts of the Lanham Act and Justice Scalia's opinion in *Lexmark*. An examination of both indi-

72 *Lexmark*, 134 S. Ct. at 1385 (quoting Petition for Writ of Certiorari at 83, *Lexmark*, 134 S. Ct. 1377 (No. 12-873), 2013 WL 166412).

73 *Reynolds*, 2014 WL 3615853, at *2 ("A unanimous Supreme Court answered this question by holding that '[t]o invoke the Lanham Act's cause of *action for false advertising*, a plaintiff must plead (and ultimately prove) an injury to a commercial interest in sales or business reputation proximately caused by the defendant's misrepresentations.' " (alteration in original) (quoting *Lexmark*, 134 S. Ct. at 1395)).

74 Peter Kiewit Sons', Inc. v. Wall St. Equity Grp., Inc., No. 8:10-CV-365, 2014 WL 4843674, at *6 n.5 (D. Neb. Sept. 29, 2014).

75 *Id.* at *4–6.

76 *Id.* at *5–6.

77 *Id.* at *5 n.5 (noting that the holding in *Lexmark* "rais[es] a question as to whether the standing requirements the Court applied to a false advertising claim . . . might also apply to a mark infringement claim").

78 *Id.*

79 *Id.*

cates that the Court's standing requirement[80] should govern trademark as well as false advertising claims.

It is important first to look at the structure of section 43(a). For practical purposes, section 43(a)(1) can be divided into three parts. The first part begins with "[a]ny person who, on or in connection with any goods or services . . . uses in commerce any word, term, name, symbol, or device, or any combination thereof, or any false designation of origin, false or misleading description of fact, or false or misleading representation of fact."[81] Following that language, part two of the statute includes two subsections—the first describes the effect that such a misrepresentation must have in order to constitute trademark infringement, and the second characterizes the type of misrepresentation constituting false advertising.[82] Section 43(a)(1) concludes in its third part that a person who violates the provision "shall be liable in a civil action by any person who believes that he or she is or is likely to be damaged by such act."[83]

A consideration of that structure and the function of each of the three parts supports the premise that infringement and false advertising should have the same standing requirement. The first and third parts of the section apply generally to both causes of action, while the second part refers specifically to each.[84] Logically, then, any basis for separate treatment of the two causes of action must derive from the second part. The second part, however, makes no mention of injury, harm, or ability of a plaintiff to sue.[85] No principles of standing (including the zone-of-interests and proximate cause requirements) can be gleaned from the language describing the two separate types of violations. Rather, the third part both creates the cause of action and specifies which type of plaintiff is eligible to sue. Because the third part of the section applies equally to both false advertising and trademark infringement, the ability to sue created in that part should be interpreted identically for the two causes of action.

The text of the opinion in *Lexmark*, although somewhat cryptic on the issue, also indicates that the case's holding should apply broadly rather than narrowly. Critics of this position might point to the concluding paragraph of the decision, which states that "[t]o invoke the Lanham Act's cause of action *for false advertising*, a plaintiff must plead (and ultimately prove) an injury to a commercial interest in sales or business reputation proximately caused by the

80 The Supreme Court in *Lexmark* disavowed the use of the term "standing" in this context. *See supra* text accompanying notes 32–36. For the sake of convenience, however, this Note will use the term "standing" to refer to the issue of "whether [a plaintiff] has a cause of action under the statute." Lexmark Int'l, Inc. v. Static Control Components, Inc., 134 S. Ct. 1377, 1387 (2014).

81 15 U.S.C. § 1125(a)(1) (2012).

82 *Id.* § 1125(a)(1)(A)–(B).

83 *Id.* § 1125(a)(1).

84 *See id.*

85 *See id.* § 1125(a)(1)(A)–(B).

defendant's misrepresentations."[86] It is worth noting that this paragraph directly follows the section of the opinion entitled, "Application," which begins, "[a]pplying those principles to Static Control's false-advertising claim."[87] Aside from that one sentence at the end of the opinion, however, the Court in *Lexmark* avoided specifying that its standard applies to "false advertising," instead consistently referring to the law as "§ 1125(a)."[88]

Moreover, the Court's explanation of its reasoning for employing the zone-of-interests and proximate cause requirements suggests that these requirements should apply generally to section 43(a) claims.[89] In fact, the Court derived both of these requirements not from any particularity present in the Lanham Act but from general principles of statutory interpretation. With regard to the zone-of-interests requirement, the Court noted, "we presume that a statutory cause of action extends only to plaintiffs whose interests 'fall within the zone of interests protected by the law invoked.'"[90] Explaining proximate cause, the Court reasoned, "we generally presume that a statutory cause of action is limited to plaintiffs whose injuries are proximately caused by violations of the statute."[91] It is clear, then, that the requirements imposed by the Court are ones that apply generally to all causes of action created by congressional statutes rather than specifically to false advertising claims.

