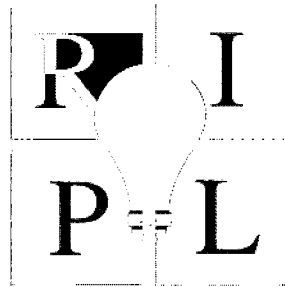


THE JOHN MARSHALL REVIEW OF INTELLECTUAL PROPERTY LAW



HONORING TRADEMARKS: THE BATTLE TO PRESERVE NATIVE AMERICAN IMAGERY IN THE NATIONAL COLLEGIATE ATHLETIC ASSOCIATION

IAN BOTNICK

ABSTRACT

On August 5, 2005, the National Collegiate Athletic Association introduced its plan to end the use of Native American mascots, nicknames and imagery. Schools were required to change their offensive nicknames and mascots and were forced to stop using trademarks bearing Native American imagery. The NCAA ban presents the question of whether schools affected by the ban can bring a trademark action against the NCAA. One interpretation of trademark law provides a school with no redress because the NCAA has not created a competing mark. However, the other interpretation of trademark law provides a school with a valid trademark claim against the NCAA because the ban substantially harms the goodwill, investment, and reputation a school has in its trademark. This comment evaluates those two interpretations as applied to the NCAA Native American ban, and proposes that courts adopt the second interpretation because of the unfair restraints the ban imposes on a school's established trademark.

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Cite as Ian Botnick, Honoring Trademarks: The Battle to Preserve Native American Imagery in the National Collegiate Athletic Association, 7 J. MARSHALL REV. INTELL. PROP. L. 735 (2008).

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IAN BOTNICK*

The law of unfair trade comes down very nearly to this – as judges have repeated again and again – that one merchant shall not divert customers from another by representing what he sells as emanating from the second The law often ignores the nicer sensibilities.¹

- Judge Learned Hand

INTRODUCTION

On August 5, 2005, the National Collegiate Athletic Association (“NCAA”)² changed the face of college athletics. On that day, the NCAA announced its plan “to prohibit NCAA colleges and universities from displaying hostile and abusive racial/ethnic/national origin mascots, nicknames or imagery at any of the [eighty-eight] NCAA championships.”³ While some have questioned the NCAA’s demands,⁴ no school has challenged the NCAA Native American mascot and imagery ban on a

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¹ Yale Elec. Corp. v. Robertson, 26 F.2d 972, 973–74 (2d Cir. 1928).

² See generally NCAA EXECUTIVE COMM., NCAA STRATEGIC PLAN 3 (2004), available at <http://www.ncaa.org/planning/StrategicPlan5.pdf> [hereinafter NCAA STRATEGIC PLAN] (laying out the objectives and purposes of the NCAA). The NCAA is a national organization made up of over one thousand colleges and universities from around the United States. NCAA, Current Composition, <http://www.ncaa.org/wps/ncaa?ContentID=811> (last visited Sep. 3, 2008). Its purpose is to govern the athletic program for each member institution and instill values that are essential to the educational experience of the student athlete. NCAA STRATEGIC PLAN, *supra*, at 3.

³ Press Release, NCAA, NCAA Executive Committee Issue Guidelines for Use of Native American Mascots at Championship Events (Aug. 5, 2005), available at http://www2.ncaa.org/portal/media_and_events/press_room/2005/august/20050805_exec_comm_rls.html [hereinafter NCAA Mascot Guidelines]. Though announced August 5, 2005, the prohibition was not effective until February 1, 2006. *Id.* The ban originally targeted eighteen colleges displaying such imagery, though other schools were added to the list at a later date and some were granted exceptions or changed their mascot and imagery. See *id.*

⁴ See Ryan Fulda, *Is the NCAA Prohibition on Native American Mascots from Championship Play a Violation of the Sherman Antitrust Act?*, 31 AM. INDIAN L. REV. 163, 181–86 (2006) (analyzing whether the NCAA’s mascot policy unreasonably restrains free trade and whether it violates the antitrust laws); Kenneth B. Franklin, Note, *A Brave Attempt: Can the National Collegiate Athletic Association Sanction Colleges and Universities with Native American Mascots?*, 13 J. INTELL. PROP. L. 435, 457–63 (2006) (discussing the Sherman Antitrust Act’s effect on the NCAA mascot policy); see also Brian R. Moushegian, Comment, *Native American Mascots’ Last Stand? Legal Difficulties in Eliminating Public University Use of Native American Mascots*, 13 VILL. SPORTS & ENT. L.J. 465, 475–76 (2006) (predicting that possible challenges to a school’s use of Native American imagery will likely fail).

trademark basis because of the legal insufficiency of such a claim.⁵ However, there are different interpretations regarding the purpose of trademark law,⁶ and if a court favors one purpose over the other, a school may have a valid trademark cause of action against the NCAA.

This comment explores the different views regarding the purpose of trademark law and evaluates the impact each interpretation has on the trademark rights of colleges and universities affected by the NCAA's Native American mascot and imagery ban. Part I provides information regarding the NCAA mascot and imagery policy. It also provides information concerning trademarks, including the development of trademark rights and the different interpretations regarding the purpose of trademark law. Part II analyzes the effect each interpretation has on the NCAA's policy. Part III concludes with a proposition that courts follow the interpretation favoring a school's goodwill and investment in its trademarks. Consequently, Part III proposes that the NCAA ban be stricken and that schools be entitled to use their established marks free from interference.

I. BACKGROUND

The NCAA Native American mascot and imagery ban and the use of Native American imagery in general encompasses many social and legal issues, including civil rights, the First Amendment, and even intellectual property.⁷ The following section provides information concerning the NCAA policy, including details and criticisms. It also provides general information regarding trademarks and the different interpretations regarding the purpose of trademark law.

⁵ See William N. Wright, Note, *Not in Whose Name?: Evidentiary Issues in Legal Challenges to Native American Team Names and Mascots*, 40 CONN. L. REV. 279, 292–96 (2007) (describing the diminished effect of a trademark claim against the NCAA in light of recent case law); Steve Wieberg, *North Dakota Needs Tribes' OK for Nickname*, USA TODAY, Oct. 29, 2007, at 13C; see also Press Release, NCAA, Native American Mascot Policy – Status List (Feb. 16, 2007), available at http://www2.ncaa.org/portal/media_and_events/press_room/2007/february/20070220_mascot_status_report.html [hereinafter NCAA Status List]; UNIV. OF ILL., NCAA MASCOT POLICY FREQUENTLY ASKED QUESTIONS 1 (Feb. 16, 2007), <http://www.uillinois.edu/chief/FAQ.pdf> (noting that the University of Illinois is currently researching the trademark laws regarding its rights, but no action has been taken yet).

⁶ 1 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION §§ 3:1–12 (4th ed. 2007) (noting the dual purpose of trademarks is to differentiate products in commerce and identify ownership of a particular mark); see also 15 U.S.C. § 1127 (2006) (noting that a trademark is a designation used “to identify and distinguish” the goods); *Qualitex Co. v. Jacobson Prods. Co.*, 514 U.S. 159, 163–64 (1995) (noting the purpose of trademarks is to identify ownership and differentiate products in the market place).

⁷ See Fulda, *supra* note 4, at 181–86; Franklin, *supra* note 4, at 457–73; Moushegian, *supra* note 4, at 475–76.

A. *The NCAA's Native American Mascot and Imagery Ban*

The NCAA is an organization composed of over one thousand colleges and universities from around the United States.⁸ In addition to governing athletics, the NCAA instills a sense of community awareness and social integrity in student-athletes.⁹ One of the best examples of the NCAA's mission is the Native American mascot and imagery ban.¹⁰

According to the ban, colleges and universities will be prohibited "from displaying hostile and abusive racial/ethnic/national origin mascots, nicknames or imagery at any of the [eighty-eight] NCAA championships."¹¹ The ban also recommends other schools not schedule events with schools that have not complied with the policy.¹² As of February 16, 2007, five schools were granted exemptions, eleven changed their mascot, nickname or imagery, three were still subject to the policy, and one was placed on a five-year watch-period.¹³

While the policy notes that schools are free to adopt any mascot and imagery they wish and provides schools with an appeal process,¹⁴ the general NCAA rules say that a school's membership may be revoked for failing to comply with NCAA policies.¹⁵ Thus, arguably, the NCAA has given the schools an ultimatum: either comply with the NCAA regulations or be removed from the NCAA.¹⁶

The ban has received much criticism since its inception, including allegations that the ban violates civil rights, First Amendment, and anti-trust laws.¹⁷ The ban also contains possible trademark law violations, although no school has challenged the ban on such grounds.¹⁸

The primary trademark argument against the policy is that it forces schools to change or abandon their established marks, names, and images.¹⁹ While the NCAA has not created a mark to compete with the marks of the colleges and universities, it

⁸ NCAA, Current Composition, <http://www.ncaa.org/wps/ncaa?ContentID=811> (last visited Sep. 3, 2008).

