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Articles

MISSING THE MARK: THE MISPLACED RELIANCE ON INTENT IN MODERN TRADEMARK LAW

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***230 I. Introduction**

*Any person who, on or in connection with any goods or services, or any containers for goods, uses in commerce any word, term, name, symbol, or device . . . which is likely to cause confusion . . . 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.*¹

But how can you tell? The statute certainly does not give much guidance. How can courts tell whether consumers are likely to be confused as to the source of a product? This is the single most important, complicated, and difficult question to answer in virtually any trademark infringement action, yet surprisingly little thought has gone into finding a solution. That is not to say that courts do not have a solution--in fact, they have used the same solution for nearly a century.² The problem is that far too little thought has gone into the question of whether the current solution is the correct solution.³

The current solution, of course, is a multi-factored test. The factors vary somewhat from circuit to circuit, but in large part they are universally recognized.⁴ Some factors are obvious and intuitive, such as the similarity between the accused mark and the original mark.⁵ Other factors are less obvious but still seemingly quite helpful, such as the similarity of advertising methods.⁶ One factor has emerged, though, as perhaps the most significant factor of them all in practice: the *231 defendant's intent.⁷ Recent empirical data shows that courts find defendants liable for trademark infringement in approximately 97% of cases in which a bad faith intent is found,⁸ creating a nearly un-rebuttable presumption of infringement.⁹ Yet even the validity of this exceptionally important factor has received only occasional, glancing analysis.¹⁰

This Article reconsiders the reliance on the intent factor in modern trademark law. Part II begins by evaluating the history of its use and the present state of the law. Part III then considers the factor from a theoretical perspective, examining its implementation in light of the relevant statutes. Reliance on the defendant's intent is shown to be inconsistent with both the Lanham Act and the Federal Rules of Evidence. Part IV surveys the ways in which courts rely on the factor in practice and identifies numerous problems both in the way courts define it and the sources they rely on to support it. Part V concludes that, in light of all of these considerations, the marginal benefits provided by this factor are far outweighed by the problems it creates. This Article ultimately recommends that courts no longer rely on intent in determining this central issue in trademark law--the likelihood of consumer confusion.

***232 II. Background**

A. History of Intent in Trademark Law

Like so many areas of the law, the modern United States trademark system has its origins in the common law as adopted from England.¹¹ Although trademark law is at least a few centuries old, discoveries surrounding its true origins are ongoing. Only in the last few decades Sandforth's Case came to light as the first known trademark case.¹² The plaintiff in the case, a clothier, alleged that the defendant made clothes using the same mark as the plaintiff and that he lost business as a result.¹³ As one would expect of any trademark case, the plaintiff essentially alleged consumer confusion.¹⁴ More interesting for the purpose of this Article, though, the plaintiff also alleged, at length, a bad faith intent on the defendant's part. In particular, the plaintiff alleged the following:

[T]he defendant, being not unaware of the [plaintiff's use of the mark], scheming and plotting to hinder the same plaintiff in selling such cloths of his and to . . . worsen the opinion . . . which the aforesaid merchants . . . had concerning the cloths of the same plaintiff, . . . made various woolen [sic] cloths . . . and deceitfully marked the same cloths with the [plaintiff's mark].¹⁵

It is unclear to what extent the court did or did not rely on the defendant's intent in deciding the case,¹⁶ but it appears from the complaint that at least the plaintiff considered intent to be very important. This emphasis on the importance of intent is echoed by the commentary on Sandforth's Case found in the early seventeenth century case of *Southern v. How*,¹⁷ which was previously the first known record of a trademark action.¹⁸ It is also entirely consistent with most nineteenth century *233 trademark cases, which, drawing on *Southern v. How*,¹⁹ emphasized "[t]he element of fraudulent intent . . . over the objective facts of consumer confusion."²⁰

By the end of the nineteenth century, however, two separate causes of action had developed in this area of the law: (1) trademark infringement and (2) unfair competition.²¹ Trademark infringement applied where the plaintiff's mark was "technical" (i.e., inherently distinctive²²), while unfair competition applied where the plaintiff's mark was not inherently distinctive.²³ Intent was always required to establish a prima facie case for unfair competition (based on non-inherently distinctive marks), but intent was either presumed automatically or not required at all for trademark infringement (based on inherently distinctive marks).²⁴ Early on in the twentieth century, however, courts began shying away altogether from intent as a requirement.²⁵ By the time the Restatement (First) of Torts was published in 1938, intent was no longer a requirement at all, but was relegated to the role of one of a number of "factors" to be considered in assessing the more important issue--the likelihood of consumer confusion.²⁶ The comments of the restatement addressed the issue in detail:

*234 [O]ne may infringe another's trade-mark or trade name by adopting a confusingly similar designation whether he does so innocently or for the purpose of deceiving prospective purchasers. But his knowledge or purpose is an important factor in determining whether or not his designation is confusingly similar. . . . [I]f he adopts his designation with the intent of deriving benefit from the reputation of the trade-mark or trade name, his intent may be sufficient to justify the inference that there is confusing similarity. Since he was and is intimately concerned with the probable reaction in the market, his judgment manifested prior to the controversy, is highly persuasive. His denial that his conduct was likely to achieve the result intended by him will ordinarily carry little weight. While the actor's intention is thus a factor in determining the likelihood of confusion, the degree of similarity in appearance, pronunciation or suggestion . . . is a factor in determining the actor's intention when that is in issue.²⁷

This statement, although now more than seven decades old, is virtually identical to the theories advanced today in support of using intent as a factor in trademark cases.²⁸

In 1961, the Second Circuit issued what is now one of the most cited and influential trademark law cases of all time²⁹ in *Polaroid Corp. v. Polarad Electronics Corp.*³⁰ The case dealt with a claim of trademark infringement under both New York and federal law.³¹ Faced with the issue of whether there was a likelihood of confusion, the court drew from the Restatement (First) of Torts in coming up with eight factors that it considered relevant in making such a determination:

[1] [T]he strength of [plaintiff's] make, [2] the degree of similarity between the two marks, [3] the proximity of the products, [4] the likelihood that the prior owner will bridge the gap, [5] actual confusion, [6] and the reciprocal of defendant's good faith in adopting its own mark, [7] the quality of defendant's product, and [8] the sophistication of the buyers.³²

B. Modern Role of Intent in Trademark Law

Since *Polaroid*, all thirteen circuits have taken similar approaches and adopted sets of factors (hereinafter "confusion factors") that they consider relevant to making a likelihood of confusion determination, though some have only finalized *235 their lists more recently.³³ Most of the circuits consider the likelihood of confusion to be a question of fact, although a significant minority of circuits view it as a mixed question comprising both fact and law.³⁴ The circuits are essentially all in agreement, at least in theory, on some basic principles in applying the factors: they "are not, of course, exclusive," they "should not be applied mechanically," "[n]o single factor is dispositive," and, finally, "cases may certainly arise where a factor is irrelevant to the facts at hand."³⁵ Despite frequent repetition of these principles, courts in practice apply the factors quite mechanically.

The cases in which courts add to³⁶ or take away from³⁷ the official lists of their respective circuits are truly rare. Arguably, much of the time spent going through the list of factors in any given case is in reality just an attempt to justify a predetermined conclusion about the likelihood of confusion,³⁸ and common sense dictates that the surest way for a trial court judge to avoid reversal on appeal is to *236 mechanically consider each factor of the relevant circuit and only those factors so as to avoid doing anything unorthodox. Equally as rare are courts, or academics for that matter, that question the utility of the factors.³⁹ The likelihood of confusion factors have remained substantially unchanged for nearly a century, not because they are the best possible answer to the question of when consumers are likely to be confused, but because each court simply does what the court before it did without much consideration for why the court before it did what it did.⁴⁰

Although the factors vary from one circuit to another,⁴¹ and sometimes significantly,⁴² all of the circuits rely on the

defendant's intent to some degree.⁴³ The official legal result of a finding of bad faith intent in most circuits is extraordinarily significant: a presumption that there is in fact a likelihood of confusion.⁴⁴ In practice, however, the effect is even stronger: a "nearly un-rebuttable presumption of a likelihood of confusion."⁴⁵ Courts, it seems, are willing to disregard a mountain of evidence suggesting that confusion is unlikely in favor of even a hint of evidence suggesting that the defendant intended to violate a trademark right. Indeed, empirical evidence shows that a finding of bad faith intent on the part of the defendant results in a finding of a likelihood of confusion roughly 97% of the time,⁴⁶ making it arguably the single most important confusion factor in use today.

III. Theoretical Considerations

This Part considers the validity of the intent factor from a theoretical perspective. For the purpose of this Article, the phrase "theoretical perspective" is not used to mean a "policy perspective." While policy is touched upon a bit in this Part, the *237 primary focus is on whether the intent factor would be justifiable under the existing statutory framework if courts always applied it flawlessly. Part III.A focuses on trademark law and the Lanham Act, while Part III.B focuses on evidence law and the Federal Rules of Evidence. This Part ultimately concludes that both trademark law and evidence rules logically require courts to disregard intent evidence in determining the likelihood of consumer confusion.

A. What Does the Defendant's Mind Communicate About the Consumer's Mind?

1. The Statute

While the history and present state of the law are useful and enlightening, the best starting point for deciphering the standard of today's trademark infringement law is today's statute: the Lanham Act. This act extends liability for trademark infringement to "[a]ny person who, on or in connection with any goods or services . . . uses in commerce any word, term, name, symbol, or device . . . which is likely to cause confusion . . ."⁴⁷ Beyond the preliminary matters, such as whether there is use in commerce,⁴⁸ the plain language of the statute points to the "likelihood of confusion" as the primary issue in an infringement analysis. Courts have confirmed this principle many times over the years,⁴⁹ even describing the likelihood of confusion determination as the "central element" of trademark infringement.⁵⁰

*238 Noticeably absent from the statute's language is any mention of the defendant's intent, good will, or bad faith. This is in sharp contrast to Congress's numerous references within the very same section of the statute to intent as it relates to dilution and cyberspying.⁵¹ Even within the trademark infringement context, the statute makes explicit reference to intent for remedies purposes.⁵² This lack of an explicit reference to intent for deciding infringement does not, alone, suggest that courts should preclude consideration of intent for all purposes when assessing infringement--after all, the other confusion factors aren't explicitly mentioned in the statute either. But it does at least show that Congress, having almost certainly considered *239 the matter at some point in time, decided against requiring bad faith intent for a finding of trademark infringement.

In a sense, what Congress has done is focus the inquiry away from the defendant's state of mind and onto the consumer's state of mind. This focus on the consumer is entirely consistent with the modern policy views of trademark law. For example, one of the primary policy objectives behind modern trademark law is protecting consumers.⁵³ By requiring that the issue of infringement hinge on the likelihood of consumer confusion, Congress ensured that the law in practice will track its policy motivations--in most cases infringement will be found if and only if it serves the policy of protecting consumers. Likewise, the requirement that the trademark holder establish ownership of a protectable mark follows one of the other primary policy objectives of modern trademark law--promoting good faith investment by trademark owners.⁵⁴ Conversely, the lack of statutory support for an intent analysis coincides perfectly with the almost universal view that punishment is not a primary focus of modern trademark law.⁵⁵

The modern Restatement of Unfair Competition logically groups the confusion factors into three categories: "actual confusion," "market factors," and "intent."⁵⁶ Actual confusion provides direct evidence, typically in the form of consumer surveys, of what is happening in the minds of consumers.⁵⁷ The market factors similarly provide strong evidence, albeit circumstantial, of the components that influence consumers' minds.⁵⁸ The strength of the senior user's mark, for example, proves how distinctive the mark would be to consumers;⁵⁹ the proximity of the products and the likelihood of bridging the gap prove how likely consumers are to be in the market for both products or services;⁶⁰ the marketing channels prove *240 how likely it is for a single consumer to see both of the marks in advertising;⁶¹ the sophistication of consumers proves how much

thought consumers will likely put into their purchases;⁶² and the similarity of the marks proves how likely consumers are to associate the two products with each other.⁶³

Each of these factors teaches courts about the consumer's mind in a unique way. Intent, on the other hand, does not. Intent speaks to what the defendant wanted to happen, with no concern for what actually happened.⁶⁴ The defendant's mind may communicate many things, but it tells us very little about the consumer's mind, which is what matters most to the statute.

