

I'LL BE YOUR MIRROR: BROADENING THE CONCEPT OF TRADEMARK JOINT OWNERSHIP TO REFLECT THE DEVELOPING COLLABORATIVE ECONOMY

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I. INTRODUCTION

Trademark law is rooted in the broader regulation of Unfair Competition.¹ At its most effective, it protects both consumers and producers from interlopers who would deceive consumers into purchasing falsely labeled goods, masked behind the market identity of a “person” with whom consumers are already familiar.² This interest in prohibiting what is referred to as “consumer confusion”—a term that likely gives the usurper

1. See *Hanover Star Milling Co. v. Metcalf*, 240 U.S. 403, 413 (1916); see also RESTATEMENT (THIRD) OF UNFAIR COMPETITION: THE LAW OF TRADEMARKS § 9, cmt. (c), (d), (g) (1995). It should be noted, however, that protection of trademarks was initially dealt with in the RESTATEMENT (FIRST) OF TORTS: CONFUSION OF SOURCE ch. 35 (1938).

2. See S. REP. NO. 79-1333, at 3 (1946); see FRANCIS H. UPTON, A TREATISE ON THE LAW OF TRADE MARKS 16 (Albany, Weare C. Little 1860); 1 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 3:9, at 3-24 to -25 (4th ed. 2013).

more benefit of the doubt than he deserves³—birthed a central tenet of American trademark law, the “single-source rule.”⁴ This rule posits that trademarks must indicate to consumers a single producer responsible for providing them a particular product.⁵ The rule is succinctly captured in the concept that a trademark must be “distinctive,” that is it must have the ability to represent, in the mind of the consumer, a single source of the product to which the mark is affixed.⁶ The aim of much of the jurisprudence around the single-source rule is to prevent trademark rights from attaching to signifiers of source that may be necessary for use by multiple parties.⁷ This serves two essential purposes. First, it allows producers a sufficient vocabulary with which to market their products.⁸ Second, it prevents confusion among consumers limiting the informational costs of repetitive purchases in the marketplace.⁹ Unfortunately, however, this framework leaves little space for those parties that collaboratively create products to protect their trademark rights.

Collaboration among producers in the market is nothing new. Co-operative research-and-development has allowed firms to pool resources in

3. See *infra* Part II.B. I argue that consumers grow increasingly savvy, as technology gives them access to a breadth and depth of information the likes of which has never been seen in human history. Further, I note that corporations, through their brands, increasingly seek input from those consumers, and consumers themselves are increasingly activist in relation to those brands, creating an highly empowered consumer base that is also a recent phenomenon.

4. See *Shredded Wheat Co. v. Humphrey Cornell Co.*, 250 F. 960, 963 (2d Cir. 1918) (stating that although consumers may be unaware of the identity of the producer of the goods they consume, they expect that goods bearing the same mark derive “from a single, though anonymous, maker”); see also 1 MCCARTHY, *supra* note 2.

5. See *Shredded Wheat Co.*, 250 F. at 963; see also 2 MCCARTHY, *supra* note 2, § 16:40, at 16-91 n.2.30 (“Under . . . the ‘source’ . . . polic[y] of trademark law, unity of source of manufacture or control is essential. Under the ‘source’ policy, a trademark indicates a single, albeit anonymous, source.”); Frank I. Schechter, *The Rational Basis of Trademark Protection*, 40 HARV. L. REV. 813, 817 (1927) (“[W]hile the consumer does not know the specific source of a trademarked article, he nevertheless knows that two articles, bearing the same mark, emanate from a single source.”).

6. See *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 768 (1992) (quoting Justice Friendly’s formulation in *Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4, 9 (2d Cir. 1976)).

7. See *Blau Plumbing, Inc. v. S.O.S. Fix-It, Inc.*, 781 F.2d 604, 609 (7th Cir. 1986) (“[I]t is no purpose of trademark protection to allow a firm to prevent its competitors from informing consumers about the attributes of the competitors’ brands [T]o allow a firm to use as a trademark a generic word, or a descriptive word still understood by the consuming public to describe, would make it difficult for competitors to market their own brands of the same product.”).

8. See *Abercrombie*, 537 F.2d 4, 11 (2d Cir. 1976) (quoting *Aluminum Fabricating Co. of Pittsburgh v. Season-All Window Corp.*, 259 F.2d 314, 317 (2d Cir. 1958)).

9. See *Blau Plumbing*, 781 F.2d at 609.

the development of new products.¹⁰ Firms have marshaled the combined strength of their trademarks to co-brand a single product¹¹ to market both parties' products in one advertisement.¹² This will either introduce one producer's mark to the other's niche consumer base, or heighten the appeal of that product to a consumer base to which both producers already appeal.¹³ The principle that pooling and focusing resources for the cutting of costs or promotion of goods and services seems as uncontroversial an economic theory as could exist. However, these classic modes of collaboration have typically involved the intellectual property of large firms, equipped with cadres of lawyers on each side who were tasked with protecting each entity's trade secrets, trademarks, and ultimately, their identity in the market. Thus, co-ownership of trademarks has historically been the privilege of those large producers sophisticated enough to navigate the legal waters around the single source rule.

Collaboration in the twenty-first century is being facilitated and shaped by new forces that will greatly increase its frequency.¹⁴ First, economic realities, like globalization, lower costs for would-be entrepreneurs to enter the market and produce their goods.¹⁵ Second, the rapid advance of communications technology, most notably the Internet, has broken down barriers to collaboration, permitting small entrepreneurs to not only find one another,¹⁶ but to communicate with a pool of potential consumers that spans the globe. It stands to reason that many of these new entrants to the market will be unsophisticated and, while the mechanics and motivations of collaboration will remain essentially unchanged, the implications may be different when these parties fail to contract clear boundaries on each individual's intellectual property rights to the resulting product. This begs the question: Should American trademark law under the Lanham Act

10. See David C. Mowery, *Collaborative R&D: How Effective Is It?*, ISSUES SCI. & TECH. 37 (1998).

11. See Saul Lefkowitz, *Double Trademarking: We've Come a Long Way*, 73 TRADEMARK REP. 11, 11 (1983).

12. See *id.* at 11, 24.

13. See Akshay R. Rao & Robert W. Ruekert, *Signaling Unobservable Product Quality Through a Brand Ally*, 36 J. MARKETING RES. 258, 259 (1999). I personally came of age in the 1980s, a time when large automakers were co-branding with apparel companies, producing cars like the Eddie Bauer Ford Explorer, the Frank Sinatra Chrysler Imperial, and the Levi's AMC Gremlin, to name but a few.

14. DON TAPSCOTT & ANTHONY D. WILLIAMS, WIKINOMICS, 10 (2d ed. 2008).

15. See *id.* at 11.

16. See Jeffrey James, *Information Technology, Transactions Costs and Patterns of Globalization in Developing Countries*, 60 REV. SOC. ECON. 507, 514 (2002) (quoting M. Jensen, *Internet Opens New Markets for Africa: Many Practical Benefits for Business, Farming Health, and Education*, 12 AFR. RECOVERY 6 (1998)).

continue to protect only the highest echelon of producer and the least-informed consumer? I believe not, and it is the growing legion of small producers and the products of their joint efforts that are the focus of this paper.

Several scenarios give rise to instances in which collaborating parties could claim to have legitimate rights to ownership in a mark under the American “use-based” system.¹⁷ For example, an individual with access to some raw material, say a ready supply of expensive hardwood, may seek out a designer online and propose the notion that they collaborate to create some product using one’s materials and the other’s designs. The two may not conceive of the venture as anything but a lark, and thus not go through any formalities to make their partnership a legal entity. Once the resulting product has been created, both parties sell the collaboratively created product on their individual websites under the same identical mark, and the two coexist in commercial bliss. Under the current legal regime, these two would not be permitted to jointly register their mark and could only protect their brand from interlopers on an individual basis.¹⁸

As another illustration, imagine an artist creates a work and suggests a rock band with which the artist has a close relationship use the work on the cover of the band’s debut album. Both parties then affix that logo to goods that they sell for over forty continuous years. This was the case when the Velvet Underground Partnership sued the Andy Warhol Foundation for the Visual Arts in the United States District Court for the Southern District of New York, claiming their superior right to use the image of a banana that Warhol had created for the band’s debut album as a trademark.¹⁹ Both parties used the print in commerce since its creation, though its first use was likely the band’s: the album, featuring some version of the banana, has been available since 1967²⁰; Warhol variously sold prints of the banana and affixed it to goods²¹; and both licensed it for use by third parties.²² The

17. 15 U.S.C. § 1127 (2012); *see also infra* Part II.A.2.

18. *See infra*. Of course, evidence that the other was using the mark could aid that interloping party in a showing that the mark is weak or otherwise not worthy of much protection.

19. *Velvet Underground v. Andy Warhol Found. for the Visual Arts, Inc.*, 890 F. Supp. 2d 398, 401 (S.D.N.Y. 2012).

20. *See The Velvet Underground & Nico*, DISCOGS.COM, <http://www.discogs.com/master/Velvet-Underground-Nico-The-Velvet-Underground-Nico/master/35276> (last visited Aug. 31, 2014).

21. *See Banana*, GALLERY WARHOL, <http://www.gallerywarhol.com/andy-warhol-banana-1966-FS-II.10.html> (last visited Aug. 31, 2014); *see also* Don Jeffrey, *Velvet Underground Sues Warhol over Banana Design*, BLOOMBERG NEWS (Jan. 11, 2012, 9:01 PM), <http://www.bloomberg.com/news/2012-01-11/velvet-underground-sues-warhol-foundation-over-banana-design-for-album.html> (featuring image of original, for sale, Warhol print of banana art).

mark likely took on secondary meaning in the minds of the public relating it to both parties.²³ Unfortunately for those of us who follow trademark law, the parties settled out of court,²⁴ and we were denied any potential judicial clarification on the issue.

This case, however, provides support for the notion that a new paradigm of joint ownership of the mark—what I will call “collaborative ownership”—would seem to best effectuate the parties’ intent at the moment of the mark’s genesis and initial use, and would be perfectly suitable to the American consumer’s current understanding of what a trademark is and what it does. To many, collaborative ownership would appear anathema to the twin spirits that animate American trademark law: first, the preservation of “consumer understanding”²⁵ which gives rise to the “single-source” rule²⁶; second, the protection of a trademark owner’s right to prevent free riders from exploiting the mark to their own benefit, or the owner’s detriment.²⁷ However, the current legal framework of American trademark law may already be passively granting common law trademark rights to collaborative parties while at the same time actively preventing federal registration, and full protection, of their mark.²⁸ This will force collaborators to litigate, leaving a court to pick a sole owner of the mark, an outcome that does not reflect the intentions of the parties from the time the mark began its life.

This is akin to the Walt Disney Company’s use of Mickey Mouse as both a copyrighted work of authorship and a source identifier for its goods.

22. *Velvet Underground*, 890 F. Supp. 2d at 402.

23. To be sure, the band likely did not help its own cause by placing a stylized Warhol signature so close to the banana on the album cover, which originally did not even include the album title or band name. *THE VELVET UNDERGROUND, THE VELVET UNDERGROUND & NICO* (Verve Records 1986) (1967); *see infra* notes 173-74.

24. *See* Jamie Wetherbe, *Velvet Underground, Andy Warhol Group Settle Suit over Banana Image*, L.A. TIMES, May 29, 2013, <http://articles.latimes.com/2013/may/29/entertainment/la-et-cm-velvet-underground-andy-warhol-lawsuit-banana-20130529>; Eriq Gardner, *Velvet Underground, Andy Warhol Foundation Settle Banana Album Dispute*, BILLBOARD (May 29, 2013, 7:57 PM), <http://www.billboard.com/articles/news/1565062/velvet-underground-andy-warhol-foundation-settle-banana-album-dispute>.

25. Graeme B. Dinwoodie, *Trademark Law and Social Norms* 1-2, 3, 5, 12, 15-16, 30 (2007) (unpublished manuscript) (on file with the Iowa Law Review); *see also* Mark P. McKenna, *The Normative Foundations of Trademark Law*, 82 NOTRE DAME L. REV. 1839, 1840 (2007).