⁹ NCAA STRATEGIC PLAN, *supra* note 2, at 3.

¹⁰ See NCAA Mascot Guidelines, *supra* note 3 ("All institutions are encouraged to promote [cultural diversity] and take proactive steps at every NCAA event through institutional event management to enhance the integrity of intercollegiate athletics related to these issues."). The press release notes that the policy stemmed from a June 2005 meeting of the NCAA Minority Opportunity and Interest Committee, which met to discuss ongoing debate surrounding the Confederate Battle Flag and the U.S. Commission on Civil Rights' statements regarding the use of Native American imagery at sporting events. *Id.*

¹¹ *Id.*

¹² *Id.*

¹³ NCAA Status List, *supra* note 5.

¹⁴ NCAA Mascot Guidelines, *supra* note 3.

¹⁵ NCAA, 2007-08 NCAA DIVISION I MANUAL 303-11 (2007), available at http://www.ncaapublications.com/Uploads/PDF/2007-08_d1_manual252fcd8c-6808-411c-a729-00db52d6a783.pdf.

¹⁶ See *id.*

¹⁷ See Fulda, *supra* note 4, at 181-86; Franklin, *supra* note 4, at 457-63.

¹⁸ See Wright, *supra* note 5, at 292-96 (noting the difficulty in making a trademark claim against the NCAA Native American mascot and imagery policy).

¹⁹ See NCAA Mascot Guidelines, *supra* note 3 (discussing the requirements each school must satisfy to be in compliance with the policy).

has effectively deprived each school the use of its trademark.²⁰ Accordingly, the ban presents the question of whether a trademark owner's ability to bring a trademark cause of action against the NCAA may be enforced based solely on an owner's goodwill, investment and reputation.

B. General Trademark Information

Trademarks are words, symbols or phrases used to differentiate one's product in commerce and identify ownership of that particular product.²¹ In their broadest sense, trademark rights are a kind of property right.²² As such, a trademark owner has the exclusive right to use and enjoy a mark so long as that use does not interfere with the rights of another trademark owner.²³

The United States Patent and Trademark Office ("USPTO") administers the federal laws governing patents and trademarks.²⁴ Under the Lanham Act of 1946 ("the Act"), the USPTO registers and regulates trademarks.²⁵ The Act details the federal registration procedure of trademarks and sets out the causes of action and remedies available to federally registered trademark owners.²⁶ However, it is important to note that the Act does not create a property right encompassed in a trademark; it merely describes how a particular mark can be registered and the causes of action available to an owner.²⁷

²⁰ *See id.*

²¹ 15 U.S.C. § 1127 (2006); *Hanover Star Milling Co. v. Metcalf*, 240 U.S. 403, 412 (1916); RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 9 (1995); 1 MCCARTHY, *supra* note 6, § 3; *see also* Anne Haring, *Basic Principles of Trademark Law*, in UNDERSTANDING BASIC TRADEMARK LAW 2006, at 13 (PLI Patents, Copyrights, Trademarks, & Literary Prop., Course Handbook Series No. 9024, 2006) ("Trademarks and service marks are those words, symbols, phrases or designs which the public associates with a single source of goods or services.").

²² *Hamilton-Brown Shoe Co. v. Wolf Bros. & Co.*, 240 U.S. 251, 259 (1916); *Aunt Jemima Mills Co. v. Rigney & Co.*, 247 F. 407, 410 (2d Cir. 1917); 1 MCCARTHY, *supra* note 6, § 2:14.

²³ 1 MCCARTHY, *supra* note 6, §§ 2:10–14; *see also* 15 U.S.C. § 1115 ("Any registration issued under the Act shall be prima facie evidence of the registrant's exclusive right to use the registered mark in commerce on or in connection with the goods or services specified in the registration . . ."); *Coll. Sav. Bank v. Fla. Prepaid Postsecondary Educ. Expense Bd.*, 527 U.S. 666, 673 (1999) ("The hallmark of a protected property interest is the right to exclude others.").

²⁴ MARGARET C. JASPER, *THE LAW OF TRADEMARKS* 1 (2000). The USPTO is an agency in the Department of Commerce. *Id.*

²⁵ *See generally* 15 U.S.C. §§ 1051–1127 (proscribing the general rules for federal trademark registration and regulation). The Lanham Act is divided into three sections: the Principal Register, the Supplemental Register, and the General Provisions. *Id.* Sections 1051–1072 compose the Principal Register, §§ 1091–1096 compose the Supplemental Register, and §§ 1111–1127 compose the General Provisions. *Id.* Besides the actual section numbers listed in the United States Code, the Lanham Act is commonly referred to by different section numbers, one through forty-five. *Id.*

²⁶ *Id.*

²⁷ *See La Societe Anonyme des Parfums le Galion v. Jean Patou, Inc.*, 495 F.2d 1265, 1270 n.5 (2d Cir. 1974) ("The Lanham Act does not create the trademark right; it only recognizes the right acquired through use."); *Mine Safety Appliances Co. v. Elec. Storage Battery Co.*, 405 F.2d 901, 904 (C.C.P.A. 1969) ("[T]he Lanham Act . . . is for the registration, not the creation, of trademarks."); *Smith v. Dental Prods. Co.*, 140 F.2d 140, 144 (7th Cir. 1944) ("[N]o property right is concluded by the registration of a trade-mark."); *see also* Haring, *supra* note 21, at 14 (noting that the common law doctrine of first use is the sole means of establishing ownership in the United States even though a trademark can be registered under both federal and state laws). Accordingly, a trademark

The two main causes of action available to a trademark owner under the Lanham Act are infringement and dilution.²⁸ Trademark infringement cases typically involve one party using a mark similar to another already in use.²⁹ Many cases, however, discuss the possibility of a valid infringement claim even if the plaintiff and the defendant have different products or target different markets.³⁰ Consequently, there is no set of rules to determine the boundaries of an infringement action.³¹

The other main cause of action available to a trademark owner is a dilution claim.³² A mark can be diluted in one of two ways: blurring or tarnishing.³³ A mark is blurred when someone uses a famous mark on products in an entirely different market, such as the Kodak trademark on a piano.³⁴ Alternatively, a mark is tarnished when someone uses the famous mark on an inferior product, thereby

owner attains protection and the exclusive right to use a trademark only when the trademark is used in commerce, regardless of registration with a state, the federal government, or both. Hiarng, *supra* note 21, at 14.

²⁸ 15 U.S.C. § 1114 (infringement); *id.* § 1125 (dilution).

²⁹ *Id.* § 1114 (detailing the exact requirements for a trademark infringement claim); *see also generally* 4 MCCARTHY, *supra* note 6, §§ 23:1–23:90 (noting the difficulties with trademark infringement are determining whether the contested mark bears a close enough resemblance to the original mark so as to confuse the consumer and deciding whether another needs to actually compete with or even use a mark against an owner).

³⁰ *See* Perfection Fence Corp. v. Fiber Composites LLC, 74 U.S.P.Q.2d (BNA) 1369, 1371–72 (D. Mass. 2005) (holding that the likelihood of confusion standard applies to all infringement cases regardless of different products or markets); *May v. Goodyear Tire & Rubber Co.*, 10 F. Supp. 249, 255–56 (D. Mass. 1935) (evaluating whether a party to a suit needs to be in direct competition with another to have a valid infringement claim); 4 MCCARTHY, *supra* note 6, § 24:24 (“The protection which the law gives the owner of a trade-mark is not confined to the goods upon which it is, or has been, used by the owner of it but extends to products which would be reasonably thought by the buying public to come from the same source if sold under the same mark.”); *see also* E.H. Schopflocher, Annotation, *Actual Competition as Necessary Element of Trademark Infringement or Unfair Competition*, 148 A.L.R. 12, 14 (1944) (introducing the debate between those who think competition is necessary for a trademark cause of action and those who do not).

³¹ 4 MCCARTHY, *supra* note 6, § 23:2.

