

Metaphors on Trademark: A Response to Adam Mossoff, “Trademark as a Property Right”

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*“Metaphors in law are to be narrowly watched, for starting as devices to liberate thought, they end often by enslaving it.”*² – Benjamin N. Cardozo

I. Introduction

There are two kinds of “intellectual property” scholars: those who use scare quotes and those who don’t.³ Some scholars believe that intellectual property is just another kind of property, which the law should treat the same as any other kind of property.⁴ But others believe that “intellectual property” has little or nothing in common with physical property and see the term “property” as little more than a misleading metaphor.⁵ The disagreement between these two schools of thought is probably strongest when it comes to trademarks, which lack many of the “property-like” features of patents and copyrights, most notably alienability.

Adam Mossoff is decidedly in the property camp.⁶ In his provocative but rather quixotic essay, “Trademark as a Property Right,” he claims that trademark simply “is” a property right. He observes that trademark can be conceptualized as a form of property right and notes that when 19th century courts initially created trademark doctrine, they often relied on analogies to physical property.⁷ Mossoff shows that many features of historical and contemporary trademark doctrine can be analogized to use-rights in physical property, especially easements appurtenant and riparian rights.⁸ Accordingly,

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² *Berkey v. Third Ave. Ry. Co.*, 155 N.E. 58, 61 (1926).

³ However, as Ed Timberlake has observed, “Though the number of types of ‘intellectual property’ scholars may be few, innumerable are the unrelated subjects thrown into this conceptual junk drawer.” Ed Timberlake (@TimberlakeLaw), TWITTER (Sept. 7, 2018, 11:14AM).

⁴ See, e.g., Adam Mossoff, *INTELLECTUAL PROPERTY AND PROPERTY RIGHTS* ix (Adam Mossoff, ed. 2013).

⁵ *Id.* at ix.

⁶ See Mossoff, *supra* note 4.

⁷ Adam Mossoff, *Trademark as a Property Right*, 107 KY. L.J. XX, 3 (2018).

⁸ *Id.* at 4.

he argues that trademarks should be defined as a form of use-rights, and receive similar treatment.⁹

I agree with Mossoff's descriptive claim that trademarks can be and have been analogized to certain forms of physical property rights. His doctrinal and historical arguments are compelling. But the fact that courts have analogized trademarks to use-rights in the past does not obligate them to continue using the analogy.¹⁰ And the fact that trademarks can be analogized to use-rights does not imply that courts must rely on that analogy. It depends on your theory of trademarks.

People can and do reasonably disagree about whether and why trademarks are justified. Consequentialist theories hold that trademarks are a means to an end, and deontological theories hold that trademarks are an end in themselves.¹¹

Mossoff's normative claims are decidedly deontological—specifically Lockean. He argues that business owners are entitled to own trademarks associated with the commercial goodwill they labored to create.¹² But consequentialist theories don't ask whether people are entitled to own trademarks. They ask whether good things happen when people are allowed to assert trademark rights.

Accordingly, whether you find Mossoff's normative claims appealing will depend on your own normative premises. He is unlikely to convince consequentialists, unless he convinces them to change their premises.

Mossoff's essay also makes an epistemological claim, arguing that we should analogize trademarks to use-rights because it will help us better understand how trademarks can and should work.¹³ Is he right? Maybe. At the very least, his analogy has some purchase on trademark history and doctrine. Surely, both deontological and consequentialist theories can benefit from a more robust understanding of the historical development of trademark law. But it is unclear how "tradition" could provide any consequentialist justification for trademark doctrines that produce undesirable results.

⁹ For a thoughtful review of Mossoff's essay, see Camilla Alexandra Hrdy, *Adam Mossoff: Trademarks As Property*, WRITTEN DESCRIPTION (Sept. 5, 2017, 9:52 PM), <https://writtendescription.blogspot.com/2017/09/adam-mossoff-trademarks-as-property.html>.

¹⁰ See Mossoff, *supra* note 7, at 4–5 (highlighting how earlier courts recognized that trademark is a "property right").

¹¹ See Intellectual Property, Stanford Encyclopedia of Philosophy, October 10, 2018, at <https://plato.stanford.edu/entries/intellectual-property/> (discussing theories of copyright).

¹² See Mossoff, *supra* note 7, at 4.

¹³ *Id.* at 3.