The Court's choice of a test to implement these two requirements does not suggest that this test does or should apply exclusively to false advertis-

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86 Lexmark Int'l, Inc. v. Static Control Components, Inc., 134 S. Ct. 1377, 1395 (2014) (emphasis added); *see also* Reynolds Consumer Prods., Inc. v. Handi-Foil Corp., No. 1:13-CV-214, 2014 WL 3615853, at *2 (E.D. Va. July 18, 2014) (quoting this sentence to support the conclusion that *Lexmark* is inapplicable in the trademark context). The court in *Reynolds* also quotes another passage from *Lexmark*, 134 S. Ct. at 1385, that appears to indicate that the issue for the Court to determine in *Lexmark* was specific to false advertising. As noted above, though, the language quoted in *Reynolds* did not originate with the Supreme Court; rather, the Court in *Lexmark* includes that language as a quotation from Lexmark's petition for certiorari. *See supra* text accompanying notes 69–71. It is particularly misguided to attribute that language to the Supreme Court because it includes the word "standing," which the Court rejected as inapplicable in *Lexmark*. *See supra* notes 32–36 and accompanying text. It seems clear, then, that this sentence represents the prerogative of the parties, not of the Court.

87 *Lexmark*, 134 S. Ct. at 1393.

88 *See, e.g.*, *id.* at 1387 ("In sum, the question this case presents is whether Static Control falls within the class of plaintiffs whom Congress has authorized to sue under § 1125(a)."); *id.* at 1388 ("Thus, this case presents a straightforward question of statutory interpretation: Does the cause of action in § 1125(a) extend to plaintiffs like Static Control?"); *id.* at 1390 ("We thus hold that to come within the zone of interests in a suit for false advertising under § 1125(a), a plaintiff must allege an injury to commercial interest in reputation or sales."); *id.* at 1391 ("We thus hold that a plaintiff suing under § 1125(a) ordinarily must show economic or reputational injury flowing directly from the deception wrought by the defendant's advertising; and that that occurs when deception of consumers causes them to withhold trade from the plaintiff.").

89 *See id.* at 1388–91.

90 *Id.* at 1388 (quoting Allen v. Wright, 468 U.S. 737, 751 (1984)).

91 *Id.* at 1390.

ing.[92] The Court simply rejected the existing approaches to standing and concluded that "a direct application" of the two requirements should serve as the test.[93] The Court provided no indication that this priority of straightforward rather than vague and complicated analysis should apply only to false advertising.[94] The Court's rejection of the Second Circuit's reasonable interest test is particularly telling. The Court noted: "The relevant question is not whether the plaintiff's interest is 'reasonable,' but whether it is one the Lanham Act protects; and not whether there is a 'reasonable basis' for the plaintiff's claim of harm, but whether the harm alleged is proximately tied to the defendant's conduct."[95] Especially given the textual analysis of the statute,[96] it is difficult to envision a way in which this succinct explanation of Lanham Act standing applies narrowly to false advertising claims under section 43(a)(1)(B) but is, as the court in *Reynolds* contended, "totally inapplicable" to infringement claims brought under section 43(a)(1)(A).[97]

Neither the text of the statute nor that of the Court's opinion indicates that *Lexmark* should be limited to false advertising. In fact, both texts support exactly the opposite conclusion—that *Lexmark*'s application should be uniform. In light of this understanding of the decision, courts should not hesitate to apply *Lexmark* to trademark claims, especially considering the policy benefits of such a shift.

IV. A Policy-Based Argument for Uniformity

Further support for the application of *Lexmark*'s standing requirement in trademark law can be found by examining the implications of such an application. The standard in *Lexmark* will likely lead to a more expansive treatment of false advertising claims—in other words, more claims should survive motions to dismiss than under the tests previously employed by the various circuit courts.[98] The same cannot be said of infringement claims brought pursuant to section 43(a)(1)(A). For years, scholars have pointed to a number of ways in which trademark doctrine has become overexpansive.[99]

92 *See id.* at 1391–93.

93 *Id.* at 1391.

94 *See id.* at 1391–93.

95 *Id.* at 1393.

96 *See supra* text accompanying notes 80–85.

97 *See* Reynolds Consumer Prods., Inc. v. Handi-Foil Corp., No. 1:13-CV-214, 2014 WL 3615853, at *2 (E.D. Va. July 18, 2014).