³² 15 U.S.C. § 1125 (detailing the exact requirements for a dilution claim); *see also* 4 MCCARTHY, *supra* note 6, §§ 24:93–134. The first federal anti-dilution law was the Federal Trademark Dilution Act of 1996 (“FTDA”). *Id.* Until 1996, there were no federal anti-dilution provisions, even though such provisions existed in some states. *Id.* Since then, the 2006 Trade Dilution Revision Act (“TDRA”) has amended the FTDA. *Id.* The provisions detailed in the TDRA have been adopted and included in the Lanham Act. *Id.*; *see* 15 U.S.C. § 1125(c); *see also* TCPIP Holding Co. v. Haar Commc’ns Inc., 244 F.3d 88, 95 (2d Cir. 2001) (noting the purpose of the Dilution Act “is to protect owners of famous marks from the kind of dilution that is permitted by the trademark law when a junior user uses the same mark in a non-confusing way in an unrelated area of commerce”).

³³ 4 MCCARTHY, *supra* note 6, §§ 24:69–70; *see also* RESTATEMENT (THIRD) OF UNFAIR COMPETITION, *supra* note 21, § 25.

³⁴ 4 MCCARTHY, *supra* note 6, §§ 24:69, 84–88, 99, 101 (discussing the concept and requirements for blurring); *see also* H.R. REP. NO. 104-374, at 3 (1995) (providing three examples of actionable dilution: DuPont on shoes, Buick on aspirin, and Kodak on pianos); *Recent Cases: Trademark Law – Federal Trademark Dilution Act – Sixth Circuit Holds That Plaintiffs Need Not Show Actual Harm To Prove Dilution – V Secret Catalogue, Inc. v. Moseley*, 259 F.3d 464 (6th Cir. 2001), 115 HARV. L. REV. 731, 734 (2001) [hereinafter *Recent Cases: V Secret Catalogue*] (blurring occurs “when a noncompetitor uses the same or a similar mark in conjunction with an unrelated product”).

harming the reputation of the famous mark.³⁵ The difficulty with dilution is determining whether a mark has actually been diluted and whether an opponent's use of a mark is necessary.³⁶

C. Trademark Interpretation – The Competing Views Regarding the Dual Functions of Trademarks

Though there are differences between the infringement and dilution causes of action, the purpose behind each action is to prohibit unfair competition and “promote economic efficiency.”³⁷ Accordingly, the principles of unfair competition provide a foundation for trademark law.³⁸ The difficulty in unfair competition law is determining whether those principles have been violated.³⁹ Some courts hold that actual competition and usage is required to violate the rights of a trademark owner.⁴⁰ Other courts hold that actual competition and opponent usage are not required, and instead validate protection when an opponent has impacted a trademark owner's goodwill and reputation.⁴¹ Below is a detailed analysis regarding these two

³⁵ 4 MCCARTHY, *supra* note 6, §§ 24:70, 89–92, 101 (discussing the concept and requirements for tarnishment); *see also* Hormel Foods Corp. v. Jim Henson Prods, Inc., 73 F.3d 497, 507–08 (2d Cir. 1996) (“The *sine qua non* of tarnishment is a finding that plaintiff's mark will suffer negative associations through defendant's use.”); *Recent Cases: V Secret Catalogue*, *supra* note 34, at 734 (tarnishing occurs “when a noncompetitor uses the same or similar mark to advertise an inferior or offensive product”).

³⁶ *See* 4 MCCARTHY, *supra* note 6, § 24:67 (“Because it is largely a theoretical and almost ephemeral concept, the legal theory of ‘dilution’ is exceedingly difficult to explain and understand.”); *see also* Moseley v. V. Secret Catalogue, Inc., 537 U.S. 418, 429 (2003) (“Unlike traditional infringement law, the prohibitions against trademark dilution are not the product of common-law development, and are not motivated by an interest in protecting consumers.”).

³⁷ William M. Landes & Richard A. Posner, *The Economics of Trademark Law*, 78 TRADEMARK REP. 267, 267 (1988) [hereinafter Landes & Posner, *Trademark Law*] (citing WILLIAM M. LANDES & RICHARD A. POSNER, *THE ECONOMIC STRUCTURE OF TORT LAW* (1987)); *see also* GORDON V. SMITH, TRADEMARK VALUATION, 37–38 (1997) (discussing the numerous important roles of trademarks in today's society, including assisting customers in identifying a product and assuring a certain amount of quality in a product); 1 MCCARTHY, *supra* note 6, §§ 3:1–12 (noting the purposes of trademarks is to identify a particular product, guarantee the quality of a product, and advertise a product); Richard A. Posner, *When Is Parody Fair Use?*, 21 J. LEGAL STUD. 67, 75 (1992) [hereinafter Posner, *Parody*] (“A trademark seeks to economize on information costs by providing a compact, memorable, and unambiguous identifier of a product or service.”); DANA SHILLING, ESSENTIALS OF TRADEMARKS AND UNFAIR COMPETITION 12–13 (2002) (emphasizing the convenient purpose of trademarks in today's market economy).

³⁸ *United Drug Co. v. Theodore Rectanus Co.*, 248 U.S. 90, 97 (1918); *see also* *Am. Steel Foundries v. Robertson*, 269 U.S. 372, 380 (1926) (“[T]he general purpose of [unfair competition] is to prevent one person from passing off his goods or his business as the goods or business of another.”); 1 MCCARTHY, *supra* note 6, §§ 2:1–6 (noting that the purpose behind unfair competition in the United States is to promote a free market economy and encourage competition).

³⁹ *See* Schopflocher, *supra* note 30, at 14 (noting the difficulty involved in balancing one's investment and the need for a free market economy).

⁴⁰ *Emergency One, Inc. v. Am. Fire Eagle Engine Co.*, 332 F.3d 264, 271 (4th Cir. 2003); *Gen. Banking Co. v. Goldblatt Bros.*, 90 F.2d 241, 242 (7th Cir. 1937); Schopflocher, *supra* note 30, at 18–21.

⁴¹ *See* Schopflocher, *supra* note 30, at 22 (noting the increasing trend of the courts in expanding the legal remedies available to an owner and basing such a remedy not on actual competition but

competing views.

1. Preventative Trademark Law Based on Use and Consumer Perception

One interpretation regarding the purpose of trademark law is concerned with preventing opponent usage and consumer confusion.⁴² As discussed in *Star Financial Services, Inc. v. Aastar Mortgage Corp.*,⁴³ “[t]he purpose of trademark laws [sic] is to prevent the use of the same or similar marks in a way that confuses the public about the actual source of the goods or service.”⁴⁴ Proponents of this interpretation believe a trademark owner’s exclusive right to use a mark is violated only when another mark is used in commercial competition against the preexisting mark.⁴⁵ In other words, a trademark owner can only claim infringement or dilution when a defendant actually uses a similar or identical mark in commerce.⁴⁶

Support for this line of reasoning is found in the language of the Lanham Act.⁴⁷ It states a defendant must use a mark in commerce to be held liable to the trademark owner; if there is no competition and opponent usage, there is no liability.⁴⁸

rather ethical business practices); *see also* Estate of Bishop v. Equinox Int’l Corp., 256 F.3d 1050, 1059 (10th Cir. 2001) (Baldock, J., dissenting) (“[C]ompetition is not a prerequisite to recovery of profits.”); Phillips v. Governor & Co. of Adventurers of Eng. Trading into Hudson Bay, 79 F.2d 971, 974 (9th Cir. 1935) (rejecting the defense that competition between the parties is an essential element for an infringement action).

⁴² *See* Landes & Posner, *Trademark Law*, *supra* note 37, at 272 (noting the primary purpose of trademark law is to assist the consumer in differentiating one product from another); *see also* Canal Co. v. Clark, 80 U.S. 311, 322 (1872) (“The office of a trade-mark is to point out distinctively the origin, or ownership of the article to which it is affixed; or, in other words, to give notice who was the producer.”); Farouk Sys. v. Target Corp., 86 U.S.P.Q.2d (BNA) 1221, 1223–24 (5th Cir. Jan. 22, 2008) (“[T]he touchstone of trademark law is consumer confusion.”); James Burrough, Ltd. v. Sign of the Beefeater, Inc., 540 F.2d 266, 276 (7th Cir. 1976) (“[T]rademark laws exist not to ‘protect’ trademarks, but . . . to protect the consuming public from confusion, concomitantly protecting the trademark owner’s right to a non-confused public.”).

⁴³ 89 F.3d 5 (1st Cir. 1996).

⁴⁴ *Id.* at 9.

⁴⁵ *Hanover Star Milling Co. v. Metcalf*, 240 U.S. 403, 416 (1916) (“[S]ince it is the trade, and not the mark, that is to be protected, a trademark acknowledges no territorial boundaries of municipalities or states or nations, but extends to every market where the trader’s goods have become known and identified by his use of the mark.”); *Am. Express Co. v. Goetz*, 515 F.3d 156, 161 (2d Cir. 2008), No. 07-1595 (U.S. *petition for cert. filed* Jun. 23, 2008); *Emergency One, Inc. v. Am. Fire Eagle Engine Co.*, 332 F.3d 264, 267–69 (4th Cir. 2003); *Mattel Inc., v. Walking Mountain Prods.*, 353 F.3d 792, 806–07 (9th Cir. 2003).