II. Mossoff's "Property Theory" of Trademarks

As he must, Mossoff recognizes that the prevailing theory of trademarks is utilitarian.¹⁴ The overwhelming majority of courts and scholars assume that a trademark is "a regulatory entitlement whose function is to increase social welfare by reducing consumer search costs."¹⁵ In theory, modern trademark law "amounts to little more than industrial policy."¹⁶ However, the paradigmatic problem with trademark doctrine is its failure to regulate competition efficiently.¹⁷

Mossoff objects to the utilitarian theory of trademarks. He argues that trademarks can and should be "defined as a property right."¹⁸ Or rather, he argues that courts and scholars should adopt a Lockean theory of trademarks and conceptualize trademarks as a kind of "property" right analogous to physical property rights.

Mossoff begins by explicitly rejecting utilitarianism and proclaiming his fealty to the "Lockean property theory."¹⁹ He then observes that the historiography of trademark law is dominated by the utilitarian perspective.²⁰ While contemporary trademark scholars generally recognize that 19th century courts often adopted a "goodwill-as-property" theory of trademark, they describe a gradual transition to an "unfair competition" theory of trademark.²¹ Mossoff disagrees, arguing that trademarks can and should be described in Lockean terms.²²

While Mossoff disclaims any intention to provide an "intellectual history" of trademark law, he traces the origin of trademark law to the emergence of the concept of commercial goodwill in the early 19th century.²³ He argues that 19th century courts and scholars defined goodwill as the "reputational value" of a commercial enterprise and saw trademarks as a way

¹⁴ *Id.* at 2–3.

¹⁵ *Id.* While Mossoff consistently refers to this as a "legal realist" theory of trademarks, it is more properly characterized as a "utilitarian" theory of trademarks, or more specifically, a "welfare economic consequentialist" theory of trademarks. Legal realism is a descriptive theory about how law actually works, and does not imply any particular normative theory. Of course, utilitarianism and other consequentialist normative theories are common among legal realists.

¹⁶ Mark P. McKenna, *The Normative Foundations of Trademark Law*, 82 NOTRE DAME L. REV. 1839, 1843 (2007).

¹⁷ See, e.g., Mark A. Lemley, *The Modern Lanham Act and the Death of Common Sense*, 108 YALE L.J. 1687, 1688 (1999).

¹⁸ See Mossoff, *supra* note 7, at 3.

¹⁹ *Id.* at 6.

²⁰ See *id.* at 6–7.

²¹ *Id.* at 7–8.

²² *Id.* at 10–11.

²³ *Id.* at 11–12.

of using that goodwill.²⁴ In other words, they saw the exclusive right to use a trademark as a function of the exclusive right to own the goodwill associated with a commercial enterprise.²⁵ This is consistent with Lockean property theory, which defines property as “the right to exclusive use of the fruits of one’s productive labors.”²⁶ Goodwill is property because it consists of an exclusive right to the reputational value of a commercial enterprise. But what about trademarks?

According to Mossoff, trademarks are also property, albeit a different kind of property. He argues that trademarks are a form of “use–right” or “usufruct” inherent in commercial goodwill.²⁷ In property law, a use–right is a property right “necessarily derived from or attached to an accompanying property right.”²⁸ If goodwill is a property right, and trademarks inhere in goodwill, then trademarks are analogous to a use–right in goodwill.

Mossoff explains his use–right theory of trademarks by analogy to paradigmatic use–rights like riparian rights and easements appurtenant.²⁹ An easement appurtenant is “a use–right derived from and attached to a dominant estate that permits use of another servient estate.”³⁰ For example, a right to cross someone else’s land in order to reach your own land is an easement appurtenant. Mossoff argues that a trademark is a property right “appurtenant” to commercial goodwill because it consists in an exclusive right to use a mark, but only in relation to the commercial goodwill it signifies.³¹

Mossoff shows that courts have routinely referred to trademarks as “property” rights “appurtenant” to goodwill.³² He shows that it is possible to analogize particular features of trademark doctrine to the property doctrine of easements appurtenant. For example, the owner of an easement appurtenant cannot convey it separately from the estate to which it is attached, because doing so would transform it into an “easement in gross.”³³

²⁴ *Id.* at 14–15.

²⁵ *Id.* at 15–16.

²⁶ *Id.* at 17.

²⁷ *Id.* at 20–21. A “usufruct” is a “legal right of using and enjoying the fruits or profits of something belonging to another.” MERRIAM WEBSTER, *Usufruct*, <https://www.merriam-webster.com/dictionary/usufruct> (last visited Oct. 20, 2018).