98 Deborah R. Gerhardt, Lexmark *and the Death of Initial Interest Confusion*, LANDSLIDE, Sept./Oct. 2014, at 22, 25 (providing the percentages of plaintiffs who have had standing under each of the former standards and concluding that "[a]s a result of this loosening of the standing rules [in *Lexmark*], more false advertising claims will be brought, and more are likely to survive motions to dismiss"); Rebecca Tushnet, *We All Stand: Static Control Can Sue*, REBECCA TUSHNET'S 43(B)LOG (Mar. 26, 2014), http://tushnet.blogspot.com/2014/03/we-all-stand-static-control-can-sue.html (suggesting that "the new standard could mean that more plaintiffs get past the pleading stage").

99 *See, e.g.*, Mark A. Lemley & Mark McKenna, *Irrelevant Confusion*, 62 STAN. L. REV. 413, 414 (2010) (arguing that "trademark law has taken the concept of confusion too far");

If courts apply the standard set out in *Lexmark*, however, they might begin to reign in what many have viewed as excessive trademark litigation. Specifically, an application of *Lexmark*'s proximate cause requirement in infringement cases will help to make up for the absence of any real materiality requirement in trademark law.[100] Such an application also could limit, and possibly eliminate completely, the doctrine of initial interest confusion.[101]

The significant impact that *Lexmark* would have on trademark doctrine has actually been cited as a reason to limit its holding to false advertising cases. The court in *Kiewit*, for instance, argued that "there is no sound basis to imply *a sea change in trademark infringement law* from an ambiguous citation in *Lexmark*."[102] This line of reasoning is untenable: "It is emphatically the province and duty of the judicial department to say what the law is."[103] Where, as here, the judiciary's highest court has proclaimed what the law is, lower courts cannot choose to ignore such a proclamation due to concerns over the doctrinal shifts that might arise. Such concerns are particularly misplaced in light of the fact that *Lexmark* unquestionably has instituted significant changes in false advertising doctrine. Once courts accept that the Supreme Court has created an entirely new standard governing false advertising claims, they should not be so hesitant to accept a similar change with regard to infringement claims. Moreover, the Court has issued several past decisions that have brought about "sea changes" in trademark law.[104] Courts should adjust to the new standard provided by *Lexmark* just as they have applied the holdings in these past cases.

In any event, there is no need for courts to worry about *Lexmark*'s impact; they should welcome, rather than avoid, a sea change in trademark law. If *Lexmark*'s holding does extend to section 43(a)(1)(A), its application will bring about a much-needed narrowing of trademark doctrine. *Lexmark*'s possible impact on trademark law is particularly apparent through an examination of two issues—materiality and initial interest confusion.

Glynn S. Lunney, Jr., *Trademark Monopolies*, 48 EMORY L.J. 367, 372 (1999) ("This expansion [of trademark protection], and its associated reinterpretation of trademark's underlying policies, presents a serious threat to social welfare and has placed at risk the competitive balance that deception-based trademark law originally established.").

100 *See infra* Section IV.A.

101 *See infra* Section IV.B.

102 Peter Kiewit Sons', Inc. v. Wall St. Equity Grp., Inc., No. 8:10-CV-365, 2014 WL 4843674, at *5 n.5 (D. Neb. Sept. 29, 2014) (emphasis added).

103 Marbury v. Madison, 5 U.S. (1 Cranch) 137, 177 (1803).

104 *See, e.g.*, Dastar Corp. v. Twentieth Century Fox Film Corp., 539 U.S. 23, 37 (2003) (holding that the term "origin" in section 43(a) refers to the origin of physical goods, not the origin of the goods' contents or ideas); Wal-Mart Stores, Inc. v. Samara Bros., Inc., 529 U.S. 205, 216 (2000) (holding that product design cannot be inherently distinctive and is only protectable with evidence of secondary meaning); Inwood Labs., Inc. v. Ives Labs., Inc., 456 U.S. 844, 855 (1982) (holding that a manufacturer or distributor can be held secondarily liable for infringement only if it intentionally induces infringement or supplies its product to one it knows or has reason to know is engaging in trademark infringement).