⁴⁶ *See* Schopflocher, *supra* note 30, at 19–21 (noting the early view of trademark protection required actual competition or diversion of trade).

⁴⁷ 15 U.S.C. §§ 1114, 1125 (2006). According to the statute, anyone who *uses* a mark in commerce that is a reproduction, copy, or imitation of an existing mark is liable for infringement. *Id.* Additionally, anyone who *uses* a mark in a manner that will likely confuse or misrepresent the original mark is liable for dilution. *Id.*

⁴⁸ *Id.*; *see also* Yale Elec. Corp. v. Robertson, 26 F.2d 972, 973 (2d Cir. 1928) (“The law of unfair trade comes down very nearly to this . . . that one merchant shall not divert customers from another by representing what he sells as emanating from the second.”); Schopflocher, *supra* note 30, at 19–21 (recognizing the cases that required actual competition for trademark violations).

Additional support for this view is found in the elements for each cause of action.⁴⁹ For an infringement claim, the injured party must show there is a likelihood of consumer confusion between the established mark and the defendant's mark.⁵⁰ For a dilution claim, the injured party must show the defendant either blurred or tarnished the plaintiff's mark, thus implicitly requiring the defendant to use a mark.⁵¹ Arguably, the elements for an infringement and dilution claim require a defendant to use a mark, thus, providing further support for the first interpretation.

Courts following this approach have established a high standard that a trademark owner must meet in order to qualify for protection. The rights of a trademark owner are severely limited as a result of this interpretation, because an owner can only assert a right when the defendant has used a mark in an infringing and diluting manner. Nonetheless, a majority of cases involve an opponent adversely using a mark, and thus, the majority approach appears to follow this interpretation.⁵²

2. Protective Trademark Law Based on Goodwill and Reputation

The second interpretation regarding the purpose of trademark law is concerned with protecting the owner's goodwill and business reputation.⁵³ Proponents of this line of reasoning recognize the value of an owner's financial investment in a mark and reward it with protection even when another does not use the same or a similar mark.⁵⁴ As the court stated in *Maison Prunier v. Prunier's Restaurant and Cafe*,

⁴⁹ See *I.P. Lund Trading ApS v. Kohler Co.*, 163 F.3d 27, 43 (1st Cir. 1998) (identifying the factors a court uses in determining whether a party has a valid trademark infringement action).

⁵⁰ *Id.*: see also *McLean v. Fleming*, 96 U.S. 245, 255 (1878) ("Where the similarity is sufficient to convey a false impression to the public mind, and is of a character to mislead and deceive the ordinary purchaser in the exercise of ordinary care and caution in such matters, it is sufficient to give the injured party a right to redress . . ."); 4 MCCARTHY, *supra* note 6, §§ 23:1–124 (discussing the likelihood of confusion standard for infringement claims).

⁵¹ See 15 U.S.C. §§ 1114, 1125 (explaining the element of dilution); see also *Tiffany & Co. v. Boston Club, Inc.*, 231 F.Supp. 836, 843–44 (D. MASS. 1964) (providing an example of the dilution elements); RESTATEMENT (THIRD) OF UNFAIR COMPETITION, *supra* note 21, § 25; 4 MCCARTHY, *supra* note 6, §§ 24:69, 84–88, 99, and 101.

⁵² *E.g.*, *Hanover Star Milling Co. v. Metcalf*, 240 U.S. 403, 412 (1916); *Am. Express Co. v. Goetz*, 515 F.3d 156, 161 (2d Cir. 2008), No. 07-1595 (U.S. petition for cert. filed Jun. 23, 2008); *Coty, Inc. v. Prestonettes, Inc.*, 3 F.2d 984, 985 (2d Cir. 1924); *I.P. Lund Trading*, 163 F.3d at 35; see also *Schopflocher*, *supra* note 30, at 13–18.

⁵³ See *Schopflocher*, *supra* note 30, at 22–26 (noting the trend of courts to expand the legal remedy available to trademark owners and award protection to owners based on an owner's investment and the fundamental concept of fairness as opposed to the public's perception); see also *Future Farmers of Am. v. Romack*, 114 F. Supp. 796, 802 (E.D. Ill. 1953), *aff'd*, 211 F.2d 925 (7th Cir. 1954) ("Trademarks and the right to their exclusive use are property rights in the sense that the right to one's trade and goodwill that follows from it free from unwarranted interference from others is a property right.").

⁵⁴ See *Defiance Button Machine Co. v. C & C Metal Prods. Corp.*, 759 F.2d 1053, 1060 (2d Cir. 1985) ("As long as the mark has significant remaining value and the owner intends to use it in connection with substantially the same business or service, the public is not deceived."); *Standard Oil Co. of N.M. v. Standard Oil Co. of Cal.*, 56 F.2d 973, 978 (10th Cir. 1932) (holding that a defendant does not need to be in competition with the plaintiff to be held liable for trademark infringement); *Kotabs, Inc. v. Kotex Co.*, 50 F.2d 810, 813 (3d Cir. 1931) (noting competition is not

Inc.,⁵⁵ “forward strides in trademark protection are being attained by appeals to ‘good conscience’ and ‘judicial sensibilities’ rather than to strictly legal principles derived from a critical analysis of the real tort involved.”⁵⁶

Support for this second interpretation is based on the fundamental concept of fairness, as opposed to competition.⁵⁷ Under this view, taking away the right to use a mark from an individual who has invested time and money in that mark would be unfair and unethical.⁵⁸ It could even be argued that the Lanham Act was founded upon fairness, thus the second approach deserves more recognition regardless of the explicit language found in the Act.⁵⁹ As the court noted in *Summit Machine Tool Manufacturing Corp. v. Victor CNC Systems, Inc.*,⁶⁰ “the Lanham Act ‘has progressed far beyond the old concept of fraudulent passing off, to encompass any form of competition or selling which contravenes society’s current concepts of ‘fairness.’”⁶¹

Further support for this interpretation can be found in the line of *Harjo* cases.⁶² In those cases, the petitioners, a group of Native Americans, petitioned the USPTO to cancel six trademarks containing Native American imagery, including the established mark of the Washington Redskins, a professional football team.⁶³ Originally, the Trademark and Appeal Board (“TTAB”) granted the petitioner’s motion and cancelled the trademarks, concluding that the marks were disparaging of Native Americans.⁶⁴ On appeal, the United States Court of Appeals for the District of Columbia overturned the TTAB’s decision.⁶⁵ The court there held that the

necessarily a requirement for an infringement cause of action); *see also* Schopflocher, *supra* note 30, at 22–26 (discussing the value encompassed in a trademark and analyzing the cases that suggest protection should be awarded irrespective of competition).

⁵⁵ 288 N.Y.S. 529 (1936).

⁵⁶ *Id.* at 533 (quoting Frank I. Schechter, *The Rational Basis of Trademark Protection*, 40 HARV. L. REV. 813, 813 (1926)).

⁵⁷ *See* *Vogue Co. v. Thompson-Hudson Co.*, 300 F. 509, 512 (6th Cir. 1924) (“[T]here is no fetish in the word ‘competition.’ The invocation of equity rests more vitally upon the unfairness.”); *Stork Rest., Inc. v. Marcus*, 36 F. Supp. 90, 93 (E.D. Pa. 1941) (“[T]he emphasis in cases concerning . . . ‘unfair competition’ is no longer on competition, but rather on the injury suffered by the plaintiff . . .”).

⁵⁸ *See* Landes & Posner, *Trademark Law*, *supra* note 37, at 276 (suggesting a trademark deserves protection based solely on the amount time the owner spent creating, advertising, and promoting the mark); *see also* SMITH, *supra* note 37, at 129–58 (discussing the idea that the value of a trademark is based on an owner’s investment in the mark and goodwill in developing the mark).

⁵⁹ *Park ‘N Fly, Inc. v. Dollar Park & Fly, Inc.*, 469 U.S. 189, 207 (1985) (Stevens, J., dissenting); *see also* S. REP. NO. 79-1333, at 5 (1946) (noting the general purpose of the Lanham Act is “to secure trade-mark owners in the goodwill which they have built up . . .”). According to the legislative history, the original purpose of the Lanham Act was to “encourage the maintenance of quality by securing to the producer the benefit of a good reputation which excellence creates.” *Id.* at 4.