26. Andrew Martineau, *Imagined Consumers: How Judicial Assumptions About the American Consumer Impact Trademark Rights, for Better and for Worse*, 22 DEPAUL J. ART. TECH. & INTELL. PROP. L. 337, 338 (2012).

27. *See* McKenna, *supra* note 25, at 1841.

28. *See* Cal. Fruit Growers Exch. v. Windsor Beverages, 118 F.2d 149, 151 (7th Cir. 1941) (finding plaintiffs’ agreement to share trademark created joint rights under state common law, which plaintiffs could collectively enforce against defendant).

To that end, in this paper, I will argue that the conception of joint ownership in United States trademark law must be broadened in order to accommodate these collaborative parties. Section II describes the development of joint ownership in trademark law, and why developing market realities dictate that an insistence on unitary ownership of a mark is becoming increasingly outmoded. Section III examines how principles of joint ownership in American property law are useful to shape the default rules for collaborative ownership of a mark, allowing multiple parties to own and exploit a mark while at the same time protecting the mark's utility to both themselves and consumers. Finally, Section III demonstrates how the Southern District of New York could have applied this collaborative ownership framework in adjudicating the conflict between rock band the Velvet Underground and artist Andy Warhol involving the banana design, which both claimed the right to use in commerce.

II. CURRENT COMMERCIAL REALITIES POINT TO THE NEED FOR AMERICAN TRADEMARK LAW TO RECOGNIZE JOINT OWNERSHIP OF TRADEMARKS AMONG COLLABORATORS.

Trademark law is concerned with, on one hand, protecting consumer expectations and understandings in the marketplace and, on the other, protecting the property rights of those who own marks.²⁹ Whichever interest is ascendant at the moment Trademark legislation is written or decisions are handed down dictates the scope of trademark protection.³⁰ This has had important implications for the potential joint ownership status of a mark, where multiple parties, through their labor, may have developed an expectation of a property interest in the mark and its attendant goodwill. Classic Property Law principles may appear to counsel that a mark, as property, may be disposed as the owners see fit.³¹ However, counterpoised against this impulse, according to the current vogue in American trademark

29. See UPTON, *supra* note 2; FRANK I. SCHECHTER, HISTORICAL FOUNDATIONS OF THE LAW RELATING TO TRADE-MARKS, 5 (1925); see also McKenna, *supra* note 25, at 1864-65 (quoting Boardman v. Meriden Britannia Co., 35 Conn. 402, 413-14 (1868)).

30. See SCHECHTER, *supra* note 29 (“[T]here has been a kind of oscillation between the notions of quasi-proprietary right and of the personal right not to be injured by fraudulent competition.”) (quoting SIR FREDERICK POLLOCK, THE LAW OF TORTS 320-21 (9th ed. 1912) (1894)); see also McKenna, *supra* note 25, at 1858-75 (describing how the two threads of trademark protection have waxed and waned in relation to one another over the course of Anglo-American trademark jurisprudence).

31. See McKenna, *supra* note 25, at 1884-86.

law, is the interest in assuring consumers are not misled as to the source of the products they may purchase.³²

The starting point to understanding why joint registration and ownership of a mark by collaborative producers makes sense is necessarily an examination of how joint ownership status has been treated in American trademark law prior to passage of the Lanham Act in 1946. This leads to a clear understanding of the law in its current state, and of the scenarios in which the Registrar may recognize joint registration or ownership. Once the forces that have given rise to this restriction on joint ownership are laid bare, it is possible to consider, from both consumer protection and property law perspectives, why the ability to jointly register and own a mark should be extended to collaborative producers. First, a consideration of the increase in sophistication and empowerment of consumers counsels a reexamination of the paternalistic policies that have foreclosed a broader right of joint registration and ownership of marks. Second, a discussion of how the Lanham Act has become increasingly out of step with contemporary market realities, whereby collaboration between potentially unsophisticated individual producers has given rise to situations in which multiple parties may have a valid expectation in the lawful exploitation of the proprietary mark.

A. A Brief History of the Evolution of Joint Ownership in American Trademark Law.

1. The Origin of the Single-Source Rule and Development of Early Notions of Joint Ownership

The concept of the source mark originates in antiquity, as one owner of chattel would mark his property in order to distinguish it from that of another.³³ This concept carried into the earliest societies as workman's marks, which a laborer would place on his output in order to claim his wages,³⁴ and the mercantile marks that would identify the seller of a good, rather than its manufacturer.³⁵ Europe introduced regulatory production mark laws, requiring every craftsman to identify his work, thus allowing the guild to maintain goodwill by ensuring that its producer-members hewed to a

32. See *supra* text accompanying notes 2-4.

33. See WILLIAM HENRY BROWNE, A TREATISE ON THE LAW OF TRADEMARKS AND ANALOGOUS SUBJECTS 1-3 (Boston, Little, Brown & Co. 1873).

34. See *id.* at 7.

35. See *id.* at 10; see also Schechter, *supra* note 5, at 814; McKenna, *supra* note 25, at 1849 (describing how the mark allowed the merchant to reclaim goods were they lost at sea or stolen while in transit, and thus symbolized "ownership" rather than "source").

level of quality, and that any goods entering the local marketplace were not “imported” from outside of the guild’s territory.³⁶ In this sense, ownership in the mark was collaborative, as all members of the guild used it in order to build collective goodwill and to enforce their local rights against outsiders.³⁷

Early trademark scholars advocated a natural rights concept of trademarks, finding that ownership of the goodwill adhering to a mark was said to be cultivated through the “skill and industry”³⁸ of him who has affixed his mark to a good upon presenting it to consumers; the mark itself had no value outside of its “use” as an indicator of source.³⁹ In line with natural rights thinking, trademark rights could vest in any individual capable of owning any property.⁴⁰

Early Trademark jurisprudence in both England and the United States, ultimately codified as the Act of March 3, 1881,⁴¹ accepted this natural rights thinking in finding the purpose of a mark was to protect the “producer from improper diversion of its trade.”⁴² The hypothetical producer was born out of the classical physical property conception of marks: a lone artisan, toiling over his goods to bring them to market, stamped them with his unique mark of provenance and quality assurance.⁴³ It would appear that this romantic, if uninformed, concept of the lone craftsman shaped what came to be known as the “single-source” rule, which has guided modern trademark law.⁴⁴ Oddly, protection under the rule was

36. See SCHECHTER, *supra* note 29, at 47; McKenna, *supra* note 25, at 1850.

37. See SCHECHTER, *supra* note 29, at 47.

38. UPTON, *supra* note 2, at 30.

39. See *id.* at 22; see also *In re Trade-Mark Cases*, 100 U.S. 82, 95 (1879); *United Drug Co. v. Theodore Rectanus Co.*, 248 U.S. 90, 97 (1918); McKenna, *supra* note 25, at 1894 (quoting *Macmahan Pharmacal Co. v. Denver Chem. Mfg. Co.*, 113 F. 468, 475 (8th Cir. 1901)). This notion continues to hold currency that the value of the mark being only as valuable as a factor of the market scale of its continued use multiplied by the positive feelings of the consuming public specifically toward products associated with that mark, i.e. the distinctiveness of the mark. See Barton Beebe, *The Semiotic Analysis of Trademark Law*, 51 UCLA L. REV. 621, 668 (2004) (“Their sign value is the source of their economic value.”); see also *Liebowitz v. Elsevier Sci. Ltd.*, 927 F. Supp. 688, 696 (S.D.N.Y. 1996).

40. See UPTON, *supra* note 2, at 19.

41. The Supreme Court, in *In re Trade-Mark Cases*, struck down Congress’ first attempt to federalize trademark law, the Federal Trade-Mark Act of 1870, in part as an unconstitutional extension of the Progress Clause. 100 U.S. 82, 93-94 (1879). The trademark legislation of 1881 was a second attempt to federalize trademark law, this time under Congress’ Commerce Clause authority. *Rescuecom Corp. v. Google, Inc.*, 562 F.3d 123, 134-35 (2d Cir. 2009).

42. McKenna, *supra* note 25, at 1858.

43. See UPTON, *supra* note 2, at 22-23; see also BROWNE, *supra* note 33, at 32.

44. See *Shredded Wheat Co. v. Humphrey Cornell Co.*, 250 F. 960, 963 (2d Cir. 1918); see also 1 MCCARTHY, *supra* note 2; Schechter, *supra* note 5, at 817 (“[W]hile the consumer does not

extended to legal entities such as corporations,⁴⁵ partnerships,⁴⁶ or married couples,⁴⁷ in which multiple individuals had some claim to ownership of the mark.

The dissolution of legal relationships, in which several individuals had some expectation of a right to the assets, gave rise to concerns about the proper treatment of joint owners.⁴⁸ In 1888, the Supreme Court stated in dicta in *Menendez v. Holt*⁴⁹ that, upon dissolution of a partnership, “each of [a firm’s] former partners would be allowed to obtain ‘his share’ in the good will, so far as that might consist in the use of the trade-marks.”⁵⁰ For nearly a century after,⁵¹ the *Menendez* dicta spawned decisions in lower courts treating a mark essentially as a business asset, permitting use by each of the former partners, and barring any one of them from blocking use by the others.⁵²

With passage of the Lanham Act⁵³ in 1946, the notion that originally justified the *Menendez* dicta line of cases—that a trademark was principally a business asset to be protected—was scrapped, and trademark law became focused on protecting the “deceived buyer” from confusion.⁵⁴ This resulted in courts crafting “unpredictabl[e] and inconsistent[.]” remedies in resolving dissolution,⁵⁵ with cases often decided based on minimal consideration to the expectations of the partners.⁵⁶ Additionally, the Patent & Trademark

know the specific source of a trademarked article, he nevertheless knows that two articles, bearing the same mark, emanate from a single source.”)

45. This is exemplified in cases such as *Shredded Wheat Co., United Drug Co., et al.*, in which a plaintiff corporation brought suit to enforce its trademark rights.

46. *See Ex parte Taylor*, 18 U.S.P.Q. (BNA) 292, 292 (Dec. Comm’r Pat.1933).

47. *See Shelton v. Shelton (In re Marriage of Shelton)*, 173 Cal. Rptr. 629, 631 (Ct. App. 1981).

48. *See* 2 MCCARTHY, *supra* note 2, § 16.43, at 16-97.

49. 128 U.S. 514 (1888).

50. *Id.* at 522.

51. *See* 2 MCCARTHY, *supra* note 2, § 16.43, at 16-97 n.3.

52. *See id.*

53. 15 U.S.C. §§ 1051-1141n (2012).

54. *See* Ralph S. Brown, Jr., *Advertising and the Public Interest: Legal Protection of Trade Symbols*, 57 YALE L.J. 1165, 1196-98 (1948). *But see* Okla. Beverage Co. v. Dr. Pepper Love Bottling Co., 565 F.2d 629, 631-33 (10th Cir. 1977) (decided subsequent to enactment of the Lanham Act, and referencing the *Menendez* intent to share standard, but still denying use of the mark to a former partner due to that former partner’s procedural failures). Tellingly, the component of the Lanham Act dealing with the infringing use of marks online, 15 U.S.C. § 1125(d), is known as the “Anticybersquatting Consumer Protection Act.” *See* Sporty’s Farm L.L.C. v. Sportsman’s Market, Inc., 202 F.3d 489, 492 (2d Cir. 2000).

55. Pamela S. Chestek, *Who Owns the Mark? A Single Framework for Resolving Trademark Ownership Disputes*, 96 TRADEMARK REP. 681, 681 (2006).