A. Proximate Cause and Materiality

The extension of *Lexmark* to infringement cases could positively impact trademark law by making up for the current lack of a materiality requirement in trademark litigation. One notable difference between trademark law and false advertising law is the recognition in false advertising law of materiality as an essential element of a claim for relief.[105] While courts require plaintiffs in false advertising cases to demonstrate that a misrepresentation is material (i.e., that the misrepresentation "is likely to influence the purchasing decision"),[106] courts impose no such requirement on plaintiffs in suits brought under section 43(a)(1)(A). The absence of a materiality inquiry in trademark law has yielded predictable results—findings of liability in many cases despite the absence of any cognizable harm. The Supreme Court has asserted that "[t]he words of the Lanham Act should not be stretched to cover matters that are typically of no consequence to purchasers."[107] Yet courts continue to find infringement based solely on confusion without considering whether the confusion at issue matters.[108] This overly permissive treatment of trademark claims has led to a doctrine that strays from the Lanham Act's purpose and often leads to unfair results and unwanted incentives.[109] One way in which courts could begin to reverse this trend and narrow trademark liability to behavior that is truly relevant is through the application of *Lexmark*'s proximate cause requirement in trademark law.

The absence of a formal materiality requirement has not always been problematic. When trademark rights were more limited, "[i]nfringement was, by definition, material."[110] That is because, initially, the goal of trademark law was the prevention of confusing or deceptive behavior that diverted business from a plaintiff.[111] In response to market forces in the middle of the twentieth century, however, trademark law's focus shifted away from a concentration solely on trade diversion.[112] Courts' confusion inquiries began to concentrate not only on confusion as to the source of goods, but also on confusion as to any sort of sponsorship or affiliation between the plaintiffs and defendants.[113] This expansion of the definition of confusion

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105 Tushnet, *supra* note 13, at 1344.

106 Thermal Design, Inc. v. Indoor Courts of Am., Inc., No. 03-C-249-C, 2004 WL 770995, at *6 (W.D. Wis. Apr. 9, 2004).

107 *Dastar*, 539 U.S. at 32–33; *see also* Tushnet, *supra* note 13, at 1365 (suggesting that courts should rely on the Supreme Court's statement in *Dastar* in order to "revitalize materiality" in trademark law).

108 *See infra* text accompanying notes 116–22.

109 *See infra* text accompanying notes 123–28.

110 Tushnet, *supra* note 13, at 1352.

111 Lemley & McKenna, *supra* note 99, at 422.

112 *Id.* at 423. Specifically, this shift occurred because the close correlation between source confusion and trade diversion, which "depended critically on the assumption that consumers would not think unrelated goods came from the same source," eroded along with that assumption "as producers began serving much wider geographic and product markets." *Id.*

113 *Id.* at 425.

has led to overly broad protection for trademark owners. Professor Glynn Lunney explains this problem as a transition from "deception-based trademark" into "property-based trademark."[114] While marks once functioned as a method for protecting plaintiffs' products, marks themselves now have become products worth protecting.[115]

Without a materiality requirement to counterbalance this broad definition of confusion, courts often find infringement where there is no harm.[116] Confusion alone is a poor indicator of harm because, even when customers are confused about a relationship between a plaintiff and defendant, that confusion often has little effect on purchasing decisions.[117] This problem is particularly evident in instances of sponsorship or affiliation confusion. In these cases, usually involving noncompeting goods, plaintiffs claim infringement even though there can be no confusion as to the source of the goods. For example, in response to a suit by the Dairy Queen restaurant chain, a federal district court enjoined New Line Productions from releasing a film, which parodied beauty contestants in Minnesota, under the title *Dairy Queens*.[118] There, while conceding that this case involved noncompetitive products, the court noted that "a lack of direct competition does not preclude a finding of likelihood of confusion."[119] Ultimately, the court found that the plaintiff's infringement claim warranted a preliminary injunction because the film's title was likely to confuse customers either about the film's source or Dairy Queen's possible endorsement or permission.[120] Setting aside the dubiousness of this conclusion (particularly, the notion that any consumers might think that Dairy Queen produced the film), it is important to point out what the court did not consider—whether this customer confusion matters. As Rebecca Tushnet has noted: "It's hard to imagine that consumers mistaken about Dairy Queen's involvement with a movie about midwestern beauty queens would consider that involvement a reason either to see the movie or to choose a different restaurant."[121] Even when mark owners can articulate theories of harm in sponsorship affiliation cases, the harm is attenuated and unrelated to the goals of trademark law. For example, in the *Dairy Queen* case, the plaintiff could have argued that the unaffiliated use of its mark would harm its ability to license its mark to other noncompeting products. This argument, though perhaps technically true,

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114 Lunney, *supra* note 99, at 371.

115 *Id.*

116 *See* Tushnet, *supra* note 13, at 1345 ("Materiality is an intuitive part of harm, because harm only comes when there is a causal link between the falsehood and consumers' behavior.").