⁶⁰ 7 F.3d 1434 (9th Cir. 1993).

⁶¹ *Id.* at 1437 (quoting *Smith v. Montoro*, 648 F.2d 602, 604 (9th Cir. 1981)).

⁶² *Harjo v. Pro-Football, Inc.*, 30 U.S.P.Q.2d (BNA) 1828 (T.T.A.B. 1994), *rev’d*, 284 F. Supp. 2d 96 (D.D.C. 2003), *aff’d*, 415 F.3d 44 (D.C. Cir. 2005). This was the first case in a long line of cases involving the petitioners requesting the USPTO cancel six trademarks containing Native American imagery. *Id.*

⁶³ *Id.*

⁶⁴ *Id.*

⁶⁵ *Pro-Football, Inc. v. Harjo*, 415 F.3d 44, 48–49 (D.C. Cir. 2005).

established commercial history of the trademarks in question outweighed the petitioners' cancellation claim.⁶⁶ The decision suggests that an owner's goodwill and investment in a mark deserve protection regardless of whether a defendant has used a mark against an owner.

Although much of the support for this interpretation comes from dicta,⁶⁷ there are some cases and authorities suggesting this approach is well-founded.⁶⁸ As Schopflocher noted, "actual competition is no longer the essential test . . ."⁶⁹ Though few cases have been decided solely on this basis, it will likely gain the attention of more courts in the future because it greatly expands the rights of owners and provides them with a means of recourse when other theories fail.

Overall, each interpretation is designed to protect a trademark owner's rights and promote the dual function of trademarks.⁷⁰ However, as discussed below, an owner's rights may be drastically affected if one interpretation is favored over the other.

II. ANALYSIS

Trademarks serve a dual function: they distinguish goods in commerce and identify ownership of a particular product.⁷¹ These functions are based on the principles of unfair competition and arise out of a combination of the two interpretations regarding trademark law.⁷² Taken together, the two interpretations prevent competitors from using the established mark *and* safeguard the owner's financial investment and reputation in the mark.⁷³ However, if a court chose to favor one interpretation over the other, the outcome of a trademark conflict could vary

⁶⁶ See *id.* at 49–50 (noting the importance of the statute of limitations for trademark cases).

⁶⁷ *Maison Prunier v. Prunier's Rest. & Cafe, Inc.*, 288 N.Y.S. 529, 533 (1936).

⁶⁸ See Schechter, *supra* note 56, at 13; see also *Estate of Bishop v. Equinox Int'l Corp.*, 256 F.3d 1050, 1054 (10th Cir. 2001) ("In regard to the unjust enrichment theory of recovery, we have stated that a plaintiff may recover a portion of a defendant's profits even where the plaintiff was not actually injured by the defendant's unfair use of the disputed trademark."); *Potter-Wrightington, Inc. v. Ward Baking Co.*, 288 F. 597, 603 (D. Mass. 1923) (noting the dicta in previous cases regarding an owner's goodwill should be considered as the majority approach because of the changes in business practices and morals).

⁶⁹ Schopflocher, *supra* note 30, at 22.

⁷⁰ 1 MCCARTHY, *supra* note 6, § 3:1; see also *Qualitex Co. v. Jacobson Prods. Co.*, 514 U.S. 159, 164 (1995) (noting the purpose of trademarks is to identify ownership and differentiate products in the market place); see also *generally* Amicus Curiae Brief of the American Intellectual Property Law Ass'n in Support of Respondents at 3, *Moseley v. V. Secret Catalogue, Inc.*, 537 U.S. 418 (2003) (No. 01-1015), 2002 WL 1929519, at *3 (noting the dual function of trademark law is to prevent confusion and mistake, *and* to preserve fair competition and the owner's goodwill investment).

⁷¹ 15 U.S.C. § 1127 (2006); 1 MCCARTHY, *supra* note 6, §§ 3:1–12; see also *Qualitex Co.*, 514 U.S. at 164.

⁷² 1 MCCARTHY, *supra* note 6, at §§ 2:1–6; see also *United Drug Co. v. Theodore Rectanus Co.*, 248 U.S. 90, 97 (1918) ("The law of trade-marks is but a part of the broader law of unfair competition.").

⁷³ See Landes & Posner, *Trademark Law*, *supra* note 37, at 270–72 (noting trademark law is designed to protect the quality of a mark thereby protecting owner *and* the public from misrepresentation); see also 3 MCCARTHY, *supra* note 6, § 17:9 ("[A] trademark is not only a symbol of origin, but a symbol of a level of quality," thus implying that trademarks deserve substantial protection because it affects an owner's reputation as well as the consumer's perception).

substantially.⁷⁴ The following section illustrates the impact each interpretation has on the trademark rights of the colleges and universities affected by the NCAA mascot and imagery ban.

A. A Necessary Proposition Regarding the NCAA Native American Mascot and Imagery Policy

It is important to begin with the proposition that the NCAA has effectively taken the trademarks of its member institutions.⁷⁵ Even though each member supposedly has a choice to comply with the demands of the NCAA,⁷⁶ the choice between hosting post-season athletic events, playing any desired school, and being a member of the only body governing college athletics, on the one hand, and continuing to use a trademark, on the other, is hardly a choice.⁷⁷ Even members of Congress have taken note of the NCAA's monopolistic and overbearing influence, as demonstrated by recent proposed legislation regulating the NCAA's policing power on collegiate athletics.⁷⁸ Thus, this comment assumes the proposition that the NCAA has taken the marks of its member institutions. Accordingly, any remedy for that deprivation ultimately depends on a court's preference for one interpretation of trademark law's purposes over the other.

B. Application of the First Interpretation to the NCAA Native American Mascot and Imagery Ban

If a court follows the first interpretation regarding the purpose of trademark law, which requires a defendant to actually use a mark in a competing or diluting manner to be held liable under the Lanham Act, a school would be afforded no redress.⁷⁹ In *Borden Ice Cream Co. v. Borden's Condensed Milk Co.*,⁸⁰ the court denied the plaintiff's infringement claim because there was no diversion of trade from the plaintiff to the defendant.⁸¹ In that case, the defendant never engaged in selling commercial ice cream, whereas the plaintiff was incorporated solely to manufacture and sell that exact product; the only similarity between the parties was a common name.⁸² Naturally, the court decided that there was no competition between the

⁷⁴ See Schopflocher, *supra* note 30, at 14–30 (discussing whether competition is needed for a trademark violation and the possible problems that could arise were a court to favor one purpose over another).

⁷⁵ See NCAA Mascot Guidelines, *supra* note 3 (detailing the exact requirements of the NCAA mascot and imagery policy).

⁷⁶ *Id.*

⁷⁷ See Franklin, *supra* note 4, at 436–37 (noting the overbearing power of the NCAA and serious economic effects of not hosting post-season events); see also Fulda, *supra* note 4, at 167–73 (exploring the purpose of the NCAA and the revenue produced as a result of being a member).

⁷⁸ See H.R. 5289, 109th Cong. (2006) (providing college and universities with a cause of action against any entity that improperly regulates intercollegiate activities).

⁷⁹ See *Hanover Star Milling Co. v. Metcalf*, 240 U.S. 403, 412 (1916).

⁸⁰ 201 F. 510 (7th Cir. 1912).

⁸¹ *Id.* at 514.

⁸² *Id.*

parties because the defendant was not using a product against the interest of the plaintiff and, therefore, there was no valid trademark cause of action.⁸³

Similarly here, the NCAA is not using a mark against its member institutions, nor is it diverting trade from them. Rather, the NCAA is regulating college athletics and promoting an environment that accomplishes its mission.⁸⁴ While a school could argue that the mascot ban does not accomplish that mission, there are no Lanham Act violations according to proponents of the first interpretation because the NCAA is not using a mark against the interest of the owners.⁸⁵ As a result, the NCAA's pretrial motion to dismiss for failure to state a claim would likely succeed and the ban would be upheld.

C. Application of the Second Interpretation to the NCAA Native American Mascot and Imagery Ban

In contrast, a school would have a valid cause of action against the NCAA if a court adopts the second interpretation regarding the purpose of trademark law. According to proponents of that view, an owner's financial investment, goodwill and reputation deserve protection, regardless of use and competition by an opponent.⁸⁶ In *Vogue Co. v. Thompson-Hudson Co.*,⁸⁷ the Sixth Circuit concluded that the mere probability of a diversion of trade and likelihood of confusion as a result of the defendant's actions was enough to warrant an injunction even though the actual injury had not occurred.⁸⁸ There, the defendant manufactured hats bearing a mark similar to that of plaintiff's magazine symbol.⁸⁹ Though the products were not in competition and targeted different markets, the potential economic injury suffered by the plaintiff was enough to give rise to a valid trademark cause of action.⁹⁰

Likewise here, the NCAA would be liable to the colleges and universities under the second interpretation even though it did not use a mark against its member institutions. The argument for the schools against the NCAA has three major components.