2. The Game

All good pieces of legal scholarship include sports analogies.⁶⁵ Hoping that the converse is true (i.e., that the inclusion of a sports analogy renders legal analysis good), we turn to Rule 6.08(b) of the Official Baseball Rules:⁶⁶ "The batter becomes a runner and is entitled to first base without liability to be put out (provided he advances to and touches first base) when . . . [h]e is touched by a pitched ball . . ."⁶⁷ This official rule ineloquently states one of the most basic laws in baseball--a batter automatically advances to first base if he is hit by a ball. Much like the Lanham Act's likelihood of confusion rule,⁶⁸ a number of preliminary matters must be satisfied for this rule to apply--the batter must not be attempting to hit the ball and the ball must not be in the strike zone when it hits the batter, for example.⁶⁹ Assuming these preliminary requirements are met, though, the central question for any *241 umpire making such a call is whether the batter was in fact "touched by a pitched ball."⁷⁰

This determination is far more difficult than one might first suppose. At times, the umpire will clearly see the ball hit the batter and the call will be easily made. Frequently, though, the umpire's view of the contact will have been blocked by the batter or the ball will have been travelling too fast for the umpire to get a good view. In these cases, the umpire must consider a number of other factors in determining whether the batter was touched by the ball: the trajectory of the ball as it approached, any change in the trajectory of the ball after contact, any sound made by contact, any movement of the batter's jersey, the batter's immediate reaction, the perception of other umpires on the field, and even possibly instant replay.⁷¹ Much like the "market factors"⁷² in a likelihood of confusion determination, each one of these factors provides strong evidence of what actually happened and directly aids the umpire in determining whether the ball actually hit the batter.⁷³

One factor that umpires do not, and should not, consider, however, is whether the pitcher intended to throw the ball at the batter.⁷⁴ This is logically intuitive because the rule only mentions contact between the ball and batter, with no reference to the pitcher's intent. A pitcher could throw an exceptionally slow pitch, trying his absolute best to avoid the batter, but the batter will still advance to first if contact is made and the other minimum requirements are met. Likewise, a pitcher could announce the worst intentions and then throw a ball as hard and fast as possible at a *242 batter's head, but the batter still will not go to first base unless there is actual contact. In fact, due to heated rivalries and previous altercations between players, it often is the case that there is real evidence of a pitcher's bad intent (e.g., from a statement or gesture made either before or during the game); nevertheless, umpires simply do not, and should not, consider intent in their assessment of whether the ball touched the batter.

For precisely the same reasons that umpires do not consider pitchers' intent, so should trademark umpires (i.e., judges⁷⁵) not consider defendants' intent. A defendant could be "innocent as a fawn," with no knowledge whatsoever of a plaintiff's mark, but the statute still requires liability for trademark infringement so long as consumers are likely to be confused and the other minimum requirements are met.⁷⁶ Likewise, a defendant could create an elaborate scheme with the express intent of defrauding thousands of consumers with counterfeit goods, but the statute still requires a finding of no liability for trademark infringement unless consumers are likely to be confused. Intent may be quite relevant to the question of remedies, both in trademark law and in baseball,⁷⁷ but it just is not useful for answering the primary question of liability in either arena.

3. The Expert

As Professor Harvey Perlman put it, "[w]hat the defendant was thinking is poor evidence of what consumers were likely to have been thinking."⁷⁸ Nevertheless, courts continue to rely on exactly that poor evidence, and scholars have failed to put up much of a fuss.⁷⁹ In explaining why courts consider intent, Judge Learned *243 Hand stated that "a late comer who deliberately copies the dress of his competitors already in the field, must at least prove that his effort has been futile. Prima facie the court will treat his opinion so disclosed as expert and will not assume that it was erroneous."⁸⁰

This theory that the defendant can be treated as an "expert," along with other similar theories, is problematic for at least three reasons. First, there is rarely an inquiry into whether the defendant has any qualifications to decide the matter at all, let alone

qualifications sufficient to satisfy the stringent requirements of an expert witness.⁸¹ This raises significant concerns. For example, many defendants in practice may intentionally alter a copied mark slightly, hoping to maintain confusion but escape liability. Undoubtedly, some portion of these defendants will accidentally take these alterations so far that there is no longer a likelihood of consumer confusion. The result in a significant number of cases would be presumed liability based on intent despite a failure to cause confusion. A defendant may have the worst intent in the world, but that does not necessarily render that defendant capable of determining an issue so complicated as the likelihood of consumer confusion.

Second, intent evidence is necessarily distinct from opinion evidence. This is a subtle difference, but an important one. Suppose, for example, the intent evidence consisted of an e-mail from a defendant declaring, “I really tried to confuse those dumb consumers with my tricky packaging.”⁸² This would be valid evidence of intent to confuse consumers, but it cannot be an expert opinion because it is a statement of fact about what the defendant did, not the opinion of an expert. Such a statement, which only recounts what actually happened, is only appropriate for a fact witness as it does not require any expertise.⁸³ Alternatively, suppose the e-mail stated, “I really think I confused those dumb consumers with my tricky packaging.” *244⁸⁴ This is a statement of opinion, not fact. This could be an expert opinion if the defendant qualified as an expert, but it is not evidence of intent because it does not involve any statement of fact about the defendant’s mindset.⁸⁵ Evidence of intent (which requires a statement of fact) can never answer the question that courts presume it to answer--whether the end result did in fact create a likelihood of confusion (which requires a statement of opinion).⁸⁶

Third, and most problematic, is that in the vast majority of cases, courts are in a much better position than defendants to determine whether a likelihood of confusion exists. Although the question is often a very difficult one, courts have significant resources at their disposal to aid their inquiries: true expert analysis, consumer surveys, evidence of market factors, and advocates on both sides of the issue. Defendants, on the other hand, may or may not have put much thought into their attempts to confuse, may or may not have an understanding of market conditions, and may or may not be aware of the mindset of consumers, all depending on their levels of sophistication.

Even where defendants are sufficiently sophisticated to have significant market awareness, though, courts are still in a much better position to assess the likelihood of confusion. Intent to confuse, by definition,⁸⁷ is a forward-looking objective.⁸⁸ As such, there is necessarily some degree of uncertainty surrounding its successful implementation--just because someone intends something does not mean that it will always happen.⁸⁹ Courts, on the other hand, have the benefit of *245 hindsight built in to each of their resources. Courts are able to consider what actually happened in the marketplace of consumers to decide whether consumer confusion was likely. Just like umpires who can consider what actually occurred as the ball approached and thus have no need for knowledge of pitchers’ intents, so too can judges consider what actually occurred in the marketplace of consumers to decide whether consumer confusion was likely and thus have no need for knowledge of defendants’ intended results.

Despite the lack of expert qualifications, despite the lack of expert opinions, and despite this discrepancy in the abilities of judges and defendants to assess the likelihood of confusion, courts rely on defendants and treat their “opinions” as expert.⁹⁰ Worse yet, courts presume the central issue in such cases based on this flawed factor.⁹¹ Because the Lanham Act asks whether there is a likelihood of confusion in the consumer’s mind, it is unreasonable to rely on the defendant’s mind in this manner.

B. Should Intent Evidence be Allowed Under the Federal Rules of Evidence?

How would a defendant who sets out to intentionally confuse consumers go about accomplishing this goal? He might make his mark look similar to the plaintiff’s mark, he might use his mark on a similar product, or he might advertise his mark in the same channels, among other options. Regardless of which of these or any other actions he takes, though, any concrete step the defendant can take toward causing confusion can be fully measured by the “market” confusion factors (i.e., all of the confusion factors other than intent and actual confusion).⁹² Even more, there is often evidence of actual confusion to supplement these market factors.⁹³ Why consider intent then? Reason dictates that intent evidence is both redundant and inferior vis-à-vis the other factors. Rules 401 and 403 of the Federal Rules of Evidence, in combination, lead to this same intuitive conclusion and require, when read *246 properly, that intent evidence be inadmissible for the purpose of establishing a likelihood of confusion.

1. Relevance

If you’ve read this far, you’ve probably thought at some point along the way, “but isn’t intent at least relevant to the

likelihood of confusion issue?” The answer, perhaps surprisingly, is no, at least not under the relevance standard of the Federal Rules of Evidence. Rule 401 states that “[r]elevant evidence” means evidence having any tendency to make the existence of any fact that is of consequence to the determination of the action more probable or less probable than it would be without the evidence.⁹⁴ Intent evidence, then, is only relevant if it has a tendency to make the likelihood of consumer confusion more or less probable than it would be without the intent evidence.⁹⁵

Even where there is actual, direct evidence of bad faith intent, this does not make the likelihood of consumer confusion more or less probable. Returning again to the game of baseball, suppose that a pitcher announced before a game that he intended to hit a batter. Does this direct evidence of the pitcher’s intent to hit a batter with a ball make it more likely that the batter will be hit by a ball? The answer is yes, but only if the situation is analyzed in the abstract. That is, if an individual pitch was selected completely at random, and the only piece of information known about it was whether the pitcher intended to hit the batter with that pitch, then of course there would be a higher likelihood of the batter being hit when intent was present. Fortunately for the game, however, umpires do not analyze plays in the abstract, and in every case, they will have far more information on which to base their decisions than a mere plan of the pitcher. In fact, any information an umpire could hope to glean from his knowledge of the pitcher’s intent is entirely subsumed by the great deal of information obtained from the other factors the umpire is able to consider after having reviewed the actual pitch.

Likewise, if two marks were chosen completely at random, and the only information known about them was whether one mark was created with the intent of causing confusion with the other mark, then of course there would be a higher likelihood of confusion where this bad faith intent existed. But, like plays in baseball, trademark infringement suits do not take place in the abstract, and Rule 401 demands that we compare what the case would look like with the evidence against what the case would look like without it.⁹⁶ Each circuit relies on a list of factors *247 that, save for the intent factor, directly relate to what takes place in the consumer’s mind. For example, all thirteen circuits rely on the similarity of the marks, the proximity of the goods, evidence of actual confusion, and the strength of the plaintiff’s mark.⁹⁷ These factors, in addition to the other factors used by the circuits⁹⁸ and the flexibility granted to courts in making these determinations,⁹⁹ provide all of the evidence needed to decide whether confusion is likely. Once a court has considered each of these other factors,¹⁰⁰ the presence or absence of intent to confuse, which can only be effectuated through acts that are measureable by the other factors, does nothing more to suggest that consumers are likely to be confused. A likelihood of confusion is therefore not “more probable or less probable than it would be without [intent] evidence,” and intent evidence is not relevant under Rule 401.¹⁰¹

2. Admissibility

Even assuming, *arguendo*, that it is relevant to some extent, intent evidence would still not be admissible under Rule 403. Rule 403 states that “[a]lthough relevant, *248 evidence may be excluded if its probative value is substantially outweighed by the danger of unfair prejudice, confusion of the issues, or misleading the jury, or by considerations of undue delay, waste of time, or needless presentation of cumulative evidence.”¹⁰² Here, the extent to which intent evidence is arguably relevant is substantially outweighed by these considerations.

Wherever there is legitimate evidence of bad faith intent relating to an action that does not require such intent, unfair prejudice is invariably present. “‘Unfair prejudice’ within its context means an undue tendency to suggest decision on an improper basis, commonly, though not necessarily, an emotional one.”¹⁰³ At least with respect to criminal defendants, “‘unfair prejudice’ . . . speaks to the capacity of some concededly relevant evidence to lure the factfinder into declaring guilt on a ground different from proof specific to the offense charged.”¹⁰⁴

This same reasoning logically applies as much to the civil defendant’s liability as it does to the criminal defendant’s guilt. In a trademark suit, the “offense charged” is that the defendant has used his mark in a way that is likely to cause consumer confusion. When evidence is offered to demonstrate that the defendant intended to copy or cause confusion, it provides an easy smoking gun that is simply too difficult to resist treating as a dispositive confession. This is demonstrated by the “nearly un-rebuttable presumption” of a likelihood of confusion that is established in practice whenever there is a finding of bad faith intent.¹⁰⁵ This is a classic example of a factfinder being lured into determining liability on an improper, emotional basis.¹⁰⁶ Indeed, intent evidence “may pose a risk of unfair prejudice because it ‘tends to distract’ the jury from the issues in the case and ‘permits the trier of fact to reward the good man and to punish the bad man because of their respective characters despite what the evidence in the case shows actually happened.’”¹⁰⁷ Because it causes jurors to focus on the defendant’s culpability in this way rather than consumer confusion, intent evidence also “mislead[s] the jury” into “confusion of the issues” under Rule 403.¹⁰⁸

Intent evidence in trademark law can also be classified as a “waste of time” and a “needless presentation of cumulative evidence”¹⁰⁹ because, as discussed supra *249 Part III.B, it is both redundant and inferior compared to the other factors.¹¹⁰ Any one of these problems alone is enough to tip Rule 403’s scales in exclusion’s favor, but when all of them are combined together, there can be no doubt that this type of intent evidence is precisely the type of evidence that Rule 403 was created to exclude.