117 Lemley & McKenna, *supra* note 99, at 427.

118 Am. Dairy Queen Corp. v. New Line Prods., Inc., 35 F. Supp. 2d 727, 735 (D. Minn. 1998). The film was given a new title, *Drop Dead Gorgeous*, and released in 1999. Lemley & McKenna, *supra* note 99, at 418.

119 *Dairy Queen*, 35 F. Supp. 2d at 731 (citing Anheuser-Busch, Inc. v. Balducci Publ'ns, 28 F.3d 769 (8th Cir. 1994)).

120 *Id.* at 732.

121 Tushnet, *supra* note 13, at 1352.

has nothing to do with the Lanham Act's purpose and is reminiscent of Glynn Lunney's lamented "property-based trademark."[122] In short, the absence of a materiality requirement in cases like *Dairy Queen* allows plaintiffs to succeed in bringing infringement claims that do not involve competitive harm.

From a policy perspective, the judicial practice of finding infringement without harm is cause for concern. Trademark law is supposed to enable efficient and fair competition, but Glynn Lunney has exposed the anticompetitive effects of the expansion of trademark rights—"it generates market power and associated efficiency losses without the offsetting efficiency gains that are thought to justify deception-based trademark."[123] In addition to its economic disadvantages, such broad protection for mark owners has the effect of limiting and discouraging expressive speech. In fact, this broad protection has become so ingrained in the public consciousness that even the prospect of an infringement suit can cause people or organizations to stifle or alter their speech, even when such speech poses no threat of competitive injury to mark owners.[124] For example, in order to avoid the kind of litigation over affiliation confusion that New Line faced in *Dairy Queen*, filmmakers that make use of famous marks often allow the mark owners a degree of editorial control.[125] The implications of this practice are worrisome. In reference to the delays in the production of the film *Moneyball*, William McGeveran has asked[126]: "So, if a screenwriter wants to tell a story about a real [baseball] team, [the MLB's] PR executives must approve of it first? To the degree that they can change the entire style of the movie?"[127] This phenomenon does not merely threaten to distort the integrity of artistic works; it may violate the First Amendment as well.[128] The abundance of issues created necessitates some sort of solution that can limit the scope of trademark protection to confusion that is material.

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122 Lemley & McKenna, *supra* note 99, at 437 ("This is a claim to market control, not a claim of harm resulting from confusion or even an injury to consumers at all.").

123 Lunney, *supra* note 99, at 372.

124 *See, e.g.*, Lemley & McKenna, *supra* note 99, at 416–17 (explaining that local Little Leagues throughout the country have stopped the practice of naming teams after Major League Baseball teams in order to avoid being sued by MLB).

125 William McGeveran, *Trademarks, Movies, and the Clearance Culture*, INFO/LAW (July 2, 2009), http://blogs.law.harvard.edu/infolaw/2009/07/02/tm-movie-clearance/ (reporting that the screen adaptation of Michael Lewis's book *Moneyball* faced delays in filming due to concerns that the MLB, whose marks the film intended to use, would disapprove of the script).

126 *See id.*

127 *Id.* McGeveran accentuates this issue by pointing to examples of works, including the Broadway musical and film *Damn Yankees* and the biographical film *Pride of the Yankees*, that were written and produced without the chilling effects brought on by modern trademark doctrine. *Id.*

128 Lemley & McKenna, *supra* note 99, at 442.

Several commentators have urged courts to institute a materiality requirement in trademark litigation.[129] While these proposals would address well the expansive nature of trademark law, the reality is that, absent congressional action, courts will not begin imposing an actual materiality requirement on infringement claims any time in the near future.[130] In *Lexmark*, however, the Supreme Court provided lower courts with a more feasible opportunity to achieve very similar ends.

The application of *Lexmark*'s proximate cause requirement to plaintiffs claiming trademark infringement would compensate for the absence of a materiality requirement by allowing (or, in many cases, forcing) courts to dismiss claims that do not involve harm that is relevant. Under the *Lexmark* standard, plaintiffs could not sue for infringement if the "alleged harm . . . is 'too remote' from the defendant's unlawful conduct."[131] In addition to claiming that a defendant's behavior was likely to cause confusion, a plaintiff would need to claim that this confusion proximately caused the plaintiff's injury. In other words, confusion that has no effect on consumers' purchasing decisions would not be actionable, and many theories of harm that have been successful under modern trademark doctrine would be precluded. Imagine, for example, that the court in *Dairy Queen* had applied the *Lexmark* holding.[132] The court would have struggled to find that the Dairy Queen restaurants had alleged harm with "a sufficiently close connection to the conduct the statute prohibits."[133] Rather than obtain a preliminary injunction against New Line, the restaurant chain would have lacked authorization to sue. This hypothetical example illustrates the impact that *Lexmark* would have on trademark law—its holding, if applied, would ensure that "[t]he words of the Lanham Act . . . not be stretched to cover matters," such as affiliation or sponsorship confusion, "that are typically of no consequence to purchasers."[134] To be fair, the proximate cause requirement does not perfectly replicate a materiality requirement. For example, the "sliding scale" of materiality would allow courts to alter the size of a remedy based on the extent to which a defendant's behavior is material.[135] The proximate cause requirement does not offer courts this kind of discretion. Significantly, however, the requirement would help to alleviate many of the policy problems