⁸³ *Id.* at 514–15.

⁸⁴ Gary T. Brown, *Policy Applies Core Principles to Mascot Issue*, THE NCAA NEWS, Aug. 15, 2005, at 1; see also NCAA STRATEGIC PLAN, *supra* note 2, at 3 (detailing the core principles of the NCAA).

⁸⁵ See NCAA Mascot Guidelines, *supra* note 3 (detailing the compliance requirements of the NCAA Native American mascot and imagery ban).

⁸⁶ See Schopflocher, *supra* note 30, at 22–25 (discussing the trends of courts in providing protection for plaintiffs based solely on one's goodwill as opposed to deprivation of trade); see also *Paulsson Geophysical Servs. Inc. v. Sigmar*, 529 F.3d 303, 313 (5th Cir. 2008) (granting protection to a trademark owner based on the threat to the trademark owner's goodwill); *White Tower Sys., Inc. v. White Castle Sys. of Eating Houses Corp.*, 90 F.2d 67, 69 (6th Cir. 1937) (suggesting an owner's goodwill and reputation define the limits of a trademark owner's rights).

⁸⁷ 300 F. 509 (6th Cir. 1924).

⁸⁸ *Id.* at 512.

⁸⁹ *Id.* at 509–10.

⁹⁰ *Id.* at 512.

First, the NCAA has severely devalued the financial investment of each school.⁹¹ The ban prohibits each school from continuing to sell merchandise bearing its established mark.⁹² In effect, the ban potentially deprives each school of millions of dollars in revenue and renders the mark virtually useless.⁹³ It also prevents a school from hosting post-season events, which can yield national exposure and millions of dollars in licensing and revenue.⁹⁴ The mere threat of such devaluation cannot go unpunished. As Justice Kennedy suggested in *Mosley v. V. Secret Catalogue, Inc.*,⁹⁵ “a holder of a famous mark threatened with diminishment of the mark’s capacity to serve its purpose should not be forced to wait until the damage is done and the distinctiveness of the mark has been eroded.”⁹⁶

Second, the ban harms the goodwill of the schools because of the effect it has on an owner’s relationship with the customer.⁹⁷ By taking away an established mark, the ban significantly impairs the public’s ability to identify a particular mark with a specific school.⁹⁸ It also disrupts a customer’s ability to make a statement regarding his or her allegiances.⁹⁹ Courts tend to frown upon any disruption of a consumer’s ability to identify a mark with an owner, because it significantly impedes the efficiency of the marketplace.¹⁰⁰

Last, the ban may give schools a trademark cause of action because it harms the reputation of each school.¹⁰¹ Reputations deserve protection because, as Judge

⁹¹ See Brian Goff, *Effects of University Athletics on the University: A Review and Extension of Empirical Assessment*, in *ECONOMICS OF COLLEGE SPORTS* 65, 66 (John Fizek & Rodney Fort eds., 2004) (discussing the revenues obtained by becoming an NCAA member and the money spent in developing a school’s reputation).

⁹² See NCAA Mascot Guidelines, *supra* note 3 (describing the requirements of the policy).

⁹³ See Goff, *supra* note 91, at 76 (analyzing the revenue gained from a school’s merchandise); see also Wright, *supra* note 5, at 293–94 (providing an example of the amount of money invested in and derived from a school’s name and logo).

⁹⁴ See Goff, *supra* note 91, at 74 (discussing the financial impact of hosting post-season events in college athletics); see also Fulda, *supra* note 4, at 169 (detailing the revenues gained by each major college sport conference as well as the possible gains involved in hosting championship and post-season events); Joel G. Maxcy, *The 1997 Restructuring of the NCAA: A Transactions Cost Explanation*, in *ECONOMICS OF COLLEGE SPORTS* 11, 26–33 (John Fizek & Rodney Fort eds., 2004) (analyzing the financial impact of post-season events).

⁹⁵ 537 U.S. 418 (2003).

⁹⁶ *Id.* at 436 (Kennedy, J., concurring).

⁹⁷ See *Revlon, Inc. v. La Maur, Inc.*, 157 U.S.P.Q (BNA) 602, 605 (T.T.A.B. 1968) (holding the purpose of trademarks is to serve as a type of warranty to purchasers, thereby forming a relationship between the customer and an owner); see also Landes & Posner, *Trademark Law*, *supra* note 37, at 271–72 (noting the important relationship between trademarks and the confidences they instill in the public’s purchasing behavior).

⁹⁸ See Landes & Posner, *Trademark Law*, *supra* note 37, at 271–72 (discussing an owner’s interest in maintaining a certain quality of goods to promote efficiency and to gain revenue); see also Posner, *Parody*, *supra* note 37, at 75 (“A trademark seeks to economize on information costs by providing compact, memorable, and unambiguous identifier of a product of service.”).

⁹⁹ See *Int’l Order of Job’s Daughters v. Lindeburg & Co.*, 633 F.2d 912, 918 (9th Cir. 1980) (discussing the impact a trademark has on the consuming public and the correlation between one’s appearance and one’s expression).

¹⁰⁰ Landes & Posner, *Trademark Law*, *supra* note 37, at 270–72.

¹⁰¹ See *id.* at 270–79 (analyzing the relationship between a particular mark and the customer’s perception regarding the quality of that mark); see also 15 U.S.C. § 1125(c)(2)(C) (2006) (noting the impact a trademark has on an owner’s reputation); *S.F. Arts & Athletics, Inc. v. United States Olympic Comm.*, 483 U.S. 522, 531 (1987) (discussing the importance of an owner’s reputation in

Learned Hand noted, “a reputation, like a face, is the symbol of its possessor and creator”¹⁰² Arguably, a school that has adopted a Native American mark sought to establish a reputation that its teams are bold, honorable, courageous, and brave.¹⁰³ The NCAA ban has not only prohibited a school from establishing such a reputation in that way, but it has also labeled schools displaying Native American imagery as racist, thus destroying a school’s reputation altogether.¹⁰⁴ Such labeling has negative connotations, especially for schools seeking to gain national exposure and higher enrollment.¹⁰⁵

However, the NCAA can counter argue that the Native American trademarks are in direct violation of Section 2(a) of the Lanham Act, regardless of the fact that the NCAA did not use a mark. That section provides that registration, and therefore protection, of a trademark may be denied if the mark “consists of or comprises immoral, deceptive, or scandalous matter; or matter which may disparage or falsely suggest a connection with persons, living or dead, institutions, beliefs, or national symbols, or bring them into contempt, or disrepute”¹⁰⁶ The misuse of Native American mascots and imagery could be considered immoral and offensive to the general public.¹⁰⁷ Accordingly, the NCAA may argue that a school never had a valid trademark, and therefore does not have a legitimate trademark cause of action.

Ultimately, a court is likely to rule in favor of a school if the court adopts the second interpretation regarding the purpose of trademark protection. The NCAA ban infringes on an owner’s investment, goodwill, and reputation, all of which deserve protection under the second interpretation.¹⁰⁸ As a result of this substantial impact,

trademark protection); *Park ‘N Fly, Inc. v. Dollar Park and Fly, Inc.*, 469 U.S. 189, 198 (1985) (stating the purpose of trademarks is to maintain the quality of trademark by securing an owner’s reputation with the consuming public).

¹⁰² *Yale Elec. Corp. v. Robertson*, 26 F.2d 972, 974 (2d Cir. 1928).

¹⁰³ See Christian Dennie, *Native American Mascots and Team Names: Throw Away the Key: The Lanham Act is Locked for Future Trademark Challenges*, 15 SETON HALL J. SPORTS & ENT. L. 197, 213–14 (2005) (discussing the reputation a team seeks to portray by adopting Native American mascots and imagery); see also Roger Clegg, *American Indian Nicknames and Mascots for Team Sports: Law, Policy, and Attitude*, 1 VA. SPORTS & ENT. L.J. 274, 278–79 (2002) (discussing the reasons teams adopt Native American nicknames and mascots).

¹⁰⁴ See NCAA Mascot Guidelines, *supra* note 3 (implying that schools who display “hostile and abusive racial/ethnic/national origin mascots, nicknames or imagery” are racist); see also Wright, *supra* note 5, at 303–09 (discussing the public’s view that Native American imagery and terms are overall seen as racist); see also generally *Harjo v. Pro-Football, Inc.*, 50 U.S.P.Q.2D (BNA) 1705 (T.T.A.B. 1999) (analyzing the public’s view pertaining to the use of Native American imagery and terms).