In sum, intent evidence in a likelihood of confusion determination is mostly irrelevant under Rule 401 because it does not increase the probability of a likelihood of confusion to a greater level than would exist without the evidence. To whatever limited extent it may be relevant, however, its probative value is substantially outweighed by the Rule 403 factors, not the least of which is the danger of unfair prejudice. Intent evidence offered to prove the likelihood of confusion should therefore be deemed inadmissible under the Federal Rules of Evidence.

IV. Practical Considerations

This Part focuses on the practical considerations of relying on the intent factor. Specifically, it reviews the ways in which courts have applied the factor in practice. It begins in Part IV.A by focusing on how courts define the intent standard. Part IV.B then examines the sources on which courts frequently rely for evidence of bad faith intent, including the similarity of the marks, defendant’s knowledge of plaintiff’s mark, defendant’s continued use after notice of alleged infringement, and defendant’s intent to come close to plaintiff’s mark. Through this analysis, numerous and significant problems are discovered relating to the current implementation of the intent factor in the courts.¹¹¹

A. Intent to Do What?

On the issue of what type of intent must be found, the Third Circuit has reasonably noted that “a defendant’s mere intent to copy, without more, is not sufficiently probative of the defendant’s success in causing confusion to weigh such a finding in the plaintiff’s favor; rather, defendant’s intent will indicate a likelihood of confusion only if an intent to confuse consumers is demonstrated.”¹¹² This requirement of intent to confuse or deceive consumers rather than mere intent to copy *250 has generally been acknowledged and accepted at some point in time throughout the other circuits as well.¹¹³

This important distinction exists because there are a number of circumstances under which copying is legitimate and does not equate to infringement. In such cases, even an intent to copy coupled with successful copying is insufficient to produce liability. For example, it is perfectly acceptable to copy a mark where the new mark is sufficiently distinct from the original mark,¹¹⁴ is in a sufficiently distinct market from the original mark,¹¹⁵ or is used in a sufficiently distinct region of the country from the original mark.¹¹⁶ Likewise, it is also acceptable to copy elements of a mark that are unprotectable as generic, descriptive, or functional.¹¹⁷ There can *251 be no liability for infringement in such cases, even where defendants had clear intent to copy and succeeded in effectuating that intent, because the statutory standard is not met. Given this variety of circumstances under which successful copying does not result in infringement, it is entirely sensible for courts to require intent to confuse rather than mere intent to copy.¹¹⁸

Despite this “considerable difference between an intent to copy and an intent to deceive,”¹¹⁹ and despite most circuits having agreed at some point in time that the latter should be required,¹²⁰ courts continue to conflate the two. Not only do they switch interchangeably between “intent to confuse” and “intent to copy” from one opinion to the next, but frequently courts refer to the two phrases within a single opinion as though they were one and the same.¹²¹ This gives rise to the potential *252 for very problematic outcomes, including courts presuming infringement based on a legitimate intent to copy in a non-confusing way. The lack of clarity as to the standard, coupled with the resulting misapplication of the law, suggests that courts should, at a minimum, reconsider and clarify their definitions of intent.

B. Where Does Intent Evidence Come From?

Although courts often make assertions to the contrary, they generally apply the confusion factors in a rigid fashion, rarely adding to or taking away from the official lists of their respective circuits.¹²² This is more problematic for the intent factor than the others for two reasons. First, evidence directly supporting a finding of intent is rare,¹²³ resulting in reliance on insufficient evidence in a very large number of cases if the factor is mechanically applied. Second, where intent is found, it creates a presumption of a likelihood of confusion,¹²⁴ thereby likely determining the outcome in a typical case. Thus,

mechanical application of the intent *253 factor causes courts to use insufficient facts to make significant, and often dispositive, findings.

As courts have acknowledged, evidence directly supporting a finding of intent to confuse is quite rare.¹²⁵ Consequently, courts typically search for circumstantial evidence of intent in the following places: similarity of the marks, defendant's knowledge of plaintiff's mark, defendant's continued use after notice of alleged infringement, and defendant's intent to come close to plaintiff's mark.¹²⁶ These categories are addressed in that order.

1. Similarity of the Marks

One of the most common means by which courts establish intent to confuse is through close similarity between the accused mark and the original mark.¹²⁷ This approach has enjoyed broad support since at least 1938, when it was explicitly adopted by the Restatement (First) of Torts.¹²⁸ For example, in a Northern District of New York case, the defendants were sued by the McDonald's restaurant chain for opening up a dental office called "McDental."¹²⁹ The defendants testified that they picked that name because it was "cute" and had a "quality of retentiveness," *254 disavowing any attempts to capitalize on the McDonald's brand.¹³⁰ Nevertheless, the opinion concluded:

The court need not deliberate long on the question of intent here. In short, the court finds that the explanations and statements of [defendants] regarding the choice of the name "McDental" defy common sense and credibility; that they were fully cognizant of the name's similarity to McDonald's and chose to capitalize on Plaintiff's popularity. Consequently, the court easily finds that the good faith factor weighs in Plaintiff's favor.¹³¹

The court gave no real substantive reason not to believe the defendants other than the similarity of the marks.¹³²

Regardless of whether there exists a likelihood of confusion between a "McDonald's" restaurant and a "McDental" dental office, the intent factor did nothing to assist the court in resolving this case. The evidence used to infer intent would have already been considered in full by the court under the "similarity of the marks" factor, an independent factor that courts consider when determining whether there exists a likelihood of confusion.¹³³ It certainly makes sense for a court to, as some have rightly done,¹³⁴ deem the "similarity of the marks" factor one of the most important factors in making a likelihood of confusion determination. It does not make sense, however, for a court to analyze the similarity of the marks as one factor and then to use that analysis to presume bad faith intent, an entirely separate factor, which can then be used to presume a likelihood of confusion. If the marks are quite similar, then the court will have no trouble finding a likelihood of confusion relying primarily on the similarity factor; if they are quite different, then the court will have no trouble finding no such likelihood.¹³⁵ Regardless of where the marks fall on the similarity scale, though, the intent factor adds nothing to the equation and again serves only to complicate the matter.¹³⁶

*255 2. Defendant's Knowledge of Plaintiff's Mark

Courts are split as to whether an intent to confuse can be inferred where there is evidence that the defendant had actual knowledge of the plaintiff's mark prior to adopting his own. For example, in one case where the defendant had actual knowledge of the plaintiff's mark, the Second Circuit stated:

[Defendant]'s knowledge of [plaintiff]'s trademark does not necessarily give rise to an inference of bad faith, "because adoption of a trademark with actual knowledge of another's prior registration of a very similar mark may be consistent with good faith." [Plaintiff] has not put forth any evidence that [defendant] intended to promote confusion between the products or appropriate [plaintiff]'s good will and therefore has not shown any bad faith on [defendant]'s part.¹³⁷

However, in a case involving two companies with similar advertising campaigns and marks, the Southern District of New York stated:

The [defendant]'s awareness from the outset of the similarity of the two campaigns is significant. Proof of such knowledge "has often been relied upon as evidence of bad faith and an intention to trade upon another's good will. A wrongful intent appears easy to infer where the defendant knew of the plaintiff's mark, had freedom to choose any mark, and 'just happened' to choose a mark confusingly similar to plaintiff's mark."¹³⁸

Frequently this analysis takes the form of the “newcomer” or “second comer” doctrine. Courts reason that “a defendant, being a newcomer, has an infinity of marks to chose [sic] from. If he is aware of a plaintiff’s mark and nevertheless chooses a closely similar mark, the courts tend to draw an inference of intentional infringement and likelihood of confusion.”¹³⁹ Some courts will take this analysis one step further and find an intent to confuse based on circumstantial evidence of a defendant’s constructive knowledge of the plaintiff’s mark.¹⁴⁰ This is most common where the plaintiff’s mark is sufficiently famous or distinct;¹⁴¹ however, courts will also make such a finding where the plaintiff and defendant have had a prior relationship.¹⁴²

***256** Such inferences of an intent to confuse are unwarranted for at least three reasons. First, as mentioned by the Second Circuit, there are a variety of circumstances under which a junior user may knowingly adopt a similar mark and still not intend to confuse consumers. These include where he reasonably believes that the senior user’s mark is functional, generic, descriptive, sufficiently distinct from his own mark, in a sufficiently distinct market, or in a sufficiently distinct geographic location. In the vast majority of cases, the mere fact that the defendant has taken the case all the way to trial suggests that the he has at least some plausible argument that his use is not likely to confuse consumers. The inference of a bad faith intent is truly weak in light of the many good faith ways in which a defendant can adopt a particular mark with knowledge of another’s mark.

Second, by adding this weak factor into the equation, courts only further weaken the long chain of inferences used to find a likelihood of confusion. That is, courts are essentially stating that where a defendant was aware of a plaintiff’s mark, the defendant must have intended to copy the plaintiff’s mark; therefore the defendant must have intended to cause consumer confusion, and, because it is safe to assume the defendant will be successful in those efforts, consumer confusion is likely.¹⁴³ In cases where constructive knowledge is used, yet another inference is added to the chain.¹⁴⁴ This long chain of rather weak inferences only serves to create new problems for trademark law--exactly the opposite goal of the confusion factors, which were designed to “help grapple with the ‘vexing’ problem of resolving the likelihood of confusion issue.”¹⁴⁵

Third, courts are still relying on the similarity of the marks and other factors as their true basis for finding a likelihood of confusion. Courts would never infer an intent to confuse from a defendant’s knowledge of a plaintiff’s mark if the defendant’s mark was entirely distinct from and unrelated to the plaintiff’s mark, yet courts such as the Southern District of New York would likely make such an inference where the defendant’s mark is an exact copy of the plaintiff’s mark. In between these two extremes is the situation where a mark is neither completely distinct from nor an exact copy of another mark. It is safe to assume that in these situations, a court is less likely to find intent than where the mark is an exact copy, but more likely than where it is completely distinct. In practice, then, the courts use a sliding scale: the more similar two marks are, the more likely the court is to find a bad faith intent from the defendant’s knowledge of the plaintiff’s mark; the less ***257** similar the marks are, the less likely the court is to find such a bad faith intent. Thus, even where the court frames the issue as whether the defendant had prior knowledge, the true question being asked is whether the marks are sufficiently similar. This question brings with it the numerous other problems mentioned supra in Part IV.B.1. For each of these three reasons, the defendant’s knowledge of the plaintiff’s mark provides poor support for a finding of bad faith intent.