56. *See id.* at 688. *See also* A. Bourjois & Co. v. Katzel, 260 U.S. 689, 691 (1923) (holding that a distributor of imported goods, as registrant of the mark in the United States, had a superior

Office established an “inflexible rule” that registration of a mark in the name of joint owners was, as a general rule, impermissible.⁵⁷

2. Three Contemporary Paradigms of Trademark Joint Ownership

Currently, the Patent and Trademark Office permits joint registration of a mark in very limited situations. The first is in the context of a “composite mark” used by a joint venture.⁵⁸ In this scenario, two unrelated entities may form a single joint venture, licensing their intellectual property, including trademarks, to that joint venture for use in the market.⁵⁹ The reality is that many joint ventures and so-called “double trademarking” enterprises are undertaken by sophisticated corporate entities with the guidance of legal counsel that have contracted to protect each party’s intellectual property under the current Lanham Act conception of joint ownership.⁶⁰

The second situation is “concurrent use,” whereby by two parties are granted separate registrations, permitting them to use the same mark in connection with a similar product in different geographic markets.⁶¹ The thinking goes that when producers’ goods under a similar mark are only available in geographically discrete markets, the likelihood of consumer confusion is low, and the consumer protection function of trademark law is not disturbed.⁶² However, this gives rise to a situation in which the parties’ potential for expansion is forestalled by each other’s growth.⁶³ To compound the problem, it is hard to fathom how concurrent use will

claim to the mark than the actual manufacturer of those goods). *But cf.* *Liebowitz v. Elsevier Science Ltd.*, 927 F. Supp. 688, 698 (S.D.N.Y. 1996) (noting that public perception as to the owner of the mark is not determinative, but rather “whoever controls the quality” of the product that bears the mark).

57. See Walter J. Derenberg, *The Tenth Year of Administration of the Lanham Trademark Act of 1946*, 47 TRADEMARK REP. 879, 897-98 (1957).

58. See 2 MCCARTHY, *supra* note 2, § 16; see also TMEP § 803.01 (8th ed. Oct. 2013).

59. See *In re Diamond Walnut Growers, Inc.*, 204 U.S.P.Q. 507 (T.T.A.B. 1979) (holding that parent companies of the joint venture could properly register as joint owners of composite mark bearing the name of both firms); *cf. In re Hercofina*, 207 U.S.P.Q. 777 (T.T.A.B. 1980) (holding that joint venture itself could be properly registered as owner of composite mark made up of parent companies’ mark). According to the Trademark Manual of Examining Procedure (“TMEP”), the former would be considered joint ownership of the mark, while the latter would be considered ownership by a single party, i.e. the joint venture, TMEP §§ 803.03(b), (d) (8th ed. Oct. 2013); see also Lefkowitz, *supra* note 11, at 15-16.

60. See also Lefkowitz, *supra* note 11, at 14.

61. See 15 U.S.C. § 1052 (2012); *cf. Ex parte Pac. Intermountain Express Co.*, 111 U.S.P.Q. 187 (Dec. Comm’r Pat. 1956) (combining elements of both a joint venture and a concurrent use to permit two interstate freight hauling companies to use the mark “-thru-way-,” each in one separate half of the United States as provided for by contract between the joint owners).

62. See 15 U.S.C. § 1052; see 5 MCCARTHY, *supra* note 2, § 26.27.

63. See *Weiner King, Inc. v. Wiener King Corp.*, 615 F.2d 512, 524 (C.C.P.A. 1980).

continue to function in an economy in which even the smallest producers are doing business online, and are thus not confined to territorial limits.⁶⁴

The third instance in which joint ownership is permitted appears to extend logically from the classic *Menendez* doctrine: a trademark registration may be jointly owned by, and the goodwill associated with the mark apportioned among, the heirs of a unitary owner.⁶⁵ The California Court of Appeals, in *Iskenderian*, gave the Lanham Act a broad reading, noting that joint ownership is not forbidden under the statute.⁶⁶ Further, quoting Professor J. Thomas McCarthy, the court held that the balance between minimizing potential consumer confusion and protecting the expectations of the co-owners of the mark weighed in favor of joint ownership.⁶⁷ Perhaps most importantly, the court found that the newly seized co-owners would be guided by a “strong interest in protecting the validity and integrity of the . . . mark,” ensuring that none would “engage in activity detrimental to” the shared mark.⁶⁸ To be fair, this decision is merely a state court interpretation of federal law, and thus bears little precedential value in a federal court. However, the California Supreme Court has reset the balance between producer and consumer interest in trademark jurisprudence.

This view of equitable joint ownership of trademarks is exemplified at the federal level by the joint registration of the phrase “SUPER HEROES” for the class of goods “Publications” held by Marvel and DC Comics.⁶⁹ When the two comic book competitors each sought a mark for the term, the US PTO examiner was initially wary that confusion would arise out of dual registrations of the mark.⁷⁰ However, the two publishers argued that the phrase would appear with their brand names, i.e. Marvel Super Heroes and DC Super Heroes, and therefore confusion of source would be minimized.⁷¹

64. Robert Nupp, *Concurrent Use of Trademarks on the Internet: Reconciling the Concept of Geographically Delimited Trademarks with the Reality of the Internet*, 64 OHIO ST. L.J. 617, 620 (2003).

65. See *Iskenderian v. Iskenderian*, 51 Cal. Rptr. 3d 163, 168-69 (Ct. App. 2006).

66. See *id.* (quoting 15 U.S.C. § 1052(d)).

67. See *id.* (quoting 2 MCCARTHY, *supra* note 2, § 16.40).

68. *Id.*; Cf. *Durango Herald, Inc. v. Riddle*, 719 F. Supp. 941, 952 (D. Col. 1988) (holding that neither of two former joint venture partners who could not come to an agreement to continue the venture, or partition its assets, would be permitted to use the jointly created mark).

69. SUPER HEROES, Registration No. 73222079.

70. Ross D. Petty, *The “Amazing Adventures” of Super Hero®*, 100 TRADEMARK REP. 729, 740 (2010).

71. *Id.*

The examiner was convinced,⁷² and the two entities have been jointly enforcing the mark since dual registration was granted in 1981.⁷³

B. The Current Restrictions on Joint Registration and Ownership Are Overly Paternalistic in an Economy Composed of Informed and Empowered Consumers.

American trademark law presupposes a schizophrenic consumer.⁷⁴ At best, he or she is a market sophisticate, able to process the constant stimulus being put forth by producers prior to making any purchase; at worst, he or she is a rube, under the threat of constant victimization by frauds in the market who seek to cash in on the consumer's ignorance, luring them in through false associations with the goodwill of other brands and false assertions of quality.⁷⁵ As it stands in the early twenty-first century, the reality most likely lies somewhere between: contemporary consumers, like all human beings, are limited by their own bounded rationality, however, the amount of information and degree of agency they possess is likely greater than at any time in the past.⁷⁶ The increase in available information and empowerment should counsel that the single source requirement in United States trademark law could be relaxed, especially as it relates to collaborative producers.

Contemporary consumers are presented with a vast pool of information when considering a purchase, across new media never envisioned by the framers of the Lanham Act. For example, with the advent of smartphones, the consumer is able to tap into an ever-expanding collective consumer conscious at any point in the purchasing process.⁷⁷ Information may be

72. *Id.*

73. *Id.* at 743-47. This strategy has brought them some degree of bad press, as they have often come across as twin bullies picking on the little guy. See Miguel Guerra, *Ray Felix the Little Guy Who Dared to Use the Word Superhero*, CRISPCOMICS.COM (Jan. 30, 2013), <http://crispcomics.com/ray-felix-the-little-guy-who-dared-to-use-the-word-superhero>.

74. See Barton Beebe, *Search and Persuasion in Trademark Law*, 103 MICH. L. REV. 2020, 2023-24 (2005); Devin R. Desai, *From Trademarks to Brands*, 64 FLA. L. REV. 981, 1029 (2012).

75. This, I argue, is a central tenet of the "consumer confusion" thread in trademark law. See Alex Kozinski, *Trademarks Unplugged*, 68 N.Y.U. L. REV. 960, 964 (1993). But what if the usurper's product is as good or better than that of the true mark owner's? Not to worry, because as stated above the secondary, property protecting function of trademark law permits the mark owner to enjoin that fraud's use of the mark and seek damages. See 15 U.S.C. §§ 1116 (injunctive relief), 1117 (monetary damages) (2012).

76. See *infra* text accompanying notes 77-79; see also, Lefkowitz, *supra* note 11, at 3 (describing, in 1983, how the increased level of sophistication among consumers enabled them to comprehend how "double-trademarks" were being used on products).

77. See Dai Pham, *Smartphone User Study Shows Mobile Movement Under Way*, GOOGLE MOBILE ADS BLOG (Apr. 26, 2011, 10:00 AM), <http://googlemobileads.blogspot.com/>

presented as fact, opinion, or a bit of both, as magazines and websites provide objective descriptions of product features, often combined with subjective ratings based on personal experiences with the product.⁷⁸ Further, the provision of information has been democratized, with professional reviewers now being forced to share space with “the crowd.”⁷⁹ This has relegated the mark owner to a rank of but one in the chorus of voices reaching the consumer. In fact, it can be argued that the uninformed consumer may only be so by sheer force of will.

Relatedly, this increasingly networked environment has empowered consumers to directly affect producer behavior in two ways, the first often in conflict with the producer, and the second in concert with the producer. First, with the advent of the consumer advocacy movement⁸⁰ and the subsequent development and proliferation of the Internet,⁸¹ the relationship between consumers and brands became bi-directional, enabling a constant back-and-forth flow of information between consumers and producers.⁸² In exercising their growing power, consumers have mobilized, via actions ranging from call-in campaigns to boycotts and Facebook protests, to affect corporate policy at every level.⁸³

2011/04/smartphone-user-study-shows-mobile.html; Dai Pham, *Smartphones and Tablets Influence Consumer Purchasing Decisions on Mobile, Online and In Store*, GOOGLE MOBILE ADS BLOG (Feb. 13, 2012, 10:30 AM), <http://googlemobileads.blogspot.com/2012/02/smartphones-and-tablets-influence.html>; Erin Shea, *75pc of Consumers Access Smartphones In-Store: Forrester*, MOBILE MARKETER (May 3, 2013), <http://www.mobilemarketer.com/cms/news/commerce/15278.html>.

78. See, for example, any product page on Amazon.com, on which the manufacturer’s description of the product sits side-by-side with consumer reviews and ratings.

79. See CNET.COM, <http://reviews.cnet.com> (permitting consumers to both comment on and rate products); see also WIRED.COM, <http://www.wired.com/reviews> (permitting consumers to add comments, but not ratings, to reviews).

80. See Murray Yanowitch, *Protecting the Consumer*, CHALLENGE, Sept.-Oct. 1977, at 24-25; La Vergne Rosow, *Consumer Advocacy, Empowerment, and Adult Literacy*, J. READING, Dec.-Jan. 1990-91, at 258.

81. See Simon Mainwaring, *The New Power of Consumers to Influence Brands*, FORBES (Sep. 7, 2011, 1:46 PM), <http://www.forbes.com/sites/simonmainwaring/2011/09/07/the-new-power-of-consumers-to-influence-brands> (arguing that emergent social media has created a dialog between brands and consumers in which consumers are able to shape brand behavior).

82. For a discussion of this “constructivist” or “interpretive” paradigm of brand scholarship, and its potential effects on trademark law, see Devin Desai, *From Trademarks to Brands*, 64 FLA. L. REV. 981, 1000-02 (2012); see also Adam Lawrenson, *Redefining Brand-customer Interaction for the Digital Age*, THE GUARDIAN (2014), <http://www.theguardian.com/media-network/partner-zone-brand-union/redefining-brand-customer-interaction-digital>.