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129 *See, e.g.*, *id.* at 445–46 (advocating a structure in which courts continue to assume materiality when plaintiffs show confusion as to the source or the quality control of the defendants' goods, while conducting materiality inquiries in all other infringement cases); Tushnet, *supra* note 13, at 1365 ("It is time to return materiality to the role it played in trademark's earlier development, when it was implicit in court holdings.").

130 Lemley & McKenna, *supra* note 99, at 450 ("Given how entrenched the current understanding of trademark law has become over the last several decades . . . it may actually be easier to achieve this reform in Congress.").

131 Lexmark Int'l, Inc. v. Static Control Components, Inc., 134 S. Ct. 1377, 1390 (2014) (quoting Holmes v. Sec. Investor Prot. Corp., 503 U.S. 258, 268–69 (1992)).

132 For a discussion of this case, see *supra* text accompanying notes 118–22.

133 *Lexmark*, 134 S. Ct. at 1390.

134 Dastar Corp. v. Twentieth Century Fox Film Corp., 539 U.S. 23, 32–33 (2003).

135 Lemley & McKenna, *supra* note 99, at 447.

that can be attributed to materiality's absence from trademark doctrine. Plaintiffs would receive relief "not merely [based] on a factual analysis of whether confusion exists, but on a policy determination that the type of confusion present warrants legal intervention."[136]

As a general matter, then, *Lexmark* would certainly have the effect of narrowing trademark law's scope through the institution of a de facto materiality requirement. A closer examination of one particular area of trademark doctrine—initial interest confusion—will further illustrate *Lexmark*'s possible effect.

B. Lexmark*'s Repercussions for Initial Interest Confusion*

One specific way in which *Lexmark* could positively impact modern trademark law is by severely limiting, if not eliminating, the doctrine of initial interest confusion. Courts employ this doctrine in cases in which "the customer is momentarily confused but has a corrected understanding before making his or her purchase."[137] In other words, even when customers fully understand that a product was not produced by or even affiliated with the plaintiff, a court may often find infringement due to initial interest confusion. Imagine, for example, that an Italian restaurant named "Wendy's Restaurant" displayed a large sign on its exterior, reading, "Wendy's." While the sign might convince some passersby that the restaurant is actually a branch of the Wendy's fast food chain, no consumer, upon going inside the Italian restaurant, would actually believe such a fact. Assuming that "Wendy's" is a valid mark, however, the fast food restaurant might argue, under the initial interest confusion doctrine, that the customers' brief misunderstanding brought about a diversion in sales from Wendy's to Wendy's Restaurant.

Courts most typically apply this doctrine in cases involving the internet—particularly, when a defendant uses a plaintiff's mark as part of its website (or as part of a paid online advertisement of the defendant's product), causing customers who search for the plaintiff's product to see search results for the defendant's product.[138] Courts have found infringement for use of a plaintiff's mark in a sponsored ad for a website,[139] in a website's domain name,[140] and in its metatags.[141] Again, however, liability exists in a case like this not because customers believe that the defendant's website actually belongs to the plaintiff; rather, courts find infringement because the defendant's use of

136 Lunney, *supra* note 99, at 481.

137 Gerhardt, *supra* note 98, at 26.

138 *See* Jennifer E. Rothman, *Initial Interest Confusion: Standing at the Crossroads of Trademark Law*, 27 CARDOZO L. REV. 105, 117–21 (2005).

139 Playboy Enters., Inc. v. Netscape Commc'ns Corp., 354 F.3d 1020, 1024–31 (9th Cir. 2004).

140 OBH, Inc. v. Spotlight Magazine, Inc., 86 F. Supp. 2d 176, 190 (W.D.N.Y. 2000). A metatag is an HTML tag that contains information about a website but is not viewable on a user's browser. *Meta Tag*, TECHTERMS.COM, http://techterms.com/definition/metatag (last visited Mar. 2, 2015).