3. Defendant’s Continued Use After Notice of Alleged Infringement

Some courts have relied on a defendant’s continued use of a mark after being put on notice of infringement allegations as evidence of intent in support of a likelihood of confusion finding.¹⁴⁶ In one Fourth Circuit case, for example, the plaintiff had obtained federal registrations on the marks “Lone Star Cafe” and “Lone Star Steakhouse & Saloon” in connection with restaurants and clothing.¹⁴⁷ The defendant subsequently opened up a “Lone Star Grill” restaurant.¹⁴⁸ It was unclear whether the defendant was aware of the use or registration of the plaintiff’s marks prior to opening its restaurant; however, the defendant opened up a second restaurant after the commencement of the suit and was therefore clearly on notice during at least a portion of the alleged infringement.¹⁴⁹ When considering the defendant’s intent in making its likelihood of confusion determination, the court stated the following:

[Plaintiff] nevertheless offered evidence that supports a presumption that [defendant] acted in bad faith in conducting certain activities of the Lone Star Grill. Specifically, [defendant] may have been unaware of the Lone Star Steakhouse restaurants when it originally opened its Arlington Lone Star Grill in 1991, but [defendant] opened a new restaurant in Baltimore under the same name after the commencement of this lawsuit and despite [plaintiff]’s requests that [defendant] change the name of its restaurant.¹⁵⁰

This analysis is significantly flawed. The issue here was whether consumers were likely to be confused between the plaintiff’s restaurant and the defendant’s restaurant.¹⁵¹ The court relied on the defendant’s continued use after notice of litigation ***258** to infer the defendant’s bad faith,¹⁵² and then relied on the defendant’s bad faith to infer consumer confusion.¹⁵³ Combining these inferences, the court essentially concluded that continued use after notice of litigation makes consumer

confusion more likely. How this can be is beyond comprehension. There was no suggestion that the defendant's conduct changed in any way as a result of the notice--just that the defendant continued to operate the business as usual and open another restaurant. For consumers, the two brands remained essentially identical before and after the notice was received; notice to the defendant did nothing to alter consumers' thoughts. Given this lack of change, consumers would be confused between the two brands either both before and after notice was received or not at all. Nevertheless, the court concluded that this notice to the defendant somehow made consumers more likely to be confused. This defies logic.¹⁵⁴

Worse yet, if the defendant's continued business activity suggests anything about the likelihood of consumer confusion, it is a decrease in that likelihood--exactly the opposite of what the court assumes. Suppose there were two defendants in an infringement suit. One created a mark that was very unlikely to cause confusion with the plaintiff's mark as there were only a few minor similarities. The other copied the plaintiff's mark almost exactly, resulting in a mark that was highly likely to cause confusion. Once the plaintiff accuses them of infringement and sends them notice to that effect, what action are they each likely to take? The defendant whose mark is different and unlikely to cause confusion will almost certainly continue with his normal business activity of using the mark. There is a very small chance that he is doing anything wrong, so why change? The other defendant, whose mark is similar and likely to cause confusion, however, may very seriously consider ceasing use of the mark immediately. Because a court will likely find infringement, *259 ceasing use of the mark upon notice of the alleged infringement essentially renders the same result for the defendant (i.e., he can no longer use the mark), but without the cost, time, and potential for additional damages of litigation. Despite these reasonable, common sense behavioral assumptions, courts inexplicably continue to assume exactly the opposite. It is unjustifiable for courts to infer bad faith intent and a likelihood of confusion based on defendants' continued use after notice of alleged infringement.

4. Defendant's Intent to Come Close to Plaintiff's Mark

The last category of evidence that courts often consider in making an intent to confuse determination is a defendant's intent to come close to the plaintiff's mark. In one Fifth Circuit case, for example, an agricultural company designing its packaging for chemicals set out to imitate its competitor's packaging "as much as the law would allow, and consulted its attorney for advice in order to accomplish this end without violating the law."¹⁵⁵ The Fifth Circuit declared that it could "think of no other plausible explanation for such behavior" other than that the defendant "copied [plaintiff]'s trade dress with the intent of 'cashing in' on [plaintiff]'s goodwill"¹⁵⁶ and used this evidence in support of its decision to "reverse the district court's finding of no likelihood of confusion."¹⁵⁷

There are in fact a number of other plausible good faith explanations for the defendant's behavior. Perhaps the defendant found the appearance of its competitor's product packaging to be aesthetically pleasing or attention-grabbing. More likely, perhaps the defendant hoped to create packaging that would allow consumers to identify the product as being similar to the plaintiff's but from a different source, which would be legal so long as there would not be a likelihood of consumer confusion. Even if there was no other explanation but that the defendant was attempting to "cash in" on the plaintiff's goodwill, however, this case still falls astray from justice. The court's assessment of the defendant's intent was based on the defendant's explicit desire to only go so far as the law would allow.¹⁵⁸ The law would allow the company to design its packaging in any manner it pleased, so long as it would not create a "likelihood of confusion" with the defendant's product.¹⁵⁹ The defendant thus had the express and specific intent of avoiding consumer confusion between its packaging and the plaintiff's packaging. Yet, based on this intent (i.e., intent to avoid consumer confusion), the court concluded that the defendant's intent was exactly the opposite (i.e., intent to create consumer confusion) and then used *260 this conclusion to support a finding of a likelihood of confusion. This scenario is not unique to this case or to the Fifth Circuit,¹⁶⁰ and yet it is hard to imagine a more illogical and unjust outcome.

The various problems discussed throughout this Part IV exacerbate the uncertainty and lack of clarity involved in making likelihood of confusion determinations. Under normal circumstances, misapplication of the law by the courts only suggests that courts should change the manner in which they apply that law, not that that law should be tossed out entirely. Here, however, the intent factor is not an actual component of the statute enacted by Congress, but rather it is a court-made factor, "designed to help grapple with the 'vexing' problem of resolving the likelihood of confusion issue."¹⁶¹ When such a factor in practice only adds more confusion to the situation, its use is no longer warranted. Whatever aid, if any, the intent factor provides in determining the statutory issue is offset completely by the detriments of such frequent misapplication.

V. Conclusion

What does the defendant's mind communicate about the consumer's mind? Not a whole lot, it turns out. The existing system of relying on defendant intent to support a likelihood of consumer confusion fails logically under the current statutory framework. With respect to the Lanham Act, intent evidence focuses too much on the defendant's state of mind and too little on the statutory issue--whether consumers are likely to be confused. From an evidentiary perspective, intent evidence is not particularly relevant under Rule 401 of the Federal Rules of Evidence, perhaps surprisingly, and should be deemed inadmissible under Rule 403.

If that's not enough, further problems arise when the intent factor is considered in light of the various ways in which courts have applied it in actual cases over the years. Courts are generally in agreement that an intent to confuse is required rather than a mere intent to copy, but at the same time they frequently conflate the two, often appearing to misunderstand the difference or, worse yet, to be unaware that there is a difference at all. Whichever standard the courts choose, or fail to choose, they almost invariably apply the confusion factors, including intent, in a rigid and mechanical fashion. Because there is often a dearth of actual evidence suggesting bad faith intent, courts frequently turn to problematic sources of evidence, relying on weak inferences for support. These sources include the similarity of the marks, defendant's knowledge of plaintiff's mark, defendant's continued use after notice of alleged infringement, and defendant's intent to come close to *261 plaintiff's mark. Each of these creates its own unique issues to be resolved, but together these all-too-common¹⁶² sources of intent evidence create significant logical flaws in a very large number of opinions that rely on the intent factor, which only further exacerbates the problem.

Courts must ultimately remember to focus on the question that Congress has asked them to answer--whether consumers are likely to be confused by the defendant's use of the accused mark. All too often, courts get lost in the sea of official confusion factors, acting as if they are a strict and rigid statutory test, rarely adding to or taking away from them as the facts may require, and treating them as though they are not means to an end but rather the ends themselves. While this is at times true of any of the factors, the most common and problematic culprit is the defendant's intent. Perhaps courts truly see the defendant's intent as relevant to the consumer's state of mind in many cases or perhaps it is just too difficult to ignore the smoking guns that some defendants appear to be holding. Whatever the reason, courts continue to over-emphasize the role of the defendant's intent to the detriment of the law.

All of these problems lead to one undeniable solution: courts should no longer rely on intent in assessing the likelihood of confusion. Courts should eliminate their reliance on intent entirely in this realm and instead relegate it to its appropriate role in the realm of remedies.¹⁶³ Doing so would cause far fewer problems than one might suppose. The remaining confusion factors in use by the courts are more than sufficient to accurately assess the likelihood of confusion, and eliminating the discussion of defendant's intent would instantly alleviate a host of complications in the current system. It is never the case that the proper outcome in a trademark infringement action can only be reached via an analysis of the defendant's intent. It is often the case, however, that this factor leads courts astray by creating significant confusion itself, adding unnecessary complication, and arguably even resulting in incorrect outcomes. The practice of presuming a likelihood of consumer confusion, the central issue in any trademark infringement suit, based upon a long chain of flawed inferences about intent is ripe for repeal.¹⁶⁴ It is unwarranted from both theoretical and practical perspectives, and it should no longer continue.

Footnotes

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¹ Lanham Act § 43(a)(1), 15 U.S.C. § 1125(a)(1) (2006) (*italics added*).

² See *infra* Part II.A (examining the historical use of multifactor tests in assessing the likelihood of consumer confusion).

³ See Barton Beebe, *An Empirical Study of the Multifactor Tests for Trademark Infringement*, 94 Cal. L. Rev. 1581, 1581 (2006) ("The thirteen circuits' thirteen different multifactor tests ... have received little academic attention and no empirical analysis.");

but see, e.g., Thomas R. Lee, Glenn L. Christensen & Eric D. DeRosia, *Sophistication, Bridging the Gap, and the Likelihood of Confusion: An Empirical and Theoretical Analysis*, 98 *Trademark Rep.* 913, 914 (2008) [hereinafter *Bridging the Gap*] (examining the usefulness of both the “consumer sophistication” factor and the “likelihood of bridging the gap” factor); Thomas R. Lee, Glenn L. Christensen & Eric D. DeRosia, *Trademarks, Consumer Psychology, and the Sophisticated Consumer*, 57 *Emory L.J.* 575 (2008) [hereinafter *Consumer Psychology*] (examining the usefulness of the “consumer sophistication” factor).

4 See Beebe, *supra* note 3, at 1591 tbl.1 (listing the factors used by each circuit); see also Jerome Gilson & Anne Gilson LaLonde, *The Lanham Act: Time for a Face-Lift?*, 92 *TRADEMARK REP.* 1013, 1017-20 (2002) (comparing the number of factors present in each circuit). The most commonly used factors are “similarity of the marks,” “proximity of the goods,” “evidence of actual confusion,” “strength of plaintiff’s mark,” “defendant’s intent,” “sophistication of the consumers,” “similarity of advertising methods,” “similarity of sales facilities,” and “likelihood of bridging the gap.” See Beebe, *supra* note 3, at 1591 tbl.1 (listing the factors used by each circuit).

5 See Beebe, *supra* note 3, at 1591 tbl.1 (listing similarity of the marks as a factor used in all circuits).

6 See *id.* (listing similarity of advertising methods as a factor used in most circuits).

7 See *id.* (listing defendant’s intent as a factor used in virtually all circuits); see also *infra* note 43 (explaining that in practice the defendant’s intent is relied on in all circuits).

8 Beebe, *supra* note 3, at 1628 (“The data [gathered from the empirical study of likelihood of confusion cases] strongly reject the hypothesis that the intent factor is irrelevant to the outcome of the multifactor test. In fact, they suggest that a finding of bad faith intent creates, if not in doctrine, then at least in practice, a nearly un-rebuttable presumption of a likelihood of confusion. All but one of the fifty preliminary injunction opinions in which the court found bad faith intent resulted in a finding of a likelihood of confusion, and all but one of the seventeen bench trials in which the court found bad faith intent produced the same result.”).

9 *Id.*

10 Scholars and courts have at times taken exception with the intent factor. See, e.g., *Lois Sportswear, U.S.A., Inc. v. Levi Strauss & Co.*, 799 F.2d 867, 875 (2d Cir. 1986) (“[I]ntent is largely irrelevant in determining if consumers likely will be confused as to source.”); 4 J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition* § 23:124 (4th ed. 2007) (“Trademark and unfair competition law has long lived with an inherent tension as to the relevance of the junior user’s state of mind to the ultimate issue of the state of mind of customers.”); Harvey S. Perlman, *The Restatement of the Law of Unfair Competition: A Work in Progress*, 80 *Trademark Rep.* 461, 472 (1990) (“What the defendant was thinking is poor evidence of what consumers were likely to have been thinking.”). These critiques, however, almost invariably qualify this notion with some degree of acceptance of the intent factor. See, e.g., respectively, *Gucci Am., Inc. v. Action Activewear, Inc.*, 759 F. Supp. 1060, 1065 (S.D.N.Y. 1991) (noting, after *Lois Sportswear*, that “the Second Circuit has repeatedly recognized that evidence ‘that a defendant deliberately engaged in a deceptive commercial practice’ raises a presumption of consumer confusion”); 4 McCarthy, *supra*, § 23:124 (“As long as one does not forget that ‘an intent to do a wrong cannot transmute a lawful act into an unlawful act,’ defendant’s intent can be useful evidence to put into the overall mosaic.” (citation omitted)); Perlman, *supra*, at 472 (“[I]t seems perfectly reasonable to infer that a defendant who intends to confuse consumers has succeeded in doing so.”).