83. See *The Real Story of New Coke*, THE COCA-COLA CO. (Nov. 14, 2012), <http://www.coca-colacompany.com/stories/coke-lore-new-coke> (regarding overwhelmingly negative consumer response to Coca-Cola’s change in formula to cause the company to return to the old “classic” formula); see also Christy Choi, *Mickey’s Retreat: Disney Withdraws ‘SEAL Team Six’ Bid*, TIME (May 26, 2011), <http://newsfeed.time.com/2011/05/26/mickey%E2%80%99s-retreat->

Second, brands are increasingly using social media or direct solicitation via their own websites or mobile apps, soliciting consumers to dictate brand identity, in a phenomenon called “crowdsourcing.”⁸⁴ Brands ask consumers to contribute everything from input on environmental policy,⁸⁵ to advertisements,⁸⁶ to something as critical to the brand and close to the heart

disney-withdraws-seal-team-six-patent-application (regarding production company’s decision to abandon application process to trademark the name of military group that killed Osama bin Laden after consumer outrage); Dave Thier, *UPDATE: Instagram Responds to Outrage over Policy Changes*, FORBES (Dec. 18, 2012, 5:31 PM), <http://www.forbes.com/sites/davidthier/2012/12/18/update-instagram-responds-to-outrage-over-policy-changes> (regarding app developer’s rapid response to consumer outrage over change in privacy policy and ownership of user photos); Leonardo Blair, *Uproar After Phil Robertson Suspension; Hundreds of Thousands Threaten to Boycott A&E if ‘Duck Dynasty’ Star Isn’t Returned to Show*, CHRISTIAN POST (Dec. 19, 2013, 11:44 AM), <http://www.christianpost.com/news/uproar-after-phil-robertson-suspension-hundreds-of-thousands-threaten-to-boycott-ae-if-duck-dynasty-star-isnt-returned-to-show-111156> (regarding network buckling to threat of viewer boycott if star of program was not permitted to return after being placed on leave for making offensive statements). *But see* Brad Tuttle, *Netflix Customers Outraged As DVD-Streaming Movie Combo Gets 60% More Expensive*, TIME (July 13, 2011) <http://business.time.com/2011/07/13/netflix-customers-outraged-as-dvd-streaming-movie-combo-gets-60-more-expensive> (regarding company’s decision to disregard costumer outrage at large price increase). While the Instagram example is notable due to the rapidity of the company’s response to consumer action, the Coca-Cola and Duck Dynasty examples show the power of consumers to actually dictate the product being offered through direct interaction with the producer, and the SEAL Team Six example shows how the very registration of a mark may be cause for consumer action. *See* Deborah R. Gerhardt, *Social Media Amplify Consumer Investment in Trademarks*, 90 N.C. L. REV. 1491, 1510 (2012). To be fair, I do not posit that these consumers are necessarily well-informed, or even intelligent, but rather that their increased leverage over brands speaks to the ability to protect themselves, and their perceived interests, in the marketplace.

84. *See* Matthew Yeomans, *Why Crowdsourcing Should Be Part of a Company’s DNA*, THE GUARDIAN (Feb. 1, 2013, 9:57 AM), <http://www.theguardian.com/sustainable-business/blog/crowdsourcing-company-dna-sustainability>; Marry Warner, *Reasons to Choose Crowdsourcing for Your Brand’s Identity Design*, SITEPRONNEWS (Oct. 1, 2013), <http://www.sitepronews.com/2013/10/01/reasons-choose-crowdsourcing-brands-identity-design>; Chris McNamara, *9 of the World’s Top 10 Brands Are Crowdsourcing*, CROWDSOURCING.ORG (May 6, 2013, 10:00 AM), <http://www.crowdsourcing.org/editorial/9-of-the-worlds-top-10-brands-are-crowdsourcing/25739>. For the sake of this discussion of crowdsourcing, I am bracketing away the most robust model, by which the producer merely creates the platform that then conscripts the crowd into actually creating the product. This, for example, is the model behind websites like Wikipedia, YouTube, Yelp, etc. whereby the “brand” is merely the platform, but all of the value in that brand is generated by the willingness of the consumer to contribute his or her labor.

85. Phil Drew, *Can Crowdsourcing Really Crack Corporate Sustainability?*, THE GUARDIAN (Apr. 24, 2012, 12:56 PM), <http://www.theguardian.com/sustainable-business/crowdsourcing-crack-corporate-sustainability>.

86. Brian S. Hall, *The New Mad Men Of Advertising Are . . . Everywhere*, READWRITE (June 14, 2013), <http://readwrite.com/2013/06/14/the-new-mad-men-of-advertising-are-everywhere-thanks-to-crowdsourcing#awesm=-orMAaFexuuS8OH>.

of trademark law as a design for the brand's logo.⁸⁷ The progress of consumer empowerment begs an important question: is the law coming dangerously close to protecting consumers only from themselves?⁸⁸

Finally, it must be understood that a mark, and its attendant reservoir of information and goodwill, is but one of several variables a consumer takes into consideration at the time of purchase. First, the price of goods is often of critical importance to consumers, and may actually cut against any understanding the mark conveys.⁸⁹ Additionally, subcultural identity is an increasingly important driver of purchasing behavior, with purchases of specific products being communicative acts aimed at signifying group membership, rather than based on any perceived qualitative assurance that the mark conveys to the consumer.⁹⁰ In both of these contexts, the mark has been decoupled from its consumer protection function, becoming a secondary or tertiary consideration in the purchase decision made by a consumer.

Taken as a whole, it can be said that the rise in consumer sophistication and empowerment, as well as the declining relevance of marks to consumer behavior, speaks to a need to reexamine the paternalistic "single source" requirement of trademark law in the United States. The law must shift from shielding the hypothetical hapless consumer from information that is beyond his or her comprehension, to a restricted focus on ensuring that the information presented to the consumer is truthful.⁹¹ In the twenty-first century, when consumers have been let in on the action of mark-making,

87. See Phil Simon, *Crowdsourcing Design: An Interview with DesignCrowd Founder Alec Lynch*, THE HUFFINGTON POST (Oct. 30, 2013, 9:27 PM), http://www.huffingtonpost.com/phil-simon/crowdsourcing-design-an-i_b_4179653.html.

88. The rise of crowdsourcing actually raises several important issues, like how consumers should be compensated for their contributions, whether brands should give consumers at least a much, if not more, power than shareholders. For skeptical views of crowdsourcing, see Abe Sauer, *Friends Don't Let Friends Crowdfund a Brand*, BRANDCHANNEL (Apr. 19, 2010, 9:14 AM), <http://www.brandchannel.com/home/post/2010/04/19/Friends-Dont-Let-Friends-Crowd-Source-A-Brand.aspx>; Mash Bonigala, *Why Crowdsourcing Your Brand's Logo Is a Bad Idea*, SPELLBRAND (Mar. 12, 2013), <http://www.spellbrand.com/why-crowdsourcing-your-brands-logo-is-a-bad-idea>.

89. See Steve Olenski, *Only One Quarter of American Consumers Are Brand Loyal*, FORBES (Mar. 26, 2012, 8:06 AM), <http://www.forbes.com/sites/marketshare/2012/03/26/only-one-quarter-of-american-consumers-are-brand-loyal> (discussing the profound effect low price may have in undercutting brand loyalty).

90. See John W. Schouten & James H. McAlexander, *Subcultures of Consumption: An Ethnography of the New Bikers*, 22 J. CONSUMER RES. 43 (1995). Of course, if traced back through the history of the social group, the original adopter may have chosen what became the subculture's brand of choice based on assurances of quality or source.

91. The elimination of false information from the market is of central concern of the Lanham Act. See 15 U.S.C. §§ 1114, 1125(a), which use the words "false," "misleading," and "deceive" numerous times relating to infringement and unfair competition causes of action.

and are thus fully aware of the effort that has gone into the creation and cultivation of a mark,⁹² there is little to no benefit in retaining the “single source” rule. Denying collaborative producers the right to jointly own a mark, benefits consumers very little, if at all, while the producers themselves, as discussed below, may suffer a real and serious harm.

C. Current Conceptions of the Joint Ownership of Trademarks Are Insufficient to Accommodate the Accelerating Trend of Collaborative Commerce.

It is not only the contact points between producers and consumers that have exploded in recent years, but the contacts among producers themselves, resulting in a sharp increase in networking among small producers⁹³ and the rise of a “collaborative,” rather than purely competitive, economy.⁹⁴ A perfect set of factors gives rise to the ability for multiple parties to lay claim to the rightful exploitation of a mark: first, the aforementioned collaborative relationship may give rise to an expectation of ownership among the several parties that have invested their creative energies into what has become their “brand”; second, the large number of unsophisticated parties entering the marketplace may not have the foresight or resources to secure, through contract, their intellectual property rights that comprise the brand; and, third, as explored in the previous section, as consumers are given increasing power in their interaction with brands, what comprises a mark for that brand may develop organically out of the producer-consumer relationship, rather than by fiat of the producer.

The first “element” of the collaborative ownership of a mark must be the existence of some intentional relationship of joint creation of a product, and the intent that each member of the group be permitted to exploit that product in the market. United States Copyright and Patent Law base joint authorship and inventorship, respectively, on the parties’ intent that a single work be considered the result of their collaborative effort.⁹⁵ Both formulae

92. See Beebe, *supra* note 74, at 2047-50 (explaining that consumers can develop what is known as “persuasion sophistication,” an understanding of how marks are manipulated in order to target goods to that consumer for sale. Consumers can become immune to the “deluding” power of the mark, and instead base their purchase decisions on objective standards).

93. TAPSCOTT & WILLIAMS, *supra* note 14, at 10-11.

94. See RAYMOND E. MILES, GRANT MILES & CHARLES C. SNOW, COLLABORATIVE ENTREPRENEURSHIP 1 (2005); see also Shel Israel, *Jeremiah Owyang: Profiting from a Collaborative Economy*, FORBES (Jan. 2, 2014, 2:59 PM) <http://www.forbes.com/sites/shelisrael/2014/01/02/jeremiah-owyang-profiting-from-a-collaborative-economy>.

95. See 17 U.S.C. §§ 101, 201 (2012); *Ethicon, Inc. v. United States Surgical Corp.*, 135 F.3d 1456, 1466 (Fed. Cir. 1998) (suggesting that joint ownership of patent arises from parties’ “choos[ing] to cooperate in the inventing process.”).

of joint ownership of intellectual property carry with them the assumption that all parties are permitted to exploit the property in the market.⁹⁶ Thus, our conception of trademarks jointly owned and exploited by collaborative groups should also be predicated upon each member of the group intending to contribute his or her creative labor to the resulting product, and each member of the group intending (or at least not objecting to) the other members' right to exploit that product in the marketplace.

Further, this recognition of collaborative creation of products and the marks attached to them comports with the classic conception of joint ownership of marks among partners, most notably guild members or those under *Menendez* who had an individual stake in the goodwill attending the mark.⁹⁷ For decades, judges interpreted trademark law as conferring the right of members of a legally recognizable partnership the ability to hold on to portions of the goodwill associated with the mark of that partnership upon dissolution.⁹⁸ It would be unreasonable to imply that the goodwill associated with the partnership attached to its members by force of their contractual relationship; rather, it should be clear that it was by their collective labor under the mark that the mark became a thing of value. It thus makes sense that members of collaborative groups should expect to be treated as partners, each enjoying a share of the fruits of their labor.

The next assumption that must be drawn is that the collaborative parties are not sophisticated enough to have, *ex ante*, arranged for the disposition of the intellectual property that is the product of their collaboration, or, if in fact they did, they intended that the contract to jointly share any intellectual property that was the result of their collaboration should be enforceable. This is not far-fetched, as many of the new collaborators in the market are from developing nations, are young, or are otherwise unsophisticated in the area of intellectual property law, and thus unable to protect their interests.⁹⁹ The collaborative group should be permitted to define its own members, with registration serving as the ultimate arbiter of whom the group has decided to include among the permitted users of its mark. Further, registration would permit courts to better serve the interests of the parties by making the burden of proving whether the mark truly represents an intentional collaboration: registration would create a rebuttable presumption of intent to collaborate, placing the burden on the party seeking sole ownership of the mark to disprove intent;

96. 35 U.S.C. § 262 (2012).

97. See *supra* text accompanying notes 38-52.

98. See 2 MCCARTHY, *supra* note 2, § 16.43, at 16-96 to -97.

99. See TAPSCOTT & WILLIAMS, *supra* note 14, at 13-14.

lack of registration would place the burden upon the party seeking to prove that collaborative use of the mark was, in fact, intentional.

The Supreme Court has been amenable to broad readings of the Lanham Act in recent years. Notably, protection has been extended to such source-identifying “devices” as business decor,¹⁰⁰ color,¹⁰¹ and product design,¹⁰² although these things are not explicitly enumerated in the Act. Instead, the Court has held that the framers of the Lanham Act, through use of inclusive language, created an “unrestrictive” framework for trademark protection.¹⁰³ A further broad reading of the Lanham Act would tend to embrace joint registration and ownership of a trademark by collaborative producers.