¹⁰⁵ See Franklin, *supra* note 4, at 462 (suggesting that the continued use of Native American imagery may be seen as racist and could have an effect on a school’s enrollment).

¹⁰⁶ 15 U.S.C. § 1052 (2006).

¹⁰⁷ See Wright, *supra* note 5, at 303–09 (discussing the views regarding the use of Native American imagery and terms); see also generally *Harjo*, 50 U.S.P.Q.2D (BNA) at 1705 (analyzing the public’s view pertaining to the use of Native American imagery and terms).

¹⁰⁸ See *Kotabs, Inc. v. Kotex Co.*, 50 F.2d 810, 813 (3d Cir. 1931) (noting that competition and usage by an opponent is not necessary to enforce a trademark owner’s rights); *Yale Elec. Corp. v. Robertson*, 26 F.2d 972, 974 (2d Cir. 1928) (suggesting an owner’s goodwill and investment may be enough to warrant court interference); *Gen. Baking Co. v. Gorman*, 3 F.2d 891, 893 (1st Cir. 1925) (noting an owner’s goodwill and investment are always taken into consideration in a trademark dispute, regardless of use by an opponent); see also Schopflocher, *supra* note 30, at 22–26 (noting

the NCAA's motion to dismiss would likely fail and a school would have a possible trademark infringement or dilution claim against the NCAA Native American mascot and imagery ban.

D. Summary – What is the Impact of Either Interpretation?

In summary, one school may have a successful trademark claim against the NCAA, while another school in the exact same situation may not, depending on which interpretation the court decides to use. The fact that the same case could be decided two different ways is what makes the trademark issue implicated by the NCAA Native American mascot and imagery ban extremely complicated.¹⁰⁹ Given that schools are still affected by the ban and may be considering challenging the NCAA on a trademark basis, this comment proposes that courts should adopt the second interpretation.

III. PROPOSAL

The foregoing analysis demonstrates the different impacts a court's interpretation can have on the rights of a trademark owner. Specifically, a school's challenge to the NCAA mascot ban can generate two very different outcomes depending on the trademark law a court chooses to emphasize. The following section proposes that courts should follow the second interpretation regarding the purpose of trademark law, and provides suggestions about what a school should present in order to persuade such courts.

A. Courts Should Follow the Protective Approach Because of the Substantial Impact the Native American Mascot Ban has on a School's Goodwill and Investment

First, a court should follow the interpretation that protects the owner's investment to avoid the severe financial consequences the NCAA Native American mascot ban imposes on schools and to promote an efficient economy.¹¹⁰ On its surface, the ban does not technically take the mark away from a school.¹¹¹ Rather, it provides that schools that continue to display such hostile and abusive imagery will

that some courts believe competition is not necessary and instead award protection based solely on business ethics, fairness, and an owner's goodwill).

¹⁰⁹ See SHILLING, *supra* note 37, at 12–13 (noting the difficulty in regulating trademarks because of the dependence on a future state of mind); see also RESTATEMENT (THIRD) OF UNFAIR COMPETITION, *supra* note 21, § 25 cmt. b (1995) (discussing the complexity encompassed in trademark protection and regulation).

¹¹⁰ See NCAA Mascot Guidelines, *supra* note 3 (noting that consequences for failing to comply with the NCAA mascot policy include the inability to host any NCAA post-season or championship events).

¹¹¹ See *id.* (noting the requirements placed on each school in order to be considered in compliance with the policy, which does not necessarily include abandoning the trademark altogether).

not be allowed to host post-season and championship athletic events.¹¹² However, this prohibition places a school in a position where not complying with the NCAA regulation significantly disadvantages it in terms of national recognition, athletic competition, revenue and enrollment. As a result, the NCAA ban should be seen as a taking.¹¹³

This taking essentially strips a school of its financial investment, including millions of dollars spent on consumer development, advertising, and merchandising.¹¹⁴ The ban also severely damages a school's goodwill because the consuming public is now prevented from identifying a mark with a particular school and buying any product bearing the name of the school it supports.¹¹⁵ This prevents the individual expression of one's allegiances and threatens the relationship between a school and its fan base, a relationship that is economically and socially significant.¹¹⁶ The mascot ban also damages the reputation of each school because it labels each school with a "hostile and abusive" trademark as racist.¹¹⁷ Such negative connotations associated with a school inevitably have drastic and detrimental impact on both consumer support and enrollment.¹¹⁸

Additionally, a court should adopt the protective approach because the NCAA ban violates the principles of unfair competition, the foundation of trademark law.¹¹⁹

¹¹² See generally *id.* (noting colleges and universities may adopt any mascot or imagery it likes, but further emphasizing "hostile and abusive" imagery will not be allowed or tolerated at NCAA post-season championship events). The press release also recommends other schools not schedule events with schools that do not comply with the NCAA requests and demands that schools not use "hostile and abusive" Native American imagery on its uniforms. *Id.*

¹¹³ See Franklin, *supra* note 17, at 436–37 (noting the overbearing power of the NCAA and the significant economic effects of not hosting post-season events); see also Fulda, *supra* note 17, at 167–73 (noting the coercive power of the NCAA and impact national exposure has on each school).

¹¹⁴ See Landes & Posner, *Trademark Law*, *supra* note 37, at 276 (noting the amount of money spent in creating, advertising, and promoting a trademark); Fulda, *supra* note 4, at 169 (detailing the revenues gained by each major college sport conference and the factors considered in making calculation).

¹¹⁵ See Supreme Assembly, *Order of Rainbow for Girls v. J.H. Ray Jewelry Co.*, 676 F.2d 1079, 1084 (5th Cir. 1982) (noting the impact a trademark has on the consuming public); *Int'l Order of Job's Daughters v. Lindeburg & Co.*, 633 F.2d 912, 918 (9th Cir. 1980) (discussing the relationship between one's purchasing patterns and one's expression or identification); see also Haring, *supra* note 21, at 13 (noting the correlation between the public's association of a certain mark and the strength of the owner's rights).

¹¹⁶ *Supreme Assembly, Order of Rainbow Girls*, 676 F.2d at 1084; *Int'l Order of Jobs Daughters*, 633 F.2d at 918; see also Landes & Posner, *Trademark Law*, *supra* note 37, at 267–72 (recognizing the importance of trademarks and the benefits they provide in assisting the consuming public); SMITH, *supra* note 37, at 129–58 (evaluating the benefits of trademarks and the relationship between a mark and individual expression).

¹¹⁷ See Fulda, *supra* note 4, at 166–67 (discussing the differing views regarding the Chief Illiniwek controversy and highlighting the arguments made by both sides regarding whether Native American mascots reflect poorly on a school's reputation); see also LOUIS B. GARIPPO, THE CHIEF ILLINIWEK DIALOGUE: INTENT AND TRADITION VS. REACTION AND HISTORY, A REPORT TO THE BOARD OF TRUSTEES OF THE UNIVERSITY OF ILLINOIS, http://www.uillinois.edu/trustees/dialogue/report_files/toc.html (last visited Sep. 3, 2008) (highlighting the negative connotations the mascot ban has on a school's reputation).

¹¹⁸ See Franklin, *supra* note 4, at 462 (suggesting that the continued use of Native American imagery, if seen as racist, would have an impact on a school's overall enrollment).

¹¹⁹ See 1 MCCARTHY, *supra* note 6, §§ 1:1–25 (explaining the concept of unfair competition and its relationship with trademark law); see also *Am. Steel Foundries v. Robertson*, 269 U.S. 372, 380

Prohibition of unfair competition promotes an efficient and fair market economy,¹²⁰ and any disruption of the fair market place is actionable.¹²¹ Here, the NCAA is prohibiting each school from continuing to compete in the free market economy because the ban takes away a mark of identification. A court should recognize this unfairness and correct it, even if it does not acknowledge the financial and social hardships placed on each school.

Above all, a court should follow the protective approach because of the property rights encompassed in a trademark.¹²² As the Seventh Circuit noted in *Borden Ice Cream Co. v. Borden's Condensed Milk Co.*,¹²³ “[g]ood will or business popularity is property, and, like other property, will be protected against fraudulent invasion.”¹²⁴ In terms of trademark law, the owner’s actual use of a mark limits the property right encompassed in a trademark.¹²⁵ The exclusive right to use a mark remains so long as the owner’s use does not interfere with the rights of another.¹²⁶ With respect to the ban, no college or university is affecting the trademark rights of another, as evidenced by the fact that no school has made an infringement or dilution claim against another school.¹²⁷ Nor is the NCAA asserting an infringement or dilution claim against the schools.¹²⁸ Thus, the property right to exclude others, including the NCAA, from using or taking a school’s mark still exists and is even stronger because of the lack of adversity.