11 See 1 McCarthy, *supra* note 10, § 5:2 (discussing the importation of the English common law system by American courts).

12 Keith M. Stolte, *How Early Did Anglo-American Trademark Law Begin? An Answer to Schechter’s Conundrum*, 88 *Trademark Rep.* 564, 579 (1998).

13 *Id.* at 600-02.

14 See *id.* at 601-02 (“[W]hereupon various ... buyers [who] had previously been accustomed to buy the same plaintiff’s cloths, ... [seeing] the aforesaid cloths marked with ... the aforesaid mark ... bought the same cloths ... from the same defendant”).

15 Id. at 601 (emphasis added).

16 Other than the complaint, the only historical records of Sandforth’s Case are two abstracts of the case, both of which are “considerably less detailed than the complaint.” Id. at 588.

17 One of the judges in *Southern v. How*, Judge Dodderidge, “appears to characterize [Sandforth’s Case] as an intentional deceit on the senior trademark user by the defendant.” Id. at 569-70.

18 Stolte, *supra* note 12, at 565 (“History has generally honored *Southern v. How*, decided in 1618, as the first reported trademark case in Anglo-American law” (citation omitted)).

19 Id. at 574 n.50 (citing Frank I. Schechter, *The Historical Foundations of the Law Relating to Trade-Marks* 123 (1925) as “discussing nineteenth century English cases declaring that *Southern v. How* is the starting point for the law of trademarks” (italics added)).

20 1 McCarthy, *supra* note 10, § 5:2.

21 4 McCarthy, *supra* note 10, § 23:105.

22 Id. A mark is inherently distinctive if it fits into any one of three distinctiveness categories: fanciful, arbitrary, or suggestive. Fanciful marks are coined words (e.g., “Verizon”); arbitrary marks are existing words applied to unrelated products (e.g., “Apple Computers”); and suggestive marks are existing words that indirectly describe products, but still require an imaginative leap to get from the mark to the product (e.g., “Coppertone” for skincare products). *Boston Duck Tours, LP v. Super Duck Tours, LLC*, 531 F.3d 1, 12-13 (1st Cir. 2008). Marks that are merely descriptive of the goods or services on which they are used (e.g., “Sports Illustrated”), however, are not inherently distinctive, but may still obtain protection via “secondary meaning” or “acquired distinctiveness” if consumers come to associate them with a single source over time. Id. at 13. Lastly, generic marks, those which describe an entire category or genus of goods or services rather than identify one particular source in the mind of consumers (e.g., “car” or “pizza”), cannot receive any protection at all, because they simply are not source identifiers in the minds of consumers. See id. at 13-14 (“Because they serve primarily to describe products rather than identify their sources, generic terms are incapable of becoming trademarks, at least in connection with the products that they designate.”).

23 4 McCarthy, *supra* note 10, § 23:105. Marks that are not inherently distinctive are categorized as either generic or descriptive. See *Boston Duck Tours*, 531 F.3d at 12-13 (citing only arbitrary, fanciful, and suggestive marks as inherently distinctive); *supra* note 22 (discussing the levels of distinctiveness for marks).

24 4 McCarthy, *supra* note 10, § 23:105.

25 Id.; see, e.g., *Coty, Inc., v. Parfums De Grande Luxe, Inc.*, 298 F. 865, 870 (2d Cir. 1924) (“We think that the reasons for not requiring proof of a fraudulent intent in cases of infringement of trade-marks apply with equal force in cases of unfair competition, the basis of the remedy being substantially the same.”).

26 The Restatement actually included two separate lists of factors for assessing the likelihood of confusion--one for competitive goods, see Restatement (First) of Torts § 731 (1938), and another for non-competitive goods, see id. § 729. Both lists included the defendant’s intent as one of the factors.

27 Id. § 729 cmt. f.

28 See, e.g., 4 McCarthy, supra note 10, § 23:110 (providing modern justifications for the use of intent in assessing the likelihood of confusion).

29 According to Westlaw’s KeyCite system, the case has been cited well over 3,000 times in various documents.

30 287 F.2d 492 (2d Cir. 1961).

31 Id. at 493.

32 Id. at 495 (emphasis added).

33 Beebe, supra note 3, at 1591 tbl.1, 1649 (“By 2000, if not by the mid-1990s, each of the circuits had settled on a standard multifactor test for use in its jurisdiction”).

34 See, e.g., A & H Sportswear, Inc. v. Victoria’s Secret Stores, Inc., 166 F.3d 191, 194 (3d Cir. 1999) (“‘[L]ikelihood of confusion’ between two marks is a factual matter”); Dieter v. B & H Indus. of Sw. Fla., Inc., 880 F.2d 322, 325 n.2 (11th Cir. 1989) (“Determination of ‘likelihood of confusion’ is a factual issue”); Sweetarts v. Sunline, Inc., 436 F.2d 705, 710 (8th Cir. 1971) (“[T]he issue of likelihood of confusion in a trademark infringement case is one of fact for the resolution by the trial court”); see also 4 McCarthy, supra note 10, § 23:67 (“At the trial level, likelihood of confusion is an issue of fact.”); but see, e.g., Nabisco, Inc. v. Warner-Lambert Co., 220 F.3d 43, 46 (2d Cir. 2000) (“The predicate facts are reviewed on a clearly erroneous standard. The facts here are undisputed, however, and the issue is whether, on balance, the factors establish a likelihood of confusion. That is a question of law.”); Jet, Inc. v. Sewage Aeration Sys., 165 F.3d 419, 422 (6th Cir. 1999) (“Likelihood of confusion is a mixed question of fact and law. After a bench trial, we review a trial court’s underlying factual findings for clear error but review de novo whether these facts indicate a likelihood of confusion.” (citation omitted)). For a thorough discussion of this circuit split, see 3 Anne Gilson LaLonde & Jerome Gilson on Trademarks § 8.14 (Karin Green ed., 75th rev. 2010). As a result of these differing views, likelihood of confusion determinations can be made by any of a number of parties, depending on the circumstances. For convenience in this Article, the parties deciding the likelihood of confusion issues, whether they be jurors, trial court judges, or appellate court judges, are referred to as “the court.”

35 Arrow Fastener Co. v. Stanley Works, 59 F.3d 384, 400 (2d Cir. 1995); see also Falcon Rice Mill, Inc. v. Cmty. Rice Mill, Inc., 725 F.2d 336, 345 n.9 (5th Cir. 1984) (“These factors may not be relevant in every case, nor are they the only factors that may be considered. In an appropriate case, factors other than those listed may be relevant.”); New Eng. Cord Blood Bank, Inc. v. Alpha Cord, Inc., No. Civ.A. 03-11662-GAO, 2004 WL 222357, at *4 (D. Mass. Jan. 21, 2004) (“The factors are non-exclusive, and the particular facts of a case may render certain factors irrelevant or difficult to apply.”).

36 See Beebe, supra note 3, at 1594 (“Of the 331 opinions sampled, only six (2%) explicitly considered factors beyond those included in their circuit’s test, and in doing so, only one of these looked to precedent from other circuits.”).

37 See id. at 1593 (“Overall, the circuit-wide mean of the proportion of factors not explicitly addressed per opinion is very low (.096”).

38 See id. at 1614-22 (discussing the phenomenon of judges “stamped [ing] the factor outcomes to favor the test outcomes”).

39 See supra note 3 and accompanying text (discussing the low level of analysis concerning the factors).

40 See Beebe, supra note 3, at 1588 (“The idiosyncrasies of tradition rather than of reason governed the development of the multifactor tests across the circuits.”).

41 For a detailed comparison of which factors are used in which circuits, see *id.* at 1591 tbl.1.

42 For example, the Eighth Circuit uses only six factors, whereas the Federal Circuit uses thirteen. *Id.*

43 Ironically, in light of it having more factors than any other circuit, the Federal Circuit is the only federal appellate court that has not explicitly adopted intent as one of its factors; nevertheless, it “will consider it when it is relevant.” *Id.* at 1590 n.38. Similarly, the Second Circuit has stated that “intent is largely irrelevant in determining if consumers likely will be confused as to source” in *Lois Sportswear, U.S.A., Inc. v. Levi Strauss & Co.*, 799 F.2d 867, 875 (2d Cir. 1986), but nevertheless continues to apply the factor. See, e.g., *Gucci Am., Inc. v. Action Activewear, Inc.*, 759 F. Supp. 1060, 1065 (S.D.N.Y. 1991) (noting, after *Lois Sportswear*, that “the Second Circuit has repeatedly recognized that evidence ‘that a defendant deliberately engaged in a deceptive commercial practice’ raises a presumption of consumer confusion”).

44 See, e.g., *AmBrit, Inc. v. Kraft, Inc.*, 812 F.2d 1531, 1542 (11th Cir. 1986) (“[I]ntent ... may alone be enough to justify the inference that there is confusing similarity.”); *Mastercrafters Clock & Radio Co. v. Vacheron & Constantin-Le Coultre Watches, Inc.*, 221 F.2d 464, 467 (2d Cir. 1955) (“[I]ntent ... gives rise to a powerful inference that confusion is likely.”).

45 *Beebe*, *supra* note 3, at 1628.

46 *Id.* at 1608.

47 Lanham Act § 43(a), 15 U.S.C. § 1125(a) (2006). This section provides liability regardless of whether the plaintiff has a registered trademark. A separate, though similar, section of the statute covers liability for infringement upon registered trademarks. *Id.* § 1114(1)(a) (“Any person who shall, without the consent of the registrant--use in commerce any reproduction, counterfeit, copy, or colorable imitation of a registered mark in connection with the sale, offering for sale, distribution, or advertising of any goods or services on or in connection with which such use is likely to cause confusion, or to cause mistake, or to deceive ... shall be liable in a civil action by the registrant for the remedies hereinafter provided.” (emphasis added)). The central issue for liability under either section is whether there exists a likelihood of consumer confusion.

48 Other examples of such preliminary issues include whether the plaintiff has a valid and protectable mark and whether any affirmative defenses preclude liability. See generally *id.* §§ 1114, 1125 (providing requirements for establishing protectability and affirmative defenses).

49 See, e.g., *GoTo.com, Inc. v. Walt Disney Co.*, 202 F.3d 1199, 1208 (9th Cir. 2000) (“[E]ven if we ... concluded that [defendant] was as innocent as a fawn with no intent to copy or appropriate [plaintiff]’s logo, it would prove nothing since no such intent is necessary to demonstrate a likelihood of confusion”); *Fuji Photo Film Co. v. Shinohara Shoji Kabushiki Kaisha*, 754 F.2d 591, 596 (5th Cir. 1985) (“Good faith is not a defense to trademark infringement. The reason for this is clear: if potential purchasers are confused, no amount of good faith can make them less so.” (citations omitted)). In fact, courts have held this view that intent is not a requirement for more than a century. See, e.g., *Elgin Nat’l Watch Co. v. Ill. Watch Case Co.*, 179 U.S. 665, 674 (1901) (declaring that violations of trademark rights for inherently distinctive marks will be restrained even where wrongful intention is rebutted); see also *Thaddeus Davids Co. v. Davids*, 233 U.S. 461, 471 (1914) (“[I]t could not be considered necessary that the complainant, in order to establish infringement, should show wrongful intent”).

50 E.g., *GoTo.com*, 202 F.3d at 1205.

51 For example, with respect to dilution, the statute provides for additional remedies where the defendant “wilfully intended to trade on the recognition of the famous mark” or “willfully intended to harm the reputation of the famous mark.” 15 U.S.C. § 1125(c)(5) (2006) (emphasis added). With respect to cyberpiracy, the statute actually requires bad faith intent to establish a prima facie case: “A person shall be liable in a civil action by the owner of a mark ... if, without regard to the goods or services of the parties, that person has a bad faith intent to profit from that mark” *Id.* § 1125(d)(1)(A) (emphasis added).