First, those marks that are “used by a person . . . to identify and distinguish [that person’s] goods from . . . those manufactured and sold by another.”¹⁰⁴ This means, essentially, that where multiple parties have collaborated to create a product to which their jointly used mark is affixed, and both use that mark harmoniously with the intent that it distinguish the fruits of their collaborative effort from the products of all others, multiple parties have been conferred common law rights in the mark. However, the current interpretation of the Lanham Act would prevent those same collaborative producers from registering the mark for joint protection and benefitting from the broader protections that registration bestows.

Second, the stated “intent of [the Lanham Act is] making actionable the deceptive and misleading use of marks in [interstate] commerce.”¹⁰⁵ However, where collaborative producers are using a mark in commerce to which each individual producer has added value, and by which each producer represents the fruits of their collective labor, there is no “deceptive or misleading use” of the mark. Further, the Act purports to “protect [producers from] *unfair competition*” (italics added).¹⁰⁶ Although a sale by each of the individual collaborators necessarily means one less sale by another, the classic mode of unfair competition proscribed by the Act is not implicated: no collaborative partner free rides off the goodwill their fellows have labored to amass under the mark. Each collaborator makes a fair use

100. See *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 768, 776 (1992).

101. *Qualitex Co. v. Jacobson Prods. Co.*, 514 U.S. 159, 174 (1995). The *Qualitex* Court also noted that the Patent and Trademark Office had granted registration to such other “devices” as “a shape, a sound, and a fragrance.” *Id.* at 162.

102. *Wal-Mart Stores, Inc. v. Samara Bros., Inc.*, 529 U.S. 205, 216 (2000).

103. See *Qualitex*, 514 U.S. at 162.

104. 15 U.S.C. § 1127 (2012).

105. *Id.*

106. *Id.*

of the mark, and it is only by industriousness, and a little dumb luck, that a sale would go to one over the other.¹⁰⁷

Finally, that a statute drafted and enacted over a half-century ago uses language like “his or her goods” or “services of one person”¹⁰⁸ with regard to what a trademark is designed to protect should not forestall a contemporary reading of the statute that would include collaborative producers. The classical, natural rights, conception of the lone craftsman¹⁰⁹ is but one reality in an increasingly complex market. Noting this, Congress amended the Lanham Act in 1992, broadening the definition of “person[s]” to include government entities.¹¹⁰ Modernly, the statute should be broadly interpreted, if not further amended, to include discrete collaborative groups that seek to produce and trade under one mark in the protected class of “person[s].”

It is only when overlaid with the consumer confusion principle that this expansion appears remotely problematic. The argument goes: if multiple entities are permitted to exploit a mark, how will consumers be assured that they are purchasing products of predictable and assured quality? However, as I have argued, the contemporary consumer, armed as he or she is with information and access to the producer, is in little danger of being deceived or misled by the collective use of a mark. When the consumer confusion standard is viewed in light of the realities of modern commerce, the single source rule loses some of its force, and the rights of collaborative producers can be better considered.

III. EXISTING PRINCIPLES OF JOINT OWNERSHIP IN AMERICAN PROPERTY LAW ARE USEFUL IN CONCEIVING A FRAMEWORK FOR COLLABORATIVE USE OF A TRADEMARK.

Once it is established that collaborators in the creation of a mark should be treated as joint owners, the question then arises: which model of co-ownership recognized in American Property Law best represents the intention of the parties¹¹¹ while serving the consumer protection function of

107. A useful analogy to the competition that arises among collaborative producers is the fast-food franchise. Although competing franchisees may open restaurants within close proximity of one another, one cannot cry foul if the other should compile a better sales record through more effective marketing and better presentation of the product.

108. 15 U.S.C. § 1127.

109. See *supra* text accompanying notes 38-44.

110. See *supra* text accompanying note 45.

111. For purposes of this discussion, I am assuming two unsophisticated collaborators that have not otherwise formalized their intent in a written, or even oral, agreement. As discussed above, large corporate entities have navigated the murky waters of joint trademark ownership for

trademark law? In this section, I will illustrate how existing principles of American Property Law, specifically joint tenancy and tenancy in common, could be applicable to Trademark. First, in Part A, I demonstrate how tenancy in common, which governs joint ownership in both Copyright and, to a major extent, Patent, is well suited for the collaborative owners of a trademark, as well as the consuming public. In Part B, I counter the prior analysis, arguing that the qualities of Trademark ownership that differentiate it from Copyright and Patent suggest that joint tenancy suits the intentions of the parties and public policy interests better than the tenancy in common model. Finally, in Part C, I will illustrate how the remedies available to a trademark owner dovetail nicely with those available to owners of property, both real and intellectual.

A. United States Copyright and Patent Law Currently Confer Rights to Joint Owners Based on a Tenancy in Common Model, But the Nature of Trademark Rights May Counsel That Collaborative Users Be Treated as Joint Tenants.

Section 201 of the Copyright Act prescribes that multiple authors of a work are to be treated as co-owners of the copyright in that work, with the caveat that all must intend to be treated as such.¹¹² Section 262 of the Patent Act enumerates the privileges of joint ownership in a patent.¹¹³ Under both regimes, each co-owner has the right to freely alienate his or her portion of the shared intellectual property: under the Copyright Act of 1976, each joint owner of a copyright may use or license the work.¹¹⁴ Indeed, in crafting the Act, Congress expressly desired that “coowners of a copyright would be treated generally as tenants in common.”¹¹⁵ As for joint patent owners, they are granted even more leeway, with each having an unrestrained ability to exploit the patented invention without any accounting to her co-inventors (provided no *ex ante* agreement to the contrary exists).¹¹⁶ Very early on, courts recognized the tenancy in

some time, but I am concerned here with the growing legions of creative individuals and startups that may not be able to afford, or warrant, an army of lawyers to facilitate their efforts.

112. 17 U.S.C. § 201 (2012). A “joint work” is defined in the U.S. Copyright Act as “a work prepared by two or more authors with the intention that their contributions be merged into inseparable or interdependent parts of a unitary whole.” 17 U.S.C. § 101 (2012).

113. 26 U.S.C. § 262 (2012).

114. H.R. REP. NO. 94-1476 at 121 (1976) (Conf. Rep.).

115. *Id.* It is important to note that the House Report finds the tenancy in common model approved of in the 1976 Act actually existed in “the present law” under the prior Copyright legislation, and would leave “court-made law on this point . . . undisturbed.” *Id.*

116. 35 U.S.C. § 262 (2012).

common model as applicable to patent law, but noted the loose fit with tenancy in common when applied to one's liability to one's co-owners.¹¹⁷

The Copyright and Patent Law regimes, being rooted in the Progress Clause of the Constitution,¹¹⁸ contain provisions that require the sunset of rights after a period of exclusive ownership,¹¹⁹ giving the work over to the American people, and enriching the public domain.¹²⁰ Taken as a whole, the alienability and limited duration of copyright and patent rights highlight the non-adhesive nature of these rights and goes far to explain why co-owners are treated like tenants in common.

The permissive, “you can't take it with you,” attitude toward alienability and the limited duration of Copyright and Patent protection fit neatly with the American preference for treating joint owners as tenants in common.¹²¹ Tenancy in common became the preferred presumption in property co-ownership shortly after the American Revolution, supplanting the old English preference for joint tenancy.¹²² Joint tenancy, with its formalisms and right of survivorship, was seen as incompatible with these new Americans' drive to create “private fortunes” through free alienation of their land on the developing open market.¹²³ In the Copyright and Patent context, it makes sense that Congress would provide joint authors and inventors a means of maximizing their own “private fortunes” in the limited time before their monopoly runs out in order to incentivize creativity and continuously enrich the public domain.

117. See *Vose v. Singer*, 86 Mass. 226, 230-31 (4 Allen) (1862) (“A patent right is a chattel interest; therefore a tenancy in common or part ownership in it is much like tenancy in common or part ownership of other personal property. But the use of a patent right is different from the use of any other property; and therefore it is not safe to follow the rules adopted in regard to the mutual liabilities of part owners of ships, horses, grain, liquor, &c.”).

118. U.S. CONST. art. I, § 8, cl. 8. But see Edward C. Walterscheid, *To Promote the Progress of Science and Useful Arts: The Anatomy of a Congressional Power*, 43 IDEA - J.L. & TECH., 1, 9 (2002).

119. See 17 U.S.C. § 302 (2012); see also 35 U.S.C. §§ 154, 173 (2012).

120. John Shepherd Wiley, Jr., *Copyright at the School of Patent*, 58 U. CHI. L. REV. 119, 138 (1991). In fact, prior to the 1976 Act, an author was required to satisfy several formal requirements in order not to lose her rights. For example, any publication of the work without proper registration with the Copyright Office would result in the work immediately entering the public domain. See *Caliga v. Inter Ocean Newspaper Co.*, 215 U.S. 182, 188 (1909).

121. See LAWRENCE N. FRIEDMAN, *A HISTORY OF AMERICAN LAW*, 234-35 (2d. ed. 1985) (describing the evolution of American property law to favor tenancies in common because it likely met “the common wish of [joint landowners],” who increasingly tended to be unrelated, and thus uninterested in a right of survivorship).

122. *Id.*

123. *Id.*

B. Two Models of Joint Ownership for Collaborative Trademark Users: Joint Tenancy and Tenancy in Common.

United States trademark law permits multiple “persons” to jointly register a mark in very limited circumstances, all of which require more formality than mere “intent.”¹²⁴ As marks are creatures of trade, Congress finds its authority to regulate them in the Commerce Clause.¹²⁵ The ownership of a trademark is not so easily conveyed. In fact, the Lanham Act does not permit the conveyance of a mark without the attendant goodwill of the business that the mark is meant to symbolize.¹²⁶ The owner of a mark may license its use by a third party, but where the owner retains any goodwill associated with that mark, she retains the right to use the mark in association with that goodwill. Thus, trademark rights are much more “sticky” than those conferred under Copyright and Patent. Unlike copyright and patent protection, which seek to incentivize creativity with the ultimate aim of enriching the American people on the whole, trademark is a creature of commercial and unfair competition law, with the much more modest aim of ensuring veracity in the marketplace.¹²⁷

Further, the Commerce Clause, and thus the Lanham Act codified under it, does not limit the duration of commercial protection: while copyrights and patents must, at some point, fall into the public domain, a trademark may potentially be perpetually protected.¹²⁸ It is the stickiness of trademark rights, and the potential for their perpetual protection, that makes them a much more complicated fit for a scheme of joint ownership under Property Law conceptions. To that end, I will first describe how principles of joint tenancy could be applied to collaborative trademark owners. Then, I will consider whether the tenancy in common model, favored in Copyright and Patent Law, is equally useful for the protection of collaborative trademark users.

124. See *supra* Part II.A.2.

125. 17 U.S.C. § 1127 (2012). In fact, the Supreme Court struck down the Federal Trade-Mark Act of 1870, Congress’ first attempt to confer protection to marks used in commerce, as an unconstitutional application of the Progress Clause. In *re Trade-Mark Cases*, 100 U.S. 82, 94 (1879). It should also be noted that the Lanham Act, which governs trademark law in the United States, is codified in Chapter 15 of the US Code, governing “Commerce and Trade,” and is not given its own Chapter, as are both Copyrights and Patents.

126. 15 U.S.C. § 1060 (2012).

127. See *Trade-Mark Cases*, 100 U.S. at 94-95; see also 1 MCCARTHY, *supra* note 5, at § 6:3 (4th ed. 2013).

128. See 15 U.S.C. §§ 1058-59 (2012) (describing the system whereby a mark owner registers for an initial ten-year period, then renews for subsequent ten-year periods potentially forever); see also *Qualitex Co. v. Jacobson Prods. Co.*, 514 U.S. 159, 164-65 (1995).