141 Promatek Indus., Ltd. v. Equitrac Corp., 300 F.3d 808, 811–13 (7th Cir. 2002).

the mark diverts attention and, presumably, business, from the plaintiff.[142] As the Seventh Circuit explained in one case: "Consumers who are directed to [the defendant's] webpage are likely to learn more about [the defendant] and its products before beginning a new search for [the plaintiff] and [the plaintiff's mark]."[143] Liability in these cases is not always limited to the party making use of the plaintiff's mark; courts have also found liable the search engines that enable such behavior.[144]

This doctrine presents some significant problems. One primary criticism of initial interest confusion is its failure to take into account actual confusion, thereby holding defendants liable even when consumers are not confused or even likely to be confused.[145] Another downside of the doctrine is that it often unfairly and inefficiently interferes with competition by limiting legitimate uses of trademarks that would otherwise aid consumers.[146] Deborah Gerhardt illustrates this problem by discussing well-known brands, such as Prius or Kleenex, which consumers often use to describe not a specific product but a general category of products.[147] She notes, with regard to Internet searches, that "[t]he consumer's use may have been intended to generate sponsored results that would include competitive brands."[148] For example, in order to search for and buy small, adhesive pieces of notepaper, many people likely use the search term "post-it notes" or "post-its." While a number of those people might conduct that search simply to find the branded product "Post-it," many will type "post-its" simply because it is a more familiar and effective search term than "small, adhesive pieces of notepaper." This second group of people should be able to browse other competing products if they so wish, and the producers of those products should be able to enable this search process, as long as they do not deceive or confuse customers. In applying the initial interest confusion doctrine, however, courts run the risk of hindering this process and severely restricting Internet speech, even if that speech is not likely to cause confusion (let alone material confusion).

Lexmark's proximate cause requirement would limit and possibly eliminate the initial interest confusion doctrine.[149] Under the *Lexmark* standard,

142 Rothman, *supra* note 138, at 121.

143 *Promatek*, 300 F.3d at 813.

144 *See, e.g.*, *Playboy*, 354 F.3d at 1024–31 (holding that Netscape, which operates a search engine, was potentially liable for selling advertising linked to the search terms "playboy" and "playmate").

145 *See* Rothman, *supra* note 138, at 122–24 (arguing that the initial interest confusion doctrine violates the Lanham Act because it ignores the statutory necessity for a likelihood of confusion).

146 *Id.* at 133 (insisting that initial interest confusion cases "prevent competing online businesses from designing their websites so that consumers can find them and from providing truthful information about their products").

147 Gerhardt, *supra* note 98, at 26.

148 *Id.*

149 *See id.* at 27 ("*Lexmark* may be used to bury more initial interest confusion claims, and may ultimately be used as grounds for declaring the entire doctrine dead.").

a plaintiff claiming infringement based on the use of its mark on a defendant's website would need to show a close causal connection between the alleged harm and "the conduct the statute prohibits" (i.e., confusion).[150] Plaintiffs claiming initial interest confusion normally should not be able to satisfy this requirement because the confusion in these cases, by definition, dissipates before the point of sale.[151] The direct cause of the sale, then, is always something different from the initial confusion—for example, the defendant's product is better, cheaper, etc. In light of this intervening causal element, the fleeting confusion is outside the scope of *Lexmark*'s standard because it is too remote from the harm alleged.[152] This is especially true if the defendant can argue that customers use the plaintiff's mark as a reference or search tool.[153] For instance, imagine that a customer looking for the cheapest adhesive notepaper searches for "post-its" and buys from a lower priced competitor of the Post-it brand. If that competitor advertises through the use of the keyword "post-it," is that competitor's advertisement the proximate cause of the Post-it brand's inability to sell to that customer? With respect to this type of situation, Deborah Gerhardt points out that "any initial interest confusion the consumer encountered while searching will be immaterial to his or her purchasing decision and cannot form the required causal link between violation and proximately caused harm."[154]

At least regarding these more problematic applications of the initial interest confusion doctrine, *Lexmark* appears to have paved the way for a doctrinal shift. It is unclear the extent to which courts would use the proximate cause requirement in these cases. As with materiality, though, it seems clear that *Lexmark* has the potential to nudge courts in the right direction.

Conclusion

It is not difficult to understand that modern trademark law must change. The myriad available stories of attenuated yet successful theories of harm, along with the insightful criticisms offered by scholars, depict an area of law that has expanded far beyond its proper reach. *Lexmark* provides an opportunity for courts to institute meaningful change in trademark law. Its strict standing requirement, including the necessary showing of proximate cause, enables courts to seriously narrow the scope of trademark protection.