52 See id. § 1117(b) (“In assessing damages ... for any violation of section 1114(1)(a) of this title ... the court shall ... enter judgment for three times such profits or damages, whichever amount is greater, together with a reasonable attorney’s fee, if the violation consists of intentionally using a mark or designation, knowing such mark or designation is a counterfeit mark ... in connection with the sale, offering for sale, or distribution of goods or services In such a case, the court may award prejudgment interest on such amount” (emphasis added)). Note that damages can be trebled only for violations of § 1114, for which the plaintiff must have a registered mark, and not for § 1125. See supra note 47 and accompanying text (comparing § 1114 and § 1125).
In addition to relying on intent in deciding whether damages should be trebled, courts also rely on it in deciding whether monetary damages are the appropriate remedy over injunctive relief. See 3 LaLonde & Gilson, supra note 34, § 14.03 (“If injunctive relief satisfies the equities of the particular case, the court will deny recovery of damages and will refuse an accounting of defendant’s profits. This principle is ordinarily applied where there is no showing of fraudulent conduct, palming off, bad faith, or deliberate intent on the part of the defendant to cause confusion. On the other hand, where the infringement is deliberate and defendant’s use of the mark is intentionally misleading, or where substantial damage has been inflicted on the plaintiff, damages or damages and an accounting are appropriate.”).
Eliminating reliance on intent in determining trademark infringement liability, as is advocated in this Article, is entirely consistent with continuing reliance on intent in assessing remedies. This is true primarily because the statute uses this approach, but it is also quite a reasonable approach even independent of the statute. Trademark infringement is designed to protect consumers, so infringement should be found wherever they are likely harmed. Consumers are likely harmed where they are likely confused, regardless of the defendant’s intent, so infringement should be found wherever there is a likelihood of consumer confusion. That determination should not involve consideration of the defendant’s intent for the various reasons discussed throughout this Article. It does not quite seem fair, though, to punish a party who happens to infringe completely by accident in exactly the same way as a party who maliciously infringes. The solution, then, is to factor in that malicious intent when doling out punishments. Thus, it is perfectly reasonable to disregard the defendant’s intent when addressing the likelihood of confusion while factoring it in when assessing the appropriate remedy after a likelihood of confusion has been found.
This approach of relying on intent for remedies but not for liability is entirely consistent with general remedies principles. See Richard L. Hasen, Remedies 328-29 (2007) (discussing the heightened level of culpability required for punitive damages generally and noting that “all states allow punitive damages when a defendant has been proven to have an intent to harm a plaintiff”).

53 1 McCarthy, supra note 10, § 2:2.

54 Id. § 2:3.

55 See, e.g., 4 McCarthy, supra note 10, § 23:124 (“[Trademark] law does not exist to punish evil motives or to reward mistaken, yet good faith, ignorance.”); see also 1 McCarthy, supra note 10, § 2:2 (listing off policy rationales for trademark law without reference to punishing infringers); 1 LaLonde & Gilson, supra note 34, § 1.03 (listing off policy rationales for trademark law without reference to punishing infringers).

56 Restatement (Third) of Unfair Competition §§ 20-23 (1995). Under the Restatement’s formulation, these market factors consist of: (1) the degree of similarity between the marks, (2) the degree of similarity in the marketing methods and channels of distribution, (3) the degree of care of prospective purchasers, (4) the degree of the senior mark’s distinctiveness, (5) the likelihood of bridging the gap, and (6) the geographic differences between the marks. Id. § 21.

57 See id. § 23 cmt. c (“Consumer surveys can be helpful in establishing whether confusion is likely.”).

58 See id. § 21 (noting that “[w]hether an actor’s use of a designation causes a likelihood of confusion ... is determined by a consideration of all the circumstances involved in the marketing of the respective goods or services or in the operation of the respective businesses” and providing a list of market factors that “may be important”).

59 Id. cmt. i.

60 Id. cmt. j.

61 Restatement (Third) of Unfair Competition § 21 cmt. on cl. (b) (1995).

62 Id. cmt. h.

63 Id. cmt. c.

64 See id. § 22 cmt. c (“[T]he actor’s intent does not affect the perceptions of prospective purchasers”).

65 See, e.g., I. Richard Gershon, *Field of Deans*, 33 U. Tol. L. Rev. 49, 49 (2001) (analogizing participation in various sports to being a law school dean); Ronald J. Krotoszynski, Jr., *The New Legal Process: Games People Play and the Quest for Legitimate Judicial Decision Making*, 77 Wash. U. L.Q. 993, 1012-13 (1999) (likening judges to referees and umpires); *Aside, The Common Law Origins of the Infield Fly Rule*, 123 U. Pa. L. Rev. 1474, 1475 (1975) (comparing the common law to baseball’s Infield Fly Rule); but see Carl Tobias, *Manuscript Selection Anti-Manifesto*, 80 Cornell L. Rev. 529, 536 (1995) (“I despise sports analogies”).

66 Official Baseball Rules § 6.08(b) (2010), available at http://mlb.mlb.com/mlb/downloads/y2010/official_rules/2010_OfficialBaseballRules.pdf. For a brief overview of how the game of baseball is played, see British Broad. Ctr., *Guide to Baseball*, http://news.bbc.co.uk/sport1/hi/other_sports/baseball/3562135.stm (last visited Oct. 26, 2010).

67 Even a ball that merely brushes the batter’s jersey will suffice. Official Baseball Rules, *supra* note 66, § 5.09(a). This has led to more than a few suspiciously loose jerseys over the years.

68 See *supra* note 47 and accompanying text (discussing the Lanham Act’s likelihood of confusion standard).

69 Official Baseball Rules, *supra* note 66, § 6.08(b).

70 Id.

71 Although the current instant replay system in Major League Baseball has very limited application, calls for its increased use, including for Rule 6.08(b) determinations, are frequently made. See, e.g., Jeff Passan, *Here’s the Plan for an Effective Replay System*, Yahoo! Sports, Jun. 3 2010, <http://sports.yahoo.com/mlb/news?slug=jp-replay060310>.

72 “Market factors” includes all of the confusion factors that reflect market conditions. In sum, this consists of all of the factors except (1) evidence of actual confusion and (2) intent. Restatement (Third) of Unfair Competition §§ 20-23 (1995); see also *supra* note 56 and accompanying text (listing the “market factors”).

73 Baseball is an unfair comparison, some might argue, because it is difficult to actually hit a batter whereas it is easy to copy a trademark. Indeed, hitting a professional athlete with a ball when he is standing sixty feet away and trying his best to avoid being hit is generally a more difficult task that often results in failure even where a pitcher has made his improper intentions explicitly known. In most cases, this would be more difficult than, say, making an exact copy of a trademark and putting it on another product. That said, a trademark that has been knocked off exactly is like a baseball that clearly hit the batter—a non-controversial issue easily decided by the umpire or judge with an outcome that is ultimately not affected by any bad faith intent. Where the intent factor actually influences outcomes, though, is on the closer calls such as “McDonalds” and “McDental” or marks with subtle similarities in color and shape. The issue of whether and to what extent the intent factor should be considered is therefore only material in the specific situation where a close call must be made as to whether the accused mark is likely to cause confusion. Thus, the relative ease of hitting a batter with a ball compared to copying a trademark is irrelevant.

74 See Official Baseball Rules, *supra* note 66, §6.08 (stating the rule without reference to the pitcher’s intent).

75 See Confirmation Hearing of the Nomination of John G. Roberts, Jr. to be Chief Justice of the United States: Hearing Before the S. Comm. on the Judiciary, 109th Cong. 55 (2005) (statement of John G. Roberts, Jr.) (“Judges are like umpires.”).

76 GoTo.com, Inc. v. Walt Disney Co., 202 F.3d 1199, 1208 (9th Cir. 2000).

77 As discussed supra, intent is used, and rightly so, in trademark suits and in other areas of the law for the purpose of assessing remedies. See supra note 52 and accompanying text. Interestingly enough, this use occurs in baseball as well. Though umpires do not consider pitchers’ intent relevant in determining whether batters are hit, they regularly rely on intent in deciding the appropriate punishment for pitchers. Specifically, when a pitcher accidentally hits a batter, the only punishment is that the batter advances to first base; however, when a pitcher intentionally hits a batter, the pitcher may be expelled from the game. See Official Baseball Rules, supra note 66, § 8.02(d) (declaring that “[t]he pitcher shall not [i]ntentionally [p]itch at the [b]atter” and that “[i]f, in the umpire’s judgment, such a violation occurs, the umpire may elect either to: 1. [e]xpel the pitcher, or the manager and the pitcher, from the game, or 2. may [sic] warn the pitcher and the manager of both teams that another such pitch will result in the immediate expulsion of that pitcher (or a replacement) and the manager” (emphasis added)).

78 Perlman, supra note 10, at 472.

79 For example, even Prof. Perlman, who stated that intent is “poor evidence,” went on in that piece to state that “given the difficulty or reluctance of courts to make inferential judgments based on their own or a jury’s evaluation of the two marks in their market context, it seems perfectly reasonable to infer that a defendant who intends to confuse consumers has succeeded in doing so.” Id. (emphasis added).

80 My-T Fine Corp. v. Samuels, 69 F.2d 76, 77 (2d Cir. 1934). Not all courts would use such a strong word as “expert,” but the nearly un-rebuttable presumption that is created by intent evidence demonstrates that courts in practice give defendants’ opinions even more deference--less like that of an expert and more like that of a judge.

81 See Fed. R. Evid. 702 (listing the requirements for expert witness testimony). Of course, it is possible to imagine a case in which a court does inquire into a defendant’s qualifications. If there was clear evidence that a defendant truly believed consumer confusion was likely, a plaintiff might very well present evidence to show that the defendant was qualified to make such an opinion. In practice, however, this is exceptionally rare. There is typically not enough actual evidence of the defendant’s opinion to warrant this, and even where there is, there is no need to provide expertise evidence because the court has typically already presumed the case in plaintiff’s favor.

82 Such evidence is often difficult to find in practice. See infra note 123 and accompanying text (discussing the rarity of direct evidence for bad faith intent).

83 See Fed. R. Evid. 702 (noting that expert testimony is appropriate where “scientific, technical or other specialized knowledge will assist the trier of fact to understand the evidence or to determine a fact in issue”).

84 The same analysis applies to the statement, “I confused consumers.” A defendant has no way of knowing whether consumers were confused, so the statement remains an opinion even without the qualification that the defendant “thinks” it happened.

85 Because this Article covers only intent evidence, the issue of whether such a statement, which is in essence a confession, should be considered as part of the likelihood of confusion determination is reserved for later discussion. Suffice to say for the purpose of this Article, that such a confession alleviates some of the problems associated with the issues raised herein but does little to alleviate others.

86 Some cases may well include a combination of both types of statements together. For example, an e-mail could read, “I really tried to confuse those dumb consumers with my tricky packaging, and I really think I succeeded.” This does not change the analysis herein, though, as these are still two distinct statements from the defendant. Even when the two statements are combined into a single sentence, the evidence of intent itself (in this example, the first half of the sentence) still fails to answer the question of

whether the defendant succeeded.

87 “Intent” is defined as “intention or purpose;” “intention” is defined as “a thing intended; an aim or plan;” and “intend” is defined as “have (a course of action) as one’s purpose or objective; plan.” New Oxford American Dictionary 882-83 (2d ed. 2005).

88 Of course, a statement of intent could be made after the defendant has already taken some action. For example, a defendant could send an e-mail long after bringing his product to market, even during trial, in which he declares, “I intended to confuse consumers.” Such a statement, however, still speaks to a forward-looking objective because the defendant refers to his past state of mind and what his future plans were at that time.

89 Cf. 15 U.S.C. § 77z-2(c)(1)(A)(i) (2006) (granting safe harbor for forward-looking statements in filings with the Securities and Exchange Commission only where they are “accompanied by meaningful cautionary statements identifying important factors that could cause actual results to differ materially”).

90 See *My-T Fine Corp. v. Samuels*, 69 F.2d 76, 77 (2d Cir. 1934) (stating that deliberate copying by a late comer defendant will be treated as expert opinion).

91 See supra note 44 and accompanying text (discussing the presumptions courts make from intent evidence).

92 “The modern Restatement separates the list of foundational factors into three separate sections listing six ‘market factors,’ together with ‘intent’ and ‘actual confusion.’” 4 McCarthy, supra note 10, § 23:19 (citing Restatement (Third) of Unfair Competition §§ 20-23 (1995)).

93 However, the reliability of evidence of actual confusion is often contested as it typically involves consumer surveys that are error-prone and easily manipulated. See Restatement (Third) of Unfair Competition § 23 cmt. c (1995) (discussing problems with evidence of actual confusion). This fact does not change the analysis of this Article, however, as the conclusion herein is that the market factors alone are sufficient to establish whether there is a likelihood of confusion, with actual confusion evidence being merely supplemental, or perhaps even cumulative, when available.