²⁸ *Id.* at 21.

²⁹ *Id.* at 21.

³⁰ *Id.* at 22 (citing the RESTATEMENT (THIRD) OF PROPERTY: SERVITUDES § 1.2(1) (AM. LAW INST. 2000)).

³¹ *Id.* at 23–25.

³² *Id.* at 24–25.

³³ *Id.* at 29–30.

Likewise, a trademark owner cannot convey it separately from the goodwill to which it is attached, because doing so would transform it into a “trademark in gross.”³⁴ Moreover, like all use–rights, a trademark exists and is enforceable only insofar as it is actually used in commerce.³⁵

As Mossoff observes, this parallelism is obviously not a coincidence. Courts describe trademarks in terms of use–rights because they derived trademark doctrine in substantial part from the doctrine of use–rights.³⁶ Accordingly, he argues that courts and scholars should continue to analogize trademarks to use–rights. By implication, he argues that they should adopt a theory of trademarks modeled on the Lockean property theory rather than a utilitarian theory.

III. Trademark “Ownership” & Its Discontents

I found this essay intriguing, but also puzzling. Mossoff convincingly shows that trademarks can be analogized to use–rights in physical property. He provides a compelling argument that the viability of that analogy is not an accident, but a function of the historical development of trademark doctrine. In other words, trademarks resemble use–rights because courts modeled them on use–rights.

But he wants to do more. He wants to show that trademark “is” a property right. Rather, he wants to show that trademarks should be defined as a kind of “property” and afforded the same kinds of exclusive rights as physical property.³⁷

He does not achieve that goal. And I do not see how he possibly could, given the nature of his claims.

Mossoff argues that the utilitarian account of trademarks as regulatory entitlements that promote consumer welfare is wrong, because trademarks look like use–rights, and trademark doctrine sprung from the brow of property doctrine.³⁸ But that misses the point. The project of utilitarianism is not to describe the law as it is, but as it should be. Utilitarians can cheerfully concede all of Mossoff’s points, because they do not care

³⁴ *Id.* at 29–32.

³⁵ *Id.* at 33.

³⁶ *Id.* at 37.

³⁷ See Camilla Alexandra Hrdy, *Adam Mossoff: Trademarks As Property*, WRITTEN DESCRIPTION (Sept. 5, 2017, 9:52 PM), <https://writtendescription.blogspot.com/2017/09/adam-mossoff-trademarks-as-property.html> (“In other words, Mossoff’s main contribution here is not actually the goodwill–to–trademark linkage. Rather, it is his extensive use of the historic case law and detailed application of Locke’s labor theory to justify a trademark as property.”).

³⁸ See Mossoff *supra* note 7, at 32.

about legal doctrine for its own sake—they care about its results. In other words, Mossoff cannot effectively challenge the utilitarian theory of trademarks because he is not speaking its language.³⁹

Mossoff explicitly endorses the Lockean theory of property, which provides that people are entitled to exclusive ownership of the fruits of their labor.⁴⁰ If one accepts the Lockean theory of property, it follows that people are entitled to own anything analogous to Lockean property, including trademarks associated with the goodwill in their business.

But utilitarians are consequentialists, who reject Mossoff's Lockean premise. According to utilitarians, property is purely instrumental, and the purpose of trademarks is only to increase net social welfare. While Mossoff's arguments will surely speak to those who accept the Lockean theory of property, it is not clear whether they have anything to offer utilitarians, at least with respect to his normative claims.

Indeed, as Mossoff recognizes, other trademark scholars have identified the historical use of commercial goodwill as a justification for conceptualizing trademarks as a form of property.⁴¹ Those scholars argued that the use of “property” metaphors gradually diminished as utilitarian premises began to dominate trademark theory. Mossoff makes a convincing case that trademarks were not actually conceptualized as property in goodwill but “use-rights appurtenant to” goodwill.⁴² From a utilitarian standpoint, who cares? It just doesn't matter what kind of property metaphor you use if the metaphors lead to bad results.

IV. Trademark as Metaphor

Mossoff also makes a valuable contribution by showing that trademarks can be and have been analogized to use-rights in physical property. Whether or not you think trademarks should resemble use-rights, it may be a helpful way of describing trademark doctrine and how it has evolved over time.

³⁹ See, e.g., Lemley, *supra* note 17.