1. Collaborative Trademark Users as Joint Tenants

Joint tenancy is a relationship of co-ownership that is defined by the right of survivorship, under which the property accrues to any surviving co-owners upon the death of one.¹²⁹ At common law, joint tenancy was defined by the four unities of time, title, possession, and interest that must be present at the establishment of a relationship of co-ownership.¹³⁰ In the context of trademark joint ownership, one would say that the four unities are satisfied at the moment the mark is used in commerce by the collaborative entity (unity of time), vesting each collaborative user with the power to use the mark in commerce (the unity of interest and possession). Because there is no document, *per se*, that grants right to use the mark, the four unity model falls a little short. The relationship was severable, and thus the right of survivorship lost, at the point one of those unities was severed.¹³¹ One of the classic, and simplest, means of severing the joint tenancy relationship was for one party to convey their interest in the property, typically to a “straw,” and then have that interest conveyed back to them, creating a tenancy in common between the original parties.¹³² Modernly, the joint tenancy relationship does not rely upon the four unities for its creation, but merely the intent of the parties and careful drafting of the conveying document.¹³³

Collaborative users of a mark would likely prefer to be conferred an exclusive right to use the mark at the point their fellow travelers cease to exist. The obvious reason is the sole right to exploit the mark. Any goodwill associated with the mark that had accrued to their co-owners would be vested in the survivor, and she could expand the scope of her business accordingly. Secondarily, this would not require the surviving owner to enter a new business relationship with a possibly unknown party. Whoever the demised party’s successor in interest may be, any intent to collaboratively use the mark that initially existed may have dissipated.

129. WILLIAM BLACKSTONE, 2 COMMENTARIES ON THE LAWS OF ENGLAND 183-84 (Univ. of Chi. ed., 1979).

130. *Id.* at 180-82. The unity of time requires that the parties come into ownership of the property at the same instant. The unity of title requires that the parties come into ownership by means of a single legal act. The unity of possession requires that the parties must have an equal right to possession of the whole of the property. Finally, the unity of interest requires that each party have an identical “duration or quantity of interest” in the property. In other words, each party must have either some fee ownership or some identical term of years of ownership. *Id.* at 181-82.

131. *Id.* at 185-86.

132. See R.H. Helmholz, *Realism and Formalism in the Severance of Joint Tenancies*, 77 NEB. L. REV. 1, 5-6 (1998).

133. *Id.* at 9.

Moreover, vesting all rights to use the mark in a prior user, rather than some new party, would likely minimize consumer confusion. While consumers may have become accustomed to use of the mark being shared between two parties, the thought of a third, and potentially many more entering the picture seems slightly more problematic. A conservative understanding of consumer protection, assuming that an increase in consumer sophistication supports relaxation of the single-source rule, would counsel expansion is limited to only those producers present at the first use of the mark in commerce.

2. Collaborative Trademark Users as Tenants in Common

The tenancy in common relationship is much more informal, leading to a much more liberal attitude toward alienability.¹³⁴ As previously stated, the free alienability provided under tenancy in common has made it the preferred method of joint ownership in the United States,¹³⁵ serving as the presumptive relationship in instances of co-ownership of property.¹³⁶ With respect to the unsophisticated collaborative producer at issue in this paper, the history of American Property Law would tend to favor tenancy in common as the joint ownership model.¹³⁷

Although trademarks may not be alienated without the attendant goodwill of the producer that they represent,¹³⁸ they are, in fact, alienated constantly.¹³⁹ It would be assumed that consumers are aware, even if not consciously, that the “anonymous” producer of a single product may change over time. The remaining issue, and it is a complicated one, is whether the parties that collaboratively use the mark would intend that it would be freely alienable. It would seem logical that, at the time of the demise of one party, the other would prefer a right of survivorship and the exclusive use of the mark. However, intent should be measured at the point of creation of

134. See BLACKSTONE, *supra* note 129, at 191-92; see also RICHARD R. POWELL, POWELL ON REAL PROPERTY, § 50.02[9] (Michael Allen Wolf ed., LexisNexis Matthew Bender 2000).

135. See FRIEDMAN, *supra* note 121, at 234-35.

136. See POWELL, *supra* note 134, at § 50.02[2] (“Under modern law, a conveyance to two or more persons is presumed to be a tenancy in common unless specific language indicates that a joint tenancy is intended.”). Ironically, one of the perceived problems with joint tenancies was their formality, see FRIEDMAN, *supra* note 121, at 236, so, to deal with this, the solution seems to be to have added formalities by requiring the conveyance to specify that the parties intend to create a joint tenancy with a right of survivorship. See POWELL, *supra* note 134, at § 51.02[1].

137. See FRIEDMAN, *supra* note 121, at 236 (Where “legal sophistication [is] a scarce resource,” the preference should be for less formality.).

138. See 15 U.S.C. § 1060 (2012).

139. In fact, anytime a business—and its attendant goodwill—is sold or merged, the purchasing party, or survivor of the merger, often contracts for the assignment of any intellectual property belonging to the seller or merged entity.

rights in the mark, in effect at first use in commerce. This would comport with the drive for free alienation at the heart of American Property Law,¹⁴⁰ and not give one party a windfall. Moreover, as described below,¹⁴¹ one collaborative user will be able to protect her interests in the mark from misuse or unremunerated exploitation by any successor in interest of her original co-owner.

C. Remedies Available to Trademark Owners Dovetail with Those Available to Owners of Real Property.

Under both models of joint ownership, the remedies would be exactly the same. These remedies are derived from classic Real Property Law, which provides a co-owner causes of action for the misuse of property (waste) or any exploitation of the property for profit by another (accounting).¹⁴²

1. The Lanham Act Provides a Cause of Action for Dilution, by which Collaborative Users Could Sufficiently Protect Their Own, and the Public's, Interests.

While Copyright and Patent Law do not appear to provide a joint author or inventor, respectively, protection from a misuse of jointly owned intellectual property, a creative reading of the Lanham Act would seem to make one available for the joint owners of a trademark. The causes of action created under the Federal Trademark Dilution Act of 1995 ("FTDA")¹⁴³ are well suited to enabling joint owners of marks to protect both their own, and the public's, expectations of the value of that mark.¹⁴⁴ The "tarnishment" cause of action¹⁴⁵ would provide a co-owner the means to police quality of the product being produced under that mark, thus

140. See FRIEDMAN, *supra* note 121, at 236 (explaining that the preference for joint tenancy arose when Americans began to realize that "Everyman (and later, everywoman) was or might be a conveyancer.").

141. See *infra* Part III.C.

142. See BLACKSTONE, *supra* note 129, at 194. As Blackstone noted with regards to the ability of joint tenants to protect the value of their shared property, "[O]ne joint tenant cannot have an action against another for trespass . . . ; for each has an equal right to enter any part of it." *Id.* at 183.

143. 15 U.S.C. § 1125(c) (2012).

144. *But cf.* *Dermine v. Kramer*, 406 F. Supp. 2d 756, 758 (E.D. Mich. 2005) (holding joint owners of mark did not have an action for dilution under "plain meaning" of FTDA, which enumerates two classes of potential parties in a dilution action, "owners of marks" as plaintiffs, and "another person"). It must be noted that this opinion has not been cited, to date, as authority on this point of law.

145. 15 U.S.C. § 1125(c)(2)(C) (2012).

servicing the consumer protection function of trademark.¹⁴⁶ For example, where one (or several) co-owner(s) of a mark were producing a product that was “harm[ing] the reputation of the . . . mark,”¹⁴⁷ those owners of the mark that were living up to their expectations could bring action to enforce a basic quality threshold and provide the public with a baseline of quality assurance related to that mark. Moreover, in situations in which one of the co-owners of a mark licenses the mark to a third party that the others believe will diminish the value of the mark, tarnishment is the appropriate claim.

The so-called “blurring” cause of action¹⁴⁸ would give one owner of a shared mark the means to protect their own interests against weakening of that mark through her co-owners’ mismanagement. This is more complicated in a case of trademark co-ownership, which already presumes use by disaggregated parties. An instance of blurring in this context, though, would arise when one co-owner affixes the jointly owned mark on a product with which the other owners had nothing to do.¹⁴⁹ This would lessen the utility of the mark to signify the collaborative group as the origin of the product, and would instead give consumers the notion that the same team collectively responsible for one product was jointly responsible for another.

The FTDA, unfortunately, was enacted solely to protect “famous” marks¹⁵⁰; the realities of a collaborative economy are such that few marks, if any, will gain the requisite prominence to sustain a dilution action. However, if re-contextualized as a means of protecting the co-owners of marks, the FTDA does find a fitting cognate in the classical Property Law concept of waste.¹⁵¹ This would broaden its use from being exclusively a means for the large corporations that own famous marks to punish outsiders

146. The FTDA has been criticized for being a means to shield famous marks from “diminution in value” by an unauthorized use, with little utility toward consumer protection. See Clarisa Long, *Dilution*, 106 COLUM. L. REV. 1029, 1034-35 (2006); see also Mark A. Lemley, *The Modern Lanham Act and the Death of Common Sense*, 108 YALE L.J. 1687, 1697-98 (1999). Perhaps this recasting of the tarnishment cause of action would give these critics some ease.

147. 15 U.S.C. § 1125(c)(5)(B)(ii) (2012).

148. 15 U.S.C. § 1125(c)(2)(B) (2102).

149. This may also give rise to a dilution claim, should that new product be of inferior quality or otherwise give consumers a negative impression of the mark.

150. 15 U.S.C. § 1125(c) (2012).

151. See BLACKSTONE, *supra* note 129, at 183. (“[O]ne joint-tenant is not capable by himself to do any act, which may tend to defeat or injure the estate of the other; . . . and if any waste be done, which tends to the destruction of the inheritance, one joint-tenant may have an action of waste against the other.”). By simply replacing “inheritance” with “mark,” we have the makings of a co-owner’s dilution claim.

who “trespass” on their intellectual property,¹⁵² and permit the smaller collaborative entities of the future to protect the value and utility of their shared property.

2. The Collaborative Users of a Trademark Would Also Have an Available Cause of Action for Accounting.

Co-owners of property, real¹⁵³ or intellectual,¹⁵⁴ are barred from seeking relief for one another’s unwelcome use of the shared property. In the case of Copyright Law, accounting was the sole remedy for co-authors of a joint work expressly enumerated by Congress.¹⁵⁵ The 1976 Act is purposely bereft of any further prescription for joint authors to protect their interests from one another.¹⁵⁶ Joint patent owners and inventors are given even greater liberty, being permitted to make any non-exclusive license without any accounting to their co-owners.¹⁵⁷ The difference in treatment may be explained in part by the American propensity to treat the “creative” works of authors as more personal, as opposed to the supposedly mercenary works of inventors.¹⁵⁸ An equally valid argument may be that Congress gave an inversely proportionate amount of liberty for co-creators to maximize the value of their limited monopoly based on the duration of time they would enjoy that monopoly: for joint patent owners, they have a mere twenty years¹⁵⁹; joint copyright owners, on the other hand, will have the length of their lives, plus another seventy years.¹⁶⁰

152. See Long, *supra* note 146, at 1036.

153. BLACKSTONE, *supra* note 129, 131-32.

154. See MELVILLE B. NIMMER, 1 NIMMER ON COPYRIGHT, § 6.10[A][1][a]; see also Moy’s Walker on Patents § 10.49.

155. H.R. REP. NO. 94-1476 at 121 (1976) (Conf. Rep.).

156. See *id.*; see also Cambridge Literary Properties, Ltd. v. W. Goebel Porzellanfabrik G.m.b.H. & Co. Kg., 295 F.3d 59, 64 (1st Cir. 2002) (“The current federal copyright statute . . . is silent as to . . . what law provides remedies in disputes between co-owners. . . . Unsurprisingly, courts often look at state law.”).

157. 35 U.S.C. § 262 (2011); see also Robert P. Merges & Lawrence A. Locke, *Co-Ownership of Patents: A Comparative and Economic View*, 72 J. PAT. & TRADEMARK OFF. SOC’Y 586 (1990) (describing arguments for and against the freedom from accounting enjoyed by joint patent owners).

158. See Gregory N. Mandel, *Left-Brain Versus Right-Brain: Competing Conceptions of Creativity in Intellectual Property Law*, 44 U.C. DAVIS L.R. 283, 285 (2010).