94 Fed. R. Evid. 401.

95 Note that the likelihood of confusion is generally considered a fact issue, although some courts hold that it is a mixed question of both law and fact. See supra note 34 and accompanying text (discussing whether the likelihood of confusion is a question of fact or a question of law).

96 This necessarily stems from the requirement that the evidence must make the fact “more probable or less probable than it would be without the evidence.” Fed. R. Evid. 401 (emphasis added).

97 Beebe, supra note 3, at 1589.

98 See id. at 1591 tbl.1 (listing the factors used by each circuit).

99 See supra note 35 and accompanying text (discussing courts’ flexibility in assessing the likelihood of confusion).

100 Although some of the factors are not always present for the jury to consider (e.g., evidence of actual confusion), many of them are inherently present and available for consideration by the court in virtually every case (e.g., similarity of the marks, proximity of the goods, and strength of the plaintiff’s mark).

101 Again, this reasoning applies under the assumption that the court has actual, direct evidence of bad faith intent. Examples of such direct evidence include statements by a defendant in a phone conversation or an e-mail in which it is explicitly declared that the defendant intends to cause confusion among consumers. In practice, it is quite rare for courts to have access to such evidence. See *infra* note 123 and accompanying text (discussing the rarity of direct evidence for bad faith intent). Consequently, they often rely on questionable, indirect sources that create further evidentiary issues. These other sources are discussed in detail *infra* at Part IV.B, but their evidentiary aspects are covered briefly here. The questionable sources on which courts frequently rely to infer bad faith include: (1) similarity of the marks, (2) defendant’s knowledge of plaintiff’s mark, (3) defendant’s continued use after notice of alleged infringement, and (4) defendant’s intent to come close to plaintiff’s mark. See *infra* Part IV.B. The first of these sources--similarity of the marks--is purely redundant because it is already fully considered as an independent factor. See *infra* Part IV.B.1. As such, “intent” that is presumed from a similarity of the marks fails Rule 401’s test. The “intent” evidence (i.e., the similarity of the marks) is already under full consideration by the court via the “similarity of the marks” factor, so the intent factor does nothing to make the likelihood of confusion more or less probable. The remaining three sources are likely not even relevant to the defendant’s intent, let alone consumer confusion. See *infra* Part IV.B.2-4. These consist of (1) defendant’s knowledge of plaintiff’s mark, (2) defendant’s continued use after notice of alleged infringement, and (3) defendant’s intent to come close to plaintiff’s mark. See *id.* In sum, continued use with knowledge of plaintiff’s mark or notice of alleged infringement likely reflects plaintiff’s conclusion that his actions were lawful, while intent to come as close as the law will allow is actually an express intent to not cause a likelihood of confusion. See *id.* “Intent” presumed from any of these sources, then, does nothing to make confusion more likely than it would be without these sources, so this evidence, too, fails to satisfy the relevance test of Rule 401. See Fed. R. Evid. 401 (defining relevant evidence).

102 Fed R. Evid. 403.

103 *Id.* advisory committee’s note.

104 *Old Chief v. United States*, 519 U.S. 172, 180 (1997) (citation omitted).

105 *Beebe*, *supra* note 3, at 1628.

106 See *supra* note 103 and accompanying text.

107 *United States v. Robinson*, 560 F.2d 507, 514 (2d Cir. 1977) (citing Fed. R. Evid. 404 advisory committee’s note) (applying Rule 403 to a criminal case).

108 Fed. R. Evid. 403.

109 *Id.*

110 “Undue delay” is the only factor that may or may not suggest exclusion, depending on the circumstances.

111 Because Part IV focuses on the results of the application of the intent factor in practice, it is reasonable to suggest that the issues raised herein only provide support for correcting the application of the intent factor rather than excluding it entirely. This is not a foregone conclusion, however, as it may be the case that these practical difficulties are insurmountable and can only be averted in theory. Furthermore, the intent factor’s status as a mere creation of the courts, designed to assist them in assessing the likelihood of confusion, suggests that it should no longer be used where, in practice, it only further complicates the matter. See *infra* Part IV.B.4 (discussing the confusion added to the process by consideration of the intent factor).

112 *A & H Sportswear, Inc. v. Victoria’s Secret Stores, Inc.*, 237 F.3d 198, 225-26 (3d Cir. 2000).

113 See, e.g., *Star Indus., Inc. v. Bacardi & Co.*, 412 F.3d 373, 388 (2d Cir. 2005) (“Bad faith generally refers to an attempt by a junior

user of a mark to exploit the good will and reputation of a senior user ... with the intent to sow confusion between the two companies' products."); *Meridian Mut. Ins. Co. v. Meridian Ins. Group, Inc.*, 128 F.3d 1111, 1120 (7th Cir. 1997) ("[I]n the trademark infringement context, 'intent' refers to the intent to confuse customers, not merely the intent to use a mark that is already in use somewhere else."); *DeCosta v. Viacom Int'l, Inc.*, 981 F.2d 602, 611 (1st Cir. 1992) (defining bad faith as having "an intent or expectation of causing confusion or 'forestalling expansion under the mark by the prior user' (in a different field) or harming [the prior user's] 'reputation or good will'" (citation omitted)); *Anheuser-Busch, Inc. v. L&L Wings, Inc.*, 962 F.2d 316, 321 (4th Cir. 1992) (holding that "relevant intent in trademark cases is not merely an intent to profit ... but an 'intent to confuse the buying public'" (citation omitted)); *GTE Corp. v. Williams*, 904 F.2d 536, 541 (10th Cir. 1990) ("The ultimate focus is on whether the second user had the intent to benefit from the reputation or goodwill of the first user.").

114 See, e.g., *Sun-Fun Prods., Inc. v. Suntan Research & Dev. Inc.*, 656 F.2d 186, 189 (5th Cir. 1981) ("The two marks must bear some threshold resemblance in order to trigger inquiry into extrinsic factors").

115 *Virgin Enters. Ltd. v. Nawab*, 335 F.3d 141, 150 (2d Cir. 2003) ("When the two users of a mark are operating in completely different areas of commerce, consumers are less likely to assume that their similarly branded products come from the same source."); see also 4 *McCarthy*, supra note 10, § 23:124 ("[T]here is nothing sinister in a situation where a firm believes that it has a right to use a mark similar to that already in use because in its view no conflict exists since there are differences in format or product line."). Note, however, that even "[w]here the goods at issue are not competing and unrelated and there is no likelihood of confusion between those goods as used under the same trademark, a plaintiff may make a dilution claim if its mark is famous." 1 *LaLonde & Gilson*, supra note 34, § 5.05(2); see *Lanham Act* § 43(c)(1), 15 U.S.C. § 1125(c)(1) (2006) ("[T]he owner of a famous mark that is distinctive ... shall be entitled to an injunction against another person who ... commences use of a mark or trade name in commerce that is likely to cause dilution by blurring or dilution by tarnishment of the famous mark, regardless of the presence or absence of actual or likely confusion, of competition, or of actual economic injury." (emphasis added)).

116 See *Dawn Donut Co. v. Hart's Food Stores, Inc.*, 267 F.2d 358, 364 (2d Cir. 1959) ("[I]f the use of the marks by the registrant and the unauthorized user are confined to two sufficiently distinct and geographically separate markets, with no likelihood that the registrant will expand his use into defendant's market, so that no public confusion is possible, then the registrant is not entitled to enjoin the junior user's use of the mark.").

117 See 15 U.S.C. § 1125(a)(3) (2006) (stating that the matter sought to be protected in a trademark action may not be functional); supra note 22 (discussing descriptive and generic marks). Another potential argument in support of requiring intent to confuse over intent to copy is that defendants are more culpable when they specifically set out to confuse consumers. Given that the primary argument in this Article is that culpability should not be factored into the likelihood of confusion determination, however, this argument is not explored in detail herein.

118 Even if a particular circuit were to explicitly adopt an "intent to copy" standard and disavow an "intent to confuse" standard, which none has done thus far, it would only cause further problems for three reasons. First, it would create a circuit split. Second, it would add another inference (i.e., inferring intent to confuse from a mere intent to copy) into the already long chain of inferences and presumptions on which courts must rely when applying the intent factor. See *infra* Part IV.B.2 (discussing the long chain of inferences used to find a likelihood of confusion). Third, it would lead to presumptions of infringement being applied based on intent even in cases where a successful implementation of that intent is not infringement. As such, the primary argument made in this Part--that the intent factor creates more uncertainty and complication than it alleviates--would only be strengthened. Courts could take an alternative approach and declare that "intent to confuse" is the standard wherever these exceptions are at issue, while "intent to copy" is the standard wherever they are not. This would again complicate the matter significantly, though, as it would require an initial assessment of these issues (many of which are central to and frequently raised in trademark litigation), before deciding the relative weight to give the intent factor. It is possible that courts consciously decided against this two-part approach due to these practical difficulties; however, it is more likely that courts simply have not considered the distinction between intent to copy and intent to confuse in this level of detail. See *infra* note 121 and accompanying text (discussing the carelessness with which courts have treated the terms interchangeably at times). In any event, such an approach would still cause a circuit split, add complication to the process, and do nothing to alleviate the other concerns expressed throughout this Article, but it would resolve many of the issues discussed in Part IV.A.

119 4 *McCarthy*, supra note 10, § 23:113.

120 See supra note 113 and accompanying text (noting that most circuits require intent to deceive).

¹²¹ E.g., *Nautilus Group, Inc. v. ICON Health & Fitness, Inc.*, 372 F.3d 1330, 1336-37 (Fed. Cir. 2004) (using “intent to confuse” and “intent to copy” interchangeably within the same paragraph); *GoTo.com, Inc. v. Walt Disney Co.*, 202 F.3d 1199, 1208 (9th Cir. 2000) (using “intent to confuse” and “intent to copy” interchangeably within the same paragraph). Some cases suggest that a few circuits have explicitly adopted an “intent to copy” standard, perhaps not seeing a significant difference between the two standards. For example, the Second Circuit stated that “[i]ntentional copying gives rise to a presumption of a likelihood of confusion” in a decision with no reference to intent to confuse or deceive. *Mobil Oil Corp. v. Pegasus Petrol. Corp.* 818 F.2d 254, 258 (2d Cir. 1987). In that case, the court was in fact quoting an earlier decision in which it stated even more explicitly that “[i]f there was intentional copying the second comer will be presumed to have intended to create a confusing similarity of appearance and will be presumed to have succeeded.” *Perfect Fit Indus., Inc. v. Acme Quilting Co.*, 618 F.2d 950, 954 (2d Cir. 1980). However, sandwiched between those two cases was another, in which the Second Circuit stated: “We have recognized that evidence of intentional copying raises a presumption that a second comer intended to create a confusing similarity of appearance and succeeded. But if comparison of the works reveals no fair jury issue concerning likelihood of confusion, then intent to copy, even if found from the proffered evidence, would not establish a Lanham Act violation.” *Warner Bros. Inc. v. Am. Broad. Cos.*, 720 F.2d 231, 246-47 (2d Cir. 1983). Likewise, the Second Circuit in a more recent case stated that the intent factor considers “whether the defendant adopted its mark with the intention of capitalizing on plaintiff’s reputation and goodwill and any confusion between his and the senior user’s product.” *W.W.W. Pharm. Co. v. Gillette Co.*, 984 F.2d 567, 575 (2d Cir. 1993) (citation omitted). A few years ago, the Second Circuit stated even more plainly that “[b]ad faith generally refers to an attempt by a junior user of a mark to exploit the good will and reputation of a senior user ... with the intent to sow confusion between the two companies’ products.” *Star Indus., Inc. v. Bacardi & Co.*, 412 F.3d 373, 388 (2d Cir. 2005). Similarly conflicting cases can be found in other circuits that have at times referenced an “intent to copy” standard. As yet, no circuit court has unambiguously adopted an “intent to copy” standard.

¹²² See supra notes 36-37 and accompanying text (citing empirical evidence that courts apply the factors rigidly).