⁴⁰ JOHN LOCKE, SECOND TREATISE OF GOVERNMENT § 27 (C. B. Macpherson ed., Hackett Pub. Co., Inc. 1980) (1690).

⁴¹ Mossoff, *supra* note 12, at 7–9 (discussing Robert G. Bone, *Hunting Goodwill: A History of the Concept of Dilution in Trademark Law*, 86 B.U. L. REV. 547, 569–72 (2006); Mark P. McKenna, *The Normative Foundations of Trademark Law*, 82 NOTRE DAME L. REV. 1839 (2007)).

⁴² Mossoff, *supra* note 17, at 23–27.

Legal reasoning loves analogies. Indeed, analogical reasoning is arguably the paradigmatic form of common law legal reasoning.⁴³ The very concept of “precedent” requires analogical reasoning. If a case supplies a rule, analogical reasoning enables a court to apply the rule.⁴⁴

And yet, analogical reasoning has both strengths and weaknesses.⁴⁵ It can clarify by enabling people to express ideas more efficiently and effectively. Nothing is more rhetorically powerful than a compelling analogy. But it can also obscure by encouraging people to ignore the practical consequences of adopting a policy. A powerful analogy can normalize an objectively undesirable outcome. Analogies are valuable when they facilitate the expression of an unfamiliar concept in familiar terms. They are dangerous when they enable the use of familiar terms to justify bad decisions.⁴⁶

As I have previously explained, intellectual property metaphors are often unhelpful.⁴⁷ Accordingly, the question is whether Mossoff’s analogy to use–rights clarifies or obscures our understanding of trademarks.⁴⁸ I am convinced that his analogy helps to clarify our understanding of the historical development of trademark doctrine and why it has adopted certain principles, including the rejection of “trademarks in gross.” But I am not convinced that it helps to clarify our understanding of what trademarks should look like today.

Mossoff’s analogy probably helps explain why most people think trademarks are justified. He is hardly alone in accepting Lockean property theory. While utilitarianism dominates the academy, Lockeanism surely dominates the electorate. And Mossoff provides a convincing explanation of why people who accept Lockeanism tend to think trademarks are normatively justified. He makes explicit a previously unarticulated analogical relationship and helps explain why trademark law took its present form.

But is that form justified? If you accept Mossoff’s Lockean theory of property, then you should ask whether contemporary trademark doctrine is justified as a way of protecting a legitimate right to the fruits of labor. Whether trademarks resemble use–rights in physical property seems entirely irrelevant. Surely, under Lockean property theory, the justification for a

⁴³ See generally, LLOYD WEINREB, *LEGAL REASON: THE USE OF ANALOGY IN LEGAL ARGUMENT* (2005); Cass R. Sunstein, *On Analogical Reasoning*, 106 HARV. L. REV. 741 (1993).

⁴⁴ See generally, David A. Simon, *A Philosophy for Moral Rights?: The Self, Society, & the Author-Work Relation*, Chapter 4: Failed Analogies to Explain the Relation Between Author and Work (unpublished dissertation) at 6.

⁴⁵ *Id.* at 7–10.

⁴⁶ *Id.*

⁴⁷ Brian L. Frye, *IP as Metaphor*, 18 CHAP. L. REV. 735 (2015).

⁴⁸ See generally, Simon, *supra* note 44 (asking whether various analogies clarify or obscure the nature of the author–work relationship).

property right depends on its intrinsic, metaphysical qualities, not merely its similarity to some other property right. Maybe trademarks are justified on Lockean terms, but can a mere analogy actually prove it?

By contrast, if you accept a utilitarian theory of property, then Mossoff's entire normative premise is irrelevant. As a practical and political matter, utilitarians should pay attention to why Lockeans think trademarks are justified. But they have no reason to accept those justifications. For utilitarians, Mossoff's analogy simply provides a helpful way of explaining how trademark law went wrong. If the purpose of trademark doctrine is to enshrine inefficient and unjustified property metaphors where they do not belong, then utilitarians should happily discard it in favor of more efficient doctrines.

V. Conclusion

In sum, Mossoff's essay makes a valuable contribution to scholarship on Lockean theories of intellectual property. Specifically, his use-right analogy provides a helpful way for Lockean theorists to explain how trademarks fit into a Lockean framework. But Mossoff's analogy does not and cannot show that trademarks must be conceptualized in Lockean terms. For utilitarians who believe that trademarks are merely a means to the end of promoting consumer welfare, Mossoff's analogy is of formal and historical interest, but no more.