159. 35 U.S.C. § 154(2) (2012). For design patents, the term is even shorter, fixed at fourteen years. 35 U.S.C. § 173 (2012).

160. 17 U.S.C. § 302 (2012). This assumes two things. First, that neither of the purported creators were working on a work-for-hire basis. 17 U.S.C. § 101 (2012). Second, that Disney does not have its way again as Mickey gets close to entering the public domain, and another term extension is granted by Congress. See Timothy B. Lee, *Fifteen Years Ago, Congress Kept Mickey out of the Public Domain. Will They Do it Again?*, WASH. POST (Oct. 25, 2013, 9:00 AM),

The question remains, then, what does this mean for collaborative trademark users? A trademark, much like a patent, would appear to be a purely mercenary device: it is merely a sigil placed upon a commercial product to identify from whence that product has come. Indeed, one line of thinking may be that the mark, with its attendant consumer information function, is completely impersonal to the producer. On the other hand, adopting the inverse relationship theory posited above for a tenancy in common model, one collaborative trademark owner and her successors in interest may be stuck with her co-owner, and his successors in interest, perpetually.

Moreover, it is difficult to conceive of trademarks as completely impersonal and “left brained.”¹⁶¹ While many goods and services are nothing more than outputs from an “anonymous” corporate source, others are extremely personal to the small business owner who may go so far as to affix her own name to her product.¹⁶²

Finally, because the value of a trademark lies in its connection to the producer’s goods and services, any revenue generated from licensing its use to third parties is a secondary consideration. This distinguishes marks from copyrights and patents, which, by their nature, are meant to be licensed or assigned as often and for as much money as possible. Taken as a whole, it appears that collaborative trademark users should be subject to a duty to account to one another for any licenses to third parties of the jointly owned mark. Both models of joint ownership appear to have their advantages in resolving conflicts between joint owners, but the tenancy in common model used in copyright and patent law may prove the more useful.

IV. *VELVET UNDERGROUND PARTNERSHIP V. ANDY WARHOL FOUNDATION* EXEMPLIFIES THE NEED TO EXPAND TRADEMARK TO RECOGNIZE THE RIGHTS OF COLLABORATIVE USERS.

In 2011, the Velvet Underground, a rock band founded by singer-songwriter Lou Reed and experimental composer John Cale,¹⁶³ filed suit in

<http://www.washingtonpost.com/blogs/the-switch/wp/2013/10/25/15-years-ago-congress-kept-mickey-mouse-out-of-the-public-domain-will-they-do-it-again>.

161. See Mandel, *supra* note 158, at 318 (describing left-brained thinking as “logical, sequential, and focused on parts rather than the whole,” and thus responsible for “[t]echnological innovation,” while the right brain is home to “[a]rtistic creativity”).

162. Of course, this type of mark will not gain protection until it acquires secondary meaning, but it highlights the often deep personal connection that producers have with their products, and the desire to stake their own name on the quality of that product. See 15 U.S.C. § 1052(e)(4) (2012).

163. Complaint at 4, *Velvet Underground v. Andy Warhol Found. for the Visual Arts, Inc.*, 890 F. Supp. 2d (S.D.N.Y. 2012) (No. 12 Civ. 00201).

the Southern District of New York against the Andy Warhol Foundation for the Visual Arts, a not-for-profit corporation established by the eponymous artist upon his death.¹⁶⁴ The Foundation licenses Warhol's works to third parties to fund programs advancing contemporary visual art.¹⁶⁵ The suit alleged, in part, that the Warhol Foundation's licensing of a banana design created by Warhol for use on the Velvet Underground's debut album infringed the band's trademark in the "iconic" design.¹⁶⁶

For his part, Warhol likely kept no documents defining ownership of intellectual property in the banana design.¹⁶⁷ However, the Warhol Foundation did provide the band a covenant not to sue for copyright infringement subsequent to the band's filing of its complaint.¹⁶⁸ The District Court thus held that it lacked jurisdiction over the copyright issue,¹⁶⁹ leaving only the ownership of the trademark in the banana design to be determined.¹⁷⁰ The result, I argue, was an unjust settlement in which one party was able to monopolize the value of a mark after both had invested significant goodwill in the mark.¹⁷¹

Although the case, on a superficial level, may appear to have little to do with the currently developing collaborative economy, in point of fact, the facts make the case well suited for the joint ownership framework advanced above. Section A, describes the collaborative relationship that gave birth to the banana design, and the album it came to represent, as well as the lack of legal formality that resulted in litigation; Section B examines both parties' potential arguments as to how their ownership interest in the banana design is superior to the others; and Part C explains how the controversy between the Velvet Underground and Andy Warhol would have played out under both the joint tenancy and tenancy in common frameworks I have previously outlined.

164. THE ANDY WARHOL FOUNDATION FOR THE VISUAL ARTS, <http://www.warholfoundation.org/foundation/index.html>.

165. *Id.*

166. Complaint at 1, *Velvet Underground*, 890 F. Supp. 2d (No. 12 Civ. 00201).

167. E-mail from Matt Wrbican, Chief Archivist, Andy Warhol Museum, to author (Oct. 10, 2013, 14:18 PDT) (on file with author).

168. *Velvet Underground v. Andy Warhol Found. for the Visual Arts*, 890 F. Supp. 2d 398, 402-03.

169. *Id.* at 404.

170. *Id.* at 402; see also Eriq Gardner, *Velvet Underground, Andy Warhol Foundation Settle Banana Album Dispute*, BILLBOARD (May 29, 2013, 7:57 PM), <http://www.billboard.com/articles/news/1565062/velvet-underground-andy-warhol-foundation-settle-banana-album-dispute>.

171. As of December 24, 2013, the Velvet Underground Partnership has been granted registration of the banana image with the U.S.P.T.O and is now the sole owner of the mark. See VELVET UNDERGROUND, Registration No. 4,453,249.

A. *The Velvet Underground and Andy Warhol's Collaborative Relationship: the Birth of the Banana, and the Uncertainty of Its Ownership.*

In late 1965, a rock band known as the Velvet Underground caught the attention of pop artist Andy Warhol in a downtown Manhattan nightclub,¹⁷² beginning a collaborative relationship that lasted for two years.¹⁷³ Warhol, already a celebrity in his own right, announced he would be “sponsoring” the band.¹⁷⁴ Warhol included the Velvet Underground in his *Exploding Plastic Inevitable* events around the country, funded their recording sessions,¹⁷⁵ and created what would become the jacket art for the band's debut album, *The Velvet Underground and Nico*.¹⁷⁶

The cover featured Warhol's reimagining of a banana advertisement, its peel intact, set against a white backdrop.¹⁷⁷ The work is unmistakably Warhol, rendered in the screen print style of so many of his iconic works of the time.¹⁷⁸ Below the banana, set right, sits a stylized Andy Warhol signature.¹⁷⁹ The album artwork is bereft of any other information pertaining to the provenance of the banana design, containing no formal notice of either copyright¹⁸⁰ or claim of trademark rights.¹⁸¹ In 1967, the year after their debut album was released, the Velvet Underground fired Warhol as their manager, effectively ending their relationship.¹⁸²

Although MGM released the Velvet Underground from their contract in 1970, *The Velvet Underground and Nico* has been available around the

172. VICTOR BOCKRIS, *WARHOL: THE BIOGRAPHY* 240 (1989).

173. *Id.* at 270.

174. *Velvet Underground*, 890 F. Supp. 2d at 401; *see also* BOCKRIS, *supra* note 172, at 246-47 (stating that the real “star of the show” of the early Velvet Underground performances was Andy Warhol, as the band was relatively unknown at that point).

175. BOCKRIS, *supra* note 172, at 250.

176. *Velvet Underground*, 890 F. Supp. 2d at 401.

177. The first pressing of the album featured a removable banana peel, revealing the fruit beneath, which had been tinted a fleshy pink. Due to the prohibitive cost of manufacture, the removable peel design was eliminated from subsequent pressings. In 1993, the Velvet Underground reissued the album, using this more elaborate version of the banana artwork.

178. Warhol had begun to experiment with silkscreen printing in 1962. Many of his most famous pieces from the mid-to-late 1960s are in this medium. BOCKRIS, *supra* note 172, at 251.

179. The album was re-issued on compact disc in 1986 with the album title appearing near the banana. It must be noted, however, that this was in fact the album's title, and not the name of the band. Clinton Heylin, *The Velvet Underground on CD*, RECORD COLLECTOR, August 1989.

180. *Velvet Underground*, 890 F. Supp. 2d at 401.

181. A scan of the album cover, both front and back, reveals no information relating to the ownership of intellectual property in the banana. As stated above, the only index of provenance is the stylized “Andy Warhol” signature that appears beside the banana on the front cover, and the text “Cover Painting BANANA by: ANDY WARHOL” inside the album's gatefold cover.

182. BOCKRIS, *supra* note 172, at 270.

world through licenses of the album, always featuring Warhol's artwork.¹⁸³ The band continued to tour and released three more studio albums¹⁸⁴ before breaking up in 1972.¹⁸⁵ Andy Warhol continued to create silkscreen prints, including prints containing the banana artwork, until his death in 1987.¹⁸⁶

This exemplifies the close working relationship I posited as the first requirement for a finding of collaborative use of a trademark.¹⁸⁷ It was one in which both parties invested their resources in the banana,¹⁸⁸ placed it upon goods they sold (or were sold by a third party on their behalf), and by tacit agreement, permitted one another unfettered use for over four decades.¹⁸⁹ Even in the 1990s, when the Velvet Underground held a valid registration for the mark,¹⁹⁰ it did not stop Warhol's successors in interest from using the banana on their goods,¹⁹¹ or licensing the banana to third parties.¹⁹²

Additionally, as described above, the parties in this case appear not to have dealt with the disposition of the intellectual property rights in the banana at the time they had begun to use it in commerce. As Matt Wrbcian, the Chief Archivist for the Andy Warhol Museum, explained, "[S]o much of AW's business decisions weren't recorded, but happened spontaneously We have maybe a receipt from the silkscreen maker, that's about all that I remember. Warhol left no datebook for the years 1966-67, that I'm aware of."¹⁹³ In other words, the man who managed the

183. ALBIN ZAK, *THE VELVET UNDERGROUND COMPANION: FOUR DECADES OF COMMENTARY* 255 (1997).

184. *See id.* at 253.

185. *Velvet Underground*, 890 F. Supp. 2d at 401.

186. BOCKRIS, *supra* note 172, at 151.

187. *See supra* text accompanying notes 94-97.

188. Jonathan Jones, *Fruity Beauty: This Banana Fight Is Unworthy of Warhol and the Velvet Underground*, *THE GUARDIAN* (Sept. 12, 2012), <http://www.theguardian.com/artanddesign/jonathanjonesblog/2012/sep/12/banana-cover-warhol-velvet-underground>.

189. The Velvet Underground's debut album was released in 1967, and the Warhol Foundation filed the first salvo in this action in 2009, a spread of forty-two years. *See Velvet Underground*, 890 F. Supp. 2d at 402.

190. VELVET UNDERGROUND, Registration No. 1,858,951. It should be noted that the PTO cancelled this registration in 2001, a decade before the instant action was filed.

191. *See* Andy Warhol Museum Store, WARHOLSTORE.COM, www.warholstore.com/shop/andy-warhol-bananas (showing that the e-commerce area of the Warhol Museum website that contains a section strictly for banana print goods); *see also* *Art World News . . . Covering Los Angeles and Beyond*, *THE HOLLYWOOD SENTINEL* (2013), <http://www.thehollywoodsentinel.com/issue38LAart.html> (displaying photo of banana print body pillows for sale at the Warhol Museum in 2013).

192. *See* Memorandum of Law in Support of Defendant's Motion to Dismiss Second Amended Complaint, *Velvet Underground*, 890 F. Supp. 2d (No. 12 Civ. 00201).

193. E-mail from Matt Wrbcian to author, *supra* note 167.

band *and* created the artwork likely kept no record of the disposition of how rights in the banana would be apportioned. This describes perfectly the second step of a typical collaborative use: legally unsophisticated parties who failed to contract their rights *ex ante*.¹⁹⁴

B. Velvet Underground Partnership v. Andy Warhol Foundation: Existing Trademark Law Is Useless with Respect to Collaborative Users and Unjustly Benefits One to the Detriment of the Other.