¹²³ See, e.g., *Jellibeans, Inc. v. Skating Clubs of Ga., Inc.*, 212 U.S.P.Q. 170, 176 (N.D. Ga. 1981) (“Since improper motive is rarely, if ever, admitted ... the court can only infer bad intent from the facts and circumstances in evidence.”). In Professor Beebe’s empirical study of trademark cases and their reliance on the confusion factors, 102 of the 331 opinions sampled found bad faith on the defendant’s part. Beebe, supra note 3, at 1630. “In fifty-eight of these 102 opinions, the court based its finding of bad faith at least in part on the combination of similarity [of the marks] and defendant’s knowledge [of plaintiff’s mark]. In thirty of these fifty-eight opinions, the court also based its finding on direct evidence of bad faith, such as documents produced by the defendant or actions of the defendant after receiving a cease and desist demand from the plaintiff. In only thirty-seven of the 102 opinions did the court base its finding solely on direct evidence without explicitly mentioning the combination of similarity [of the marks] and defendant’s knowledge [of plaintiff’s mark].” *Id.* at 1630-31. Importantly, although the number of direct evidence cases was small in this study, it still included evidence that defendants continued with their conduct after receiving notice of alleged infringement (e.g., via a cease and desist letter) within this direct evidence. As discussed *infra* at Part IV.B.3, this evidence is questionable and probably even suggests that a bad faith intent and consumer confusion are less likely. The number of cases in which truly direct evidence was relied on (e.g., an e-mail from the defendant stating that he intended for consumers to be confused by his use of a mark) is therefore even smaller.

¹²⁴ See supra note 44 and accompanying text (discussing the “powerful inference” courts draw from a finding of bad faith intent).

¹²⁵ See supra note 123 and accompanying text (discussing the rarity of direct evidence for bad faith intent).

¹²⁶ This list does not include some categories of evidence that courts have used to find good faith on the defendant’s part. For more information on what evidence courts consider for both good faith and bad faith intent, see 1 LaLonde & Gilson, supra note 34, § 5.09 and 4 McCarthy, supra note 10, §§ 23:114-120.

¹²⁷ This approach has been used by a variety of courts for many decades. For example, in *My-T Fine Corp. v. Samuels*, the defendants were selling a pudding mix in a box that was very similar to the plaintiff’s pudding mix box. 69 F.2d 76, 77 (2d Cir. 1934). Judge Learned Hand went through a detailed comparison of the two boxes, noting “that the real differences that remained were only the name and the color of the chevron.” *Id.* He went on to state that because the defendants had no “original interest” in this packaging design, “they could only have meant to cause confusion, out of which they might profit by diverting the plaintiff’s customers. This being the intent, the dissimilarities between the two do not in our judgment rebut the presumption.” *Id.* Similarly, in *Tisch Hotels v.*

Americana Inn, the defendant operated a motel under the name “Americana” and used a logo with striking similarity to the plaintiff’s line of Americana hotels. 350 F.2d 609, 610 (7th Cir. 1965). The court stated: “We find incredible the suggestion that the identity between plaintiffs’ and defendants’ designs and use of the word ‘americana’ was arrived at independently or by coincidence.... The district court found as a fact and concluded that defendants acted in good faith in adopting the name ‘Americana,’ ‘without intending to exploit the reputation or good will of Plaintiffs.’ ... But we think that defendants adopted plaintiffs’ name deliberately with a view to obtaining some advantage from plaintiffs’ investments in promotion and advertising. The inference of likelihood of confusion is therefore readily drawn because the adoption itself indicates that defendants expected that likelihood to their profit. A comparison of plaintiffs’ and defendants’ marks shown above clearly discloses the copying.” *Id.* at 613 (citations omitted). For more cases on this subject, see 4 McCarthy, *supra* note 10, § 23:119.

128 Restatement (First) of Torts § 728 cmt. f (1938) (“While the actor’s intention is thus a factor in determining the likelihood of confusion, the degree of similarity in appearance, pronunciation or suggestion ... is a factor in determining the actor’s intention when that is in issue.”).

129 McDonald’s Corp. v. Druck and Gerner, DDS., 814 F. Supp. 1127, 1135 (N.D.N.Y. 1993).

130 *Id.*

131 *Id.*

132 *Id.*

133 See Polaroid Corp. v. Polarad Elecs. Corp., 287 F.2d 492, 495 (2d Cir. 1961) (listing “the degree of similarity between the two marks” and “the reciprocal of defendant’s good faith in adopting its own mark” as separate factors).

134 See Beebe, *supra* note 3, at 1623 (“Courts have suggested that the similarity factor can be ‘dispositive,’ and an authoritative treatise has asserted that this factor ‘is usually controlling.’”).

135 See *id.* (noting that “[c]ourts have suggested that the similarity factor can be ‘dispositive’” and that “[i]t is hard to imagine a judge finding that the marks are not similar, and yet that consumers are likely to confuse them”).

136 See Lois Sportswear, U.S.A., Inc. v. Levi Strauss & Co., 799 F.2d 867, 872 (2d Cir. 1986) (“The factors are designed to help grapple with the ‘vexing’ problem of resolving the likelihood of confusion issue.” (citation omitted)).

137 W.W.W. Pharm. Co., Inc. v. Gillette Co., 984 F.2d 567, 575 (2d Cir. 1993) (citations omitted).

138 Dreyfus Fund, Inc. v. Royal Bank of Can., 525 F. Supp. 1108, 1121 (S.D.N.Y. 1981) (citation omitted).

139 Perfumania, Inc. v. Perfulandia, Inc., 279 F. Supp. 2d 86, 101 (D.P.R. 2003) (emphasis omitted).

140 See 5 LaLonde & Gilson, *supra* note 34, § 5.09(5) (noting that courts “presume intentional infringement and likelihood of confusion” where “the defendant is aware of the plaintiff’s mark or should be aware of it”).

141 See *id.* (“Resolving doubts against a newcomer is done in particular when the prior mark is famous, because the junior user was more likely to have been aware of the prior mark. The same is true where the newcomer adopts a mark that is substantially similar to a strong mark, strength being a combination of the mark’s distinctiveness and its marketplace recognition.”).

142 See *id.* § 5.09(4)(f) (“Courts draw an inference of wrongful intent where the parties have had a previous business relationship of some type.”).

143 See 4 McCarthy, *supra* note 10, § 23:124 (“Not to be forgotten in all the discussion of inferences and presumptions is that the focus of the law of trademark and unfair competition is to prevent deception of customers.”).

144 For example, certain circumstantial evidence exists, therefore the defendant must have had knowledge of plaintiff’s mark, therefore the defendant must have intended to copy.

145 *Lois Sportswear, U.S.A., Inc. v. Levi Strauss & Co.*, 799 F.2d 867, 872 (2d Cir. 1986) (citation omitted).

146 Much like the other sources of evidence for intent, however, courts do not universally agree that this evidence is helpful. See, e.g., *Parenting Unlimited Inc. v. Columbia Pictures Television Inc.*, 743 F. Supp. 221, 230 (S.D.N.Y. 1990) (“Moreover, defendants’ continued use of the mark after learning of plaintiff’s prior registration in the magazine field and in the face of plaintiff’s vehement protests is not evidence of bad faith. A defendant’s mere knowledge of a potential problem with its mark does not necessarily connote bad faith.” (citation omitted)).

147 *Lone Star Steakhouse & Saloon, Inc. v. Alpha of Va., Inc.*, 43 F.3d 922, 925-26 (4th Cir. 1995). Note that the application for “Lone Star Steakhouse & Saloon” in connection with restaurants was still pending at the time of trial. *Id.* at 926 n.2.

148 *Id.* at 926.

149 *Id.* at 937.

150 *Id.*; see also Beebe, *supra* note 3, at 1630 (stating that direct evidence of bad faith includes “actions of the defendant after receiving a cease and desist demand from the plaintiff”).

151 *Lone Star Steakhouse*, 43 F.3d at 930.

152 *Id.* at 937.

153 *Id.*

154 A similar line of reasoning was recently rejected after many years of use in patent law. There, the remedies provided for infringement are enhanced if that infringement is found to be willful. See *In re Seagate Tech., LLC*, 497 F.3d 1360, 1381 (Fed. Cir. 2007) (“[A] finding of willfulness is sufficient to support an award of enhanced damages.” (italics omitted)). In 1983, the Federal Circuit used a case entitled *Underwater Devices Inc. v. Morrison-Knudsen Co.* to set forth the following principle for willfulness: “Where, as here, a potential infringer has actual notice of another’s patent rights, he has an affirmative duty to exercise due care to determine whether or not he is infringing. Such an affirmative duty includes, inter alia, the duty to seek and obtain competent legal advice from counsel before the initiation of any possible infringing activity.” 717 F.2d 1380, 1389-90 (Fed. Cir. 1983) (citations omitted). Thus, once a plaintiff gave notice of alleged infringement to a defendant, the burden of due care shifted to the defendant, who risked a finding of willful infringement and increased damages if he failed to either obtain a non-infringement opinion of counsel or cease the allegedly infringing activity. While this remained the standard for the last quarter-century, the Federal Circuit recently reconsidered the issue, deciding to “overrule the standard set out in *Underwater Devices* and hold that proof of willful infringement permitting enhanced damages requires at least a showing of objective recklessness.” *In re Seagate*, 497 F.3d at 1371. The court went on to note: “Because we abandon the affirmative duty of due care, we also reemphasize that there is no affirmative obligation to obtain opinion of counsel.” *Id.*

155 Chevron Chem. Co. v. Voluntary Purchasing Grps, Inc., 659 F.2d 695, 697 (5th Cir. 1981).

156 Id. at 704.

157 Id. at 705.

158 Id. at 704.

159 See Lanham Act § 43(a), 15 U.S.C. § 1125(a) (2006) (providing for liability where the use of a mark “is likely to cause confusion”).

160 See, e.g., *AmBrit, Inc. v. Kraft, Inc.*, 812 F.2d 1531, 1543 (11th Cir. 1986) (“[E]ven an intent to come as close as the law will allow is an intent to derive benefit from the other party’s reputation and is therefore probative on the likelihood of confusion issue.”).

161 *Lois Sportswear, U.S.A., Inc. v. Levi Strauss & Co.*, 799 F.2d 867, 872 (2d Cir. 1986) (citation omitted).

162 See supra note 123 and accompanying text (discussing the frequency with which courts rely on various sources for evidence of intent).

163 See supra note 52 (discussing the use of intent in the context of remedies).

164 The question of which mechanism is best for implementing these changes is left for future discussion. Perhaps, as Jerome Gilson and Anne Gilson LaLonde suggest, the time has come for a second Trademark Review Commission to reconsider a number of trademark law issues, including the confusion factors, and make recommendations to Congress. See Gilson & LaLonde, supra note 4, at 1039-40. This is not the first article to criticize at least one of the confusion factors in recent years, and many more will undoubtedly be written in the future. See, e.g., Beebe, supra note 3, at 1583 (stating that at least some of the factors are “clearly obsolete, redundant, or irrelevant”); *Bridging the Gap*, supra note 3, at 914 (reconsidering the “consumer sophistication” and “likelihood of bridging the gap” factors); *Consumer Psychology*, supra note 3, at 577-78 (questioning courts’ application of the “consumer sophistication” factor); see also Gilson & LaLonde, supra note 4, at 1017-20 (emphasizing the discrepancy in factors between the circuits). Perhaps this reform could best be achieved judicially--either through a formal rejection of the intent factor or simply through less reliance on it over a period of time. Or perhaps the best approach would be for Congress to take action and amend the Lanham Act. At least one author has suggested that any Congressional restriction on “likelihood of confusion” would be a mistake, though, arguing that “the greatest virtue of ... the Lanham Act ... sections directed to infringement liability, is their generality and wide scope.” Keith M. Stolte, *A Response to Jerome Gilson’s Call for an Overhaul of the Lanham Act*, 94 *Trademark Rep.* 1335, 1352 (2004). This is far from clearly established, though, as recent scholarship suggests that in fact the confusion factors actually cause significant problems for trademark law. See generally Beebe, supra note 3 (empirically analyzing the use of confusion factors and discussing related problems); Gilson & LaLonde, supra note 4 (discussing suggested revisions to the Lanham Act including the confusion factors). There can be no doubt that where a factor is truly not relevant to the issue of whether there is a likelihood of consumer confusion, and the courts have significantly misapplied the factor, as discussed throughout this Article, then Congress can and should step in to make appropriate modifications. No general or sweeping restriction is necessary; rather, a simple, one-sentence statutory modification would suffice (e.g., “A person’s intent, whether good or bad, in adopting or using a mark may not be considered in determining whether there exists a likelihood of confusion between that mark and another.”).