Lexmark's standard would institute a much-needed element of materiality in trademark law. Courts would no longer find infringement liability in

150 Lexmark Int'l, Inc. v. Static Control Components, Inc., 134 S. Ct. 1377, 1390 (2014).

151 Gerhardt, *supra* note 98, at 26 ("The alleged harm results in the following chronological order: (1) momentary initial confusion, (2) corrected understanding, and (3) purchase.").

152 *Lexmark*, 134 S. Ct. at 1390 (quoting Holmes v. Sec. Investor Prot. Corp., 503 U.S. 258, 268–69 (1992)); *see also* Gerhardt, *supra* note 98, at 26 (suggesting that "the corrected understanding before the point of sale [might be] enough to break the chain required to establish proximate cause").

153 *See supra* text accompanying notes 146–49.

154 Gerhardt, *supra* note 98, at 27.

cases where plaintiffs have experienced no cognizable harm. This could potentially open the door to more efficient competition and freer expression.[155] *Lexmark* could also impact a relatively small, though highly criticized, area of trademark law—initial interest confusion.[156] The proximate cause requirement would likely rein in the perceived excesses of this doctrine significantly. The nonconfusing use of a plaintiff's mark would no longer be actionable. From a policy perspective, in many cases, this could help consumers search for products effectively.[157]

Lexmark is not just an opportunity, however. It is a mandate. It is a statement of the law, and courts are bound to follow it. Clear indications that this mandate applies to trademark claims can be found in the text of both the Lanham Act and the *Lexmark* opinion. Section 43(a) of the Lanham Act does discuss false advertising and trademark causes of action separately.[158] If section 43(a)'s authorization to sue differs between the two causes of action, it must differ because of the differences in text between sections 43(a)(1)(A) and 43(a)(1)(B). It is impossible, though, to find such a difference in those separate parts of section 43(a). Meanwhile, the part of the statute that explicitly creates a cause of action applies equally to the two subsections.[159]

Combined with that textual analysis of the statute, the language in the Court's opinion in *Lexmark* makes clear the case's application in trademark law. While the Court does refer to "false advertising" a few times in the opinion, it more frequently uses the neutral term "Section 1125(a)."[160] More importantly, there is no reason that the Court's reasoning, which is based not on principles of unfair competition but of statutory interpretation, should not apply to trademark claims.[161]

Despite these indications, sweeping changes in courts' treatment of trademark law do not appear to be imminent. Of the four cases discussed above that have presented the issue of *Lexmark*'s applicability to trademarks, one court applied *Lexmark* in the alternative to a trademark claim (and that application had no effect on the case's outcome),[162] while another assumed, without deciding, that *Lexmark* applies to these claims.[163] Conversely, in two other cases the courts explicitly rejected the premise that *Lexmark* extends to

155 *See supra* text accompanying notes 123–26.
156 *See supra* text accompanying notes 149–54.
157 *See supra* text accompanying note 154.
158 15 U.S.C. § 1125(a) (2012).
159 *See supra* text accompanying notes 85–86.
160 *See supra* text accompanying notes 86–88.
161 *See supra* text accompanying notes 89–91.
162 Ahmed v. Hosting.com, Nos. 13-13117-WGY, 14-10026-WGY, 2014 WL 2925292 (D. Mass. June 27, 2014).
163 Lundgren v. AmeriStar Credit Solutions, Inc., No. 3:12-263, 2014 WL 4079962 (W.D. Pa. Aug. 18, 2014).

trademark law.[164] Notably, no court has held that *Lexmark* definitely does apply to trademark claims.

Moreover, the opinion in *Kiewit* made explicit a possible underlying motivation behind lower courts' reluctance to extend *Lexmark*: "[T]here is no sound basis to imply a sea change in trademark infringement law from an ambiguous citation in *Lexmark*."[165] While this rationale is not a valid basis for a court not to apply the law as handed down by the Supreme Court,[166] it does hint at a practical reality that may stand in the way of meaningful change. Nonetheless, less than a year has passed since the *Lexmark* decision, and only a small handful of cases have addressed the issue of the case's applicability in trademarks. In time, courts may begin to recognize the legal obligation to apply *Lexmark*'s standard to trademark claims while also appreciating the policy advantages of such an application.

164 Peter Kiewit Sons', Inc. v. Wall Street Equity Grp., Inc., No. 8:10-CV-365, 2014 WL 4843674, (D. Neb. Sept. 29, 2014); Reynolds Consumer Prods., Inc. v. Handi-Foil Corp., No. 1:13-CV-214, 2014 W 3615853, at *2 (E.D. Va. July 18, 2014).

165 *Peter Kiewit*, 2014 WL 4843674, at *5 n.5.

166 *See supra* text accompanying notes 102–04.