As the tale above makes clear, from 1967 until 2012, both the Velvet Underground and Andy Warhol “used” the banana print in commerce as a means of “distinguishing” their products from those of others.¹⁹⁵ The banana achieved “icon[ic]” status,¹⁹⁶ which both parties sought to capitalize on. Each individual party affixed it to merchandise that they sold on their own behalf, as well as licensing it, along with their individual names, to third parties.¹⁹⁷ After his death, the Warhol Foundation, as Warhol’s successor in interest, continues to exploit the artist’s copyrights and trademarks.¹⁹⁸ Both sold products with the affixed banana print around the world, through websites, concert tours, and distribution by third parties. To the extent that both parties have made use of the banana print in interstate commerce to distinguish their goods from the goods of others, they have attained a common law trademark interest in the banana print.

Further, there is no evidence in the record that consumers identify the banana exclusively with Warhol or the Velvet Underground.¹⁹⁹ It could be, without evidence to the contrary, that consumers purchase goods upon which the banana is affixed with intent that the purchase be made to “show

194. See text accompanying note 90.

195. 15 U.S.C. § 1127 (2012).

196. *Velvet Underground*, 890 F. Supp. 2d at 402.

197. Further, Warhol continued to exploit the banana as a copyrighted work of authorship, selling prints. See GALLERY WARHOL, <http://www.gallerywarhol.com/andy-warhol-banana-1966-FS-II.10.html>.

198. THE ANDY WARHOL FOUNDATION FOR THE VISUAL ARTS, <http://www.warholfoundation.org/licensing/index.html>.

199. See *Velvet Underground*, 890 F. Supp. 2d at 401-03; see also Second Amended Complaint at ¶ 11, *Velvet Underground*, 890 F. Supp. 2d (No. 12 Civ. 00201) (reaching legal conclusion as to secondary meaning without a showing that Velvet Underground had gathered any actual consumer survey data); see generally Memorandum of Law in Support of Defendant’s Motion to Dismiss Second Amended Complaint, *Velvet Underground*, 890 F. Supp. 2d (No. 12 Civ. 00201) (outlining Warhol Foundation’s arguments against the Velvet Underground’s trademark claim with no discussion of consumer associations with the mark). However, had the case gone to trial, there is evidence that the parties may have employed expert testimony, possibly on the issue of secondary meaning. See Stipulation and AJN Order Relating to Expert Disclosure, *Velvet Underground*, 890 F. Supp. 2d (No. 12 Civ. 00201).

support” for both parties. In effect, although the banana may serve as a source identifier of either or both Warhol and the Velvet Underground, there may be so much overlap in the consumer base for one party’s goods, that a consumer’s only concern is that the product actually originates from either party. At the other extreme, a consumer that chooses to purchase the banana print based on some subcultural identification may be perfectly happy owning the mark of the Velvet Underground without having any idea who Andy Warhol is, or vice-versa.

Unfortunately, although it appears that the consumer protection function of trademark has been satisfied, and common law trademark would effectively protect both parties’ goodwill, neither party would likely be able to register the mark without the other standing down in its rights, to say nothing of both parties being able to register jointly. It is within this legal framework that Judge Nathan of the Southern District of New York would have had to decide the proper disposition of the Velvet Underground Partnership and the Andy Warhol Foundation’s trademark rights in the banana print.

Under the current paradigms of trademark joint ownership: joint venture, concurrent use, and distribution of trust property,²⁰⁰ the parties would be unable to exploit the mark as was likely originally intended, or, even more problematically, as the parties had grown accustomed to over the last four decades. The California Court’s balancing of interests between the purported co-owners and the consuming public in *Iskenderian* would have been good guidance for the Southern District of New York to follow.²⁰¹ Instead, one party was able to extract a settlement from the other in the absence of judicial protection,²⁰² and then registered the mark as a sole owner in relation to the album.²⁰³ However, had the court been able to apply common Property Law principles to the dispute, the parties’, and the public’s, interests could have been much better served.

200. See *supra* Part II.A.2.

201. See *supra* text accompanying notes 66-69.

202. See Jamie Wetherbe, *Velvet Underground, Andy Warhol Group Settle Suit over Banana Image*, L.A. TIMES (May 29, 2013), <http://articles.latimes.com/2013/may/29/entertainment/la-et-cm-velvet-underground-andy-warhol-lawsuit-banana-20130529>; Eriq Gardner, *Velvet Underground, Andy Warhol Foundation Settle Banana Album Dispute*, BILLBOARD (May 29, 2013, 7:57 PM), <http://www.billboard.com/articles/news/1565062/velvet-underground-andy-warhol-foundation-settle-banana-album-dispute>. Although the terms of the settlement are unclear, what is clear is that settlement was only required because both parties could not control the mark indefinitely.

203. VELVET UNDERGROUND, Registration No. 4,453,249.

C. The Property Law Frameworks Advanced Above Could Have Led to a Clear Outcome in the Trademark Dispute Between the Velvet Underground and Andy Warhol Foundation.

If we assume that the Velvet Underground and Andy Warhol intended, at the time the banana had first been affixed to a good that would be sold in commerce, that both parties would have an equal right to use the banana as a mark, the question then becomes: How should the Southern District of New York have ruled on the Trademark issue? Under existing law, the issue came out the only way it could, with one side forfeiting any rights it had to the other in exchange for cash. I will describe two potential outcomes for the case under the frameworks for trademark co-ownership outlined above: first, based on the stricter joint tenancy model; and second, based on the more liberal tenancy in common model.

Under the joint tenancy framework, in 1967, the Velvet Underground and Andy Warhol would have become co-owners of the mark with a right of survivorship. Upon Warhol's passing in 1987, the Velvet Underground would have become the exclusive owners of the right to use the banana as a source identifier in commerce, i.e. a trademark. However, if Warhol had, in fact held a copyright in the banana print as a pictorial work of authorship, his successors in interest too would be able to continue exploiting that copyright.²⁰⁴ At the point that the Velvet Underground filed suit in 2012, the Warhol Foundation would have been infringing the mark at any point it used it as a source identifier, but would have been able to defend itself against any copyright action, assuming the copyright was effective. The court, on summary judgment, could have found for the Velvet Underground, and the only issue would have been whether the Warhol Foundation wanted to make an affirmative defense such as laches or estoppel based on their continuous, unchallenged use for over twenty years since Warhol's death.

This outcome certainly benefits the Velvet Underground, who, at the moment of survivorship, was the only party that had truly invested any goodwill into the banana. One line of logic would hold that the Warhol Foundation was merely a beneficiary of Warhol's copyright and trademark interests, and had no part in cultivating the value of the banana print as a

204. There was some question as to whether the copyright in the banana print had fallen into the public domain immediately upon release of *The Velvet Underground & Nico* in 1967 because the banana had been published without proper notification as required under the Copyright Act of 1909. Second Amended Complaint at 2, *Velvet Underground*, 890 F. Supp. 2d (No. 12 Civ. 00201). If this is indeed the case, the Warhol foundation would have essentially no intellectual property rights in the banana, as the Velvet Underground would own the right to use it as a mark, and the public would own the right to its use as a work of authorship.

source identifier. However, from a consumer confusion standpoint, the issue is not so clear. First, consumers who may have been purchasing goods bearing the banana print may have, for several decades, come to associate the print with Warhol, and may now mistakenly purchase goods from the Velvet Underground believing Warhol, or his successor in interest, is the actual source. On a whole, this outcome appears rough justice, serving the interests of the most interested producer, but possibly leading to consumer confusion and the frustration of one of the original collaborators' intent.

Under a tenancy in common model, upon Warhol's death, his trademark interest would have been alienable to the Warhol Foundation. Therefore, at the time of trial, the Foundation and Velvet Underground would have been joint owners of the right to use the mark. This would have given Judge Nathan the ability to dismiss the case at the summary judgment phase, along with the copyright issue.²⁰⁵

Looking at the purposes of trademark law, and the intent of the parties, it is clear that this outcome would have been more appropriate. Andy Warhol would likely have sought to leave his intellectual property in some entity of potentially perpetual duration in order to protect his copyrights and trademarks after his death, and dispose of the money as he envisioned. While this may not have been in the parties' calculus at the time the banana was created, it is clear that the Velvet Underground had the same idea at some point in creating the Velvet Underground Partnership.²⁰⁶ Indeed, this was the entity under which the members of the band brought suit in order to protect their own rights.²⁰⁷ Looking at the totality of the circumstances, it would appear that the parties intended to use the mark collaboratively, as they did for over forty years,²⁰⁸ and at some point both determined to transfer any rights they would have to some permanent entity. That Warhol was the first to do so should not be grounds for forfeiture of his rights.

Moreover, consumers' understanding of the origination of products bearing the banana would not be disturbed. Those who purchase such products believing the Velvet Underground was the source would continue to be correct. Those who purchase such products believing Warhol to be the source would be correct inasmuch as the Warhol Foundation, as Warhol's successor in interest, had acquired what share of the goodwill had accrued to Warhol under the banana. For those that do not care one way or

205. *Velvet Underground*, 890 F. Supp. 2d at 411.

206. *See* Second Amended Complaint at 3, *Velvet Underground*, 890 F. Supp. 2d (No. 12 Civ. 00201).

207. *See id.*

208. *See supra* Part IV.A.

another, the banana continued to be associated with two avant-garde cultural icons of the 1960s, and thus maintained its attractiveness to subcultural consumers.

Under either model of joint ownership, the Velvet Underground would have had remedies beyond infringement to protect their interest in the mark. The remedies described in Part III.C would likely have satisfied the Velvet Underground's intent in filing suit, as they did so shortly after the Warhol Foundation had granted a license to affix the banana on iPhone and iPad cases to the producer Incase.²⁰⁹ First, if they believed that Warhol or his successor in interest licensed or exploited the mark for profit without properly sharing revenues, the appropriate cause of action would have been for an accounting.²¹⁰ Second, if the Velvet Underground believed that Warhol or his successor in interest disposed of the mark in some way that damaged its efficacy as a source identifier or diminished the value of the goodwill associated with it, the proper cause of action would have been dilution, under the broader conception described above.²¹¹

V. CONCLUSION

The protection of trademarks in American law must reflect the contemporary realities of the commerce it is designed to regulate. The old conception of a binary choice between paternalistic protection of the unlettered consumer and bare property right in any intellectual property belonging to the producer is outmoded. What is needed is a more nuanced understanding of how marks are actually used by producers and recognition of the depth of understanding and power that consumers exercise in modern American society, and a careful balancing of the two important interests. Technology is bringing producers from all corners of the world into closer proximity than ever before. Thus, the scope of joint ownership scenarios warranting trademark protection must expand to recognize these collaborative producers, as many will lack the knowledge and power to effectively protect their rights.

209. *Velvet Underground*, 890 F. Supp. 2d at 402. That the Velvet Underground had only "first learned" of any licensing of the banana print upon the announcement of the agreement between Warhol and Incase in April 2011 seems suspect. As the record makes clear, the Warhol Foundation had been licensing the banana print to third parties for some undetermined amount of time. *Id.*

210. *See supra* Part III.C.2. Warhol's death predates the FTDA by eight years, and so there was likely no federal cause of action that would have equated to waste. Perhaps one party could have sued under New York's state dilution law, which was enacted in 1955. *See* David S. Welkowitz, *State of the State: Is There a Future for State Dilution Laws?*, 24 SANTA CLARA COMPUTER & HIGH TECH. L.J. 681, 683 n.10 (2007).

211. *See supra* Part III.C.1.

This paper has advocated not only an expansion of rights for collaborative producers, but has outlined a framework for resolving those rights. Existing law already gives courts and the PTO guidance on how this new paradigm of collaborative use will work. By combining bedrock principles of American joint tenancy and slight modifications to the Federal Trademark Dilution Act, collaborative producers will gain equal protection under the Lanham Act, and increasingly sophisticated and empowered American consumers will benefit from greater choice in a dynamic marketplace.

*Matthew A. Alsberg**

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