Taking all of this into consideration, a court faced with deciding the trademark implications of the NCAA mascot ban should adopt the protective approach, a more expansive interpretation of trademark rights. This view provides greater protection

(1926) (“[T]he general purpose of [unfair competition] is to prevent one person from passing off his goods or his business as the goods or business of another.”).

¹²⁰ See Landes & Posner, *Trademark Law*, *supra* note 37, at 267–79 (discussing the role trademarks play in keeping the market economy as efficient as possible).

¹²¹ *Id.*; see also Schopflocher, *supra* note 30, at 14 (evaluating the consequences for violating those principles).

¹²² See 1 MCCARTHY, *supra* note 6, §§ 2:10–14 (noting trademark owners have an exclusive right to use the mark); see also *Hamilton-Brown Shoe Co. v. Wolf Bros. & Co.*, 240 U.S. 251, 259 (1916) (recognizing the property right of a trademark and the exclusive right to exclude others).

¹²³ 201 F. 510 (7th Cir. 1912).

¹²⁴ *Id.* at 513; see also *Visa, U.S.A., Inc. v. Birmingham Trust Nat’l Bank*, 696 F.2d 1371, 1375 (Fed. Cir. 1982) (observing that trademarks are not separate property rights, but are “integral and inseparable elements of the goodwill” of the businesses to which they belong).

¹²⁵ *L.L. Bean, Inc. v. Drake Publishers, Inc.*, 811 F.2d 26, 29–31 (1st Cir. 1987).

¹²⁶ See 1 MCCARTHY, *supra* note 6, §§ 2:10–14 (noting that the property right encompassed in a trademark grants the owner the exclusive right to use a mark so long as the owner’s use does not interfere with the rights of another owner); see also *Hanover Star Milling Co. v. Metcalf*, 240 U.S. 403, 414 (1916) (holding the use of a trademark is limited by the property right inherent in trademarks, which is an exclusive right to use and enjoy the mark); *Union Nat’l Bank of Tex., Laredo, Tex. v. Union Nat’l Bank of Tex., Austin, Tex.*, 909 F.2d 839, 842–43 (5th Cir. 1990) (noting that the exclusive right to exclude others from using one’s trademark does not extend to “areas where he does not currently do business nor is likely to do business in the future”).

¹²⁷ See Glenn George, *Playing Cowboys and Indians*, 6 VA. SPORTS & ENT. L.J. 90, 99 (2006) (noting that the NCAA’s decision to ban Native American mascots and imagery from post-season events caused schools to challenge the NCAA, thus implying that no school brought a trademark cause of action against another school).

¹²⁸ See NCAA Mascot Guidelines, *supra* note 3 (detailing the Native American mascot and imagery policy but noting that schools are free to adopt any mascot and image it chooses, which implicitly suggests that the NCAA is not bringing a trademark suit against the schools).

to trademark owners because it takes into account an owner's investment and does not require a defendant to use a mark to violate an owner's right. Courts should adopt this approach given the amount of money involved in a university's trademark, including development, merchandising and licensing.

B. Winning the Case – What Evidence a School Should Present to Persuade a Court to Adopt the Protective Approach

Of course, persuading the court to adopt the second interpretation that gives an owner the right to bring a trademark claim is only half the battle. A school challenging the NCAA's mascot ban needs to present strong evidence to survive the NCAA's likely motion for to dismiss, much less prevail at trial.

First, a school should present evidence proving the amount of money spent creating and developing the mark as well as the money spent in establishing its reputation.¹²⁹ This evidence could include advertising costs and market studies showing that the public identifies a particular mark with a particular school.¹³⁰ Second, a school should provide evidence of revenue generated from the trademark, including all sales, merchandising, and licensing income.¹³¹ Third, a school should present evidence that shows that the NCAA's label of "harmful and abusive" leads the public to conclude that the specific school is racist.¹³² Finally, a school should prove that its mark is not competing with or diluting the mark of another, whether against another school or any other trademark owner.¹³³ Together, this evidence demonstrates a school's dependence on its mark and shows that the mark is established, thereby hopefully persuading a court to rule in its favor.

CONCLUSION

The NCAA has received much criticism since announcing the Native American mascot and imagery ban on August 5, 2005. Arguments against the ban have included civil rights, First Amendment, and antitrust violations.¹³⁴ The ban also

¹²⁹ See Landes & Posner, *Trademark Law*, *supra* note 37, at 276 (noting the amount of money spent in creating, advertising, and promoting a trademark).

¹³⁰ See *Id.* at 270–77 (discussing how consumer recognition of a product in commerce impacts an owner's rights).

¹³¹ See Fulda, *supra* note 4, at 169 (detailing the revenues gained by schools as a result of merchandising and licensing); see also Wright, *supra* note 5, at 293–94 (providing an example of the amount of money spent and gained from merchandise bearing a school's trademark).

¹³² See Wright, *supra* note 5, at 303–09 (discussing the views regarding the use of Native American imagery and terms based on linguistic experts and survey analysis); see also generally *Harjo v. Pro-Football, Inc.*, 50 U.S.P.Q.2D (BNA) 1705 (T.T.A.B. 1999) (analyzing the public's view regarding the use of Native American imagery and terms).

¹³³ See 1 MCCARTHY, *supra* note 6, §§ 2:10–14 (stating that a trademark owner's right to use the mark is absolute and exclusive provided that the owner's use does not interfere with the rights of another trademark owner).

¹³⁴ See Moushegian, *supra* note 4, at 475–76 (detailing the First Amendment and Civil Right Act violations encompassed in the use of Native American imagery); see also Franklin, *supra* note 4,

includes trademark implications, although no school has yet challenged the ban on these grounds.¹³⁵ The primary reason no school has challenged the ban on trademark grounds is the fear that a court may choose to follow the first interpretation regarding trademark law, which requires a defendant to actually use a mark against an owner's interest.¹³⁶

Preferably, however, the second interpretation protects an owner's investment, goodwill, and reputation.¹³⁷ Under that interpretation, regardless of the fact that the NCAA has not used a mark against the interest of any school, a school should still be entitled to trademark protection because the ban has significantly injured its investment, goodwill, and reputation. Moreover, the ban takes away a school's exclusive right to use its established mark - one of the foundations of trademark law.¹³⁸ The right to use is the lynchpin of trademark law and is one of the "nicer sensibilities"¹³⁹ encompassed in trademark protection. Accordingly, a court should adopt the second interpretation regarding the purpose of trademark law, award the schools with a valid trademark cause of action, and award relief where appropriate.

at 447–48 (2006) (discussing the Sherman Antitrust Act's effect on the NCAA mascot policy); Fulda, *supra* note 4, at 173–87 (analyzing whether the NCAA's mascot policy restrains free trade).

¹³⁵ See Wright, *supra* note 5, at 292–96 (detailing the effect the *Harjo* decision had on a school's ability to make a trademark claim against the NCAA).

¹³⁶ *Hanover Star Milling Co. v. Metcalf*, 240 U.S. 403, 412 (1916); *Am. Express Co. v. Goetz*, 515 F.3d 156, 161 (2d Cir. 2008); *Emergency One, Inc. v. Am. Fire Eagle Engine Co.*, 332 F.3d 264, 267–69 (4th Cir. 2003).

¹³⁷ See *Qualitex Co. v. Jacobson Prods. Co.*, 514 U.S. 159, 164 (1995) (commenting on the ability of trademark law to protect a product's high quality while simultaneously preventing others from selling inferior products); *I.P. Lund Trading ApS v. Kohler Co.*, 163 F.3d 27, 35 (1st Cir. 1998) (discussing the two purposes of trademark protection and elaborating on the causes available to trademark owners); see also 1 MCCARTHY, *supra* note 6, § 3:1 (elaborating on the two different purposes of trademark law).

¹³⁸ See 1 MCCARTHY, *supra* note 6, §§ 2:10–14 (discussing the exclusive right to a use a mark provided that the owner's use does not interfere with the rights of another owner); see also 15 U.S.C. § 1115 (2006) (noting that using a trademark in commerce entitles the owner to the exclusive right to use that mark so long as that use does not affect the rights of other trademark owners).

¹³⁹ *Yale Elec. Corp. v. Robertson*, 26 F.2d 972, 974 (2d Cir. 1928).