



# JIPEL

NYU Journal of Intellectual Property  
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## ARTICLES

The AI Input Class: Constitutional Urgency and Fair Licensing in AI  
Copyright Class Actions

*Xuan-Thao Nguyen & Elizabeth Porter*

Dupes

*Alexandra J. Roberts*

Categorization of Word-Mark Distinctiveness: Poor Reasoning in United  
States Federal Courts

*Thomas Y. Lu*

An Empirical Analysis of ‘Scandalous’ and ‘Obscene’ Trade Marks in India

*M P Ram Mohan, Aditya Gupta & Vijay V. Venkitesh*

## NOTES

Beyond Privacy: Regulating ChatGPT for Young Adults in Educational  
Contexts

*Yeseul Do*

Unenforceable ‘Infringement’: The Benefits of Makeup Dupes and Legal  
Copying

*Sarah Rosenberg*

NEW YORK UNIVERSITY  
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## PREFACE

Our Spring 2025 Issue—Volume 14, Number 2—examines issues newly arising out of innovations in technology and the marketplace and the ways that intellectual property law can respond to these new demands.

First, Professors Nguyen and Porter analyze AI “input” claims—i.e., copyright class action claims against AI companies for using creative works as inputs to train their models. They argue that courts should support such claims both substantively and procedurally. Substantively, the copying of creative works constitutes direct copyright infringement and is not fair use. Procedurally, AI input classes satisfy Rule 23 of the Federal Rules of Civil Procedure. The article further argues that AI class action settlements can help create what the authors call “fair licensing” regimes.

Second, Professor Alexandra J. Roberts explores the rise of so-called “dupes.” From social media influencers to major brands’ own marketing, the term is used to describe and promote affordable alternatives to expensive products. Unlike counterfeits, dupes often copy a perfume’s scent or the overall look of an expensive handbag without copying their insignias and logos. The article asks whether the simple fact that something is marketed as a “dupe” is ever itself enough to constitute false or deceptive advertising. Or, whether it actually promotes a social good by allowing consumers to easily find products they are interested in that fit their budget. Roberts argues that given the desirability and utility of characterizing products as dupes, it would go too far to consider explicitly advertising something as an imitation as inherently unfair. Instead, as litigation over this practice rises, courts should seek to understand what consumers perceive the term “dupe” to mean in the specific context.

Third, Professor Thomas Y. Lu analyzes how federal judges assess word-mark distinctiveness in trademark litigation. Lu finds that federal judges routinely fail to rigorously and uniformly examine and categorize a word mark’s distinctiveness, despite it being long recognized as an important factor in resolving disputes over a trademark’s validity. Lu argues that the United States Patent and Trademark Office should establish practical, clearly defined rules and guidelines with which federal judges can more rigorously assess all categories of distinctiveness.

Fourth, Professors M P Ram Mohan, Aditya Gupta, and Vijay V. Venkitesh evaluate morality-based proscriptions—that is, explicit legislative carve outs rejecting scandalous or obscene trademarks—in Indian trademark law. The authors create a novel dataset of Indian trademark applications in order to examine the administration of the morality-based provision, Section 9(2)(c) of the Indian Trade Marks Act 1999. The research provides empirical evidence underscoring a lack of clear standards governing administration of the provision. Ultimately, the authors argue that the examination of morality-based prescriptions in trademark law, both internationally and in the Indian context, highlights the complexities and inconsistencies inherent in such regulations.

Fifth, Yeseul Do offers a note advocating for and outlining a new approach to artificial intelligence regulation in educational settings which more comprehensively accounts for the unique needs of young adults aged 13-17. The note provides an overview of current regulatory measures and guidance which apply in this area and argues that they fail to equip students with a standard level of AI literacy as they prepare to enter a higher education and professional landscape in which AI use is increasingly common.

Finally, Sarah Rosenberg offers a note exploring the market success of beauty dupes, demonstrating why IP law is largely ineffective in excluding them from the market, and challenging the idea that they should be excludable by traditional cosmetic brands. The note argues that beauty dupes generate social value for consumers which justifies their existence, and that they contribute to the financial health of the cosmetics industry as a whole.

Sincerely,

Alex Lee

Editor-in-Chief

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THE AI INPUT CLASS: CONSTITUTIONAL URGENCY AND  
FAIR LICENSING IN AI COPYRIGHT CLASS ACTIONS

XUAN-THAO NGUYEN\* & ELIZABETH PORTER\*\*

*The humanities have long been under attack; now Big Tech is eating them for breakfast. Artificial Intelligence is undermining the cultural and constitutional values of human creativity; it is also threatening the livelihoods of the creative working class. Because neither Congress nor regulators can keep pace with AI's pace of change, class actions have stepped into the breach. In the first wave of such litigation, authors and artists in courts on both coasts claim that AI companies violate intellectual property law when they "train" their systems on copyrighted works.*

*This Article analyzes what we call "input" AI claims—that is, proposed class action copyright claims against AI companies for inputting creative works into their models. This action is variously described as copying, scraping, feeding, or training. We argue that input copyright class action claims have both merit and power. Substantively, the creators' claims of direct copyright infringement are supported by almost three decades of caselaw applying the concept of "copying" to code and other innovative technologies. Procedurally, input claims based on AI "training" fall into the heartland of the letter and spirit of Rule 23, which governs federal class actions. Defendants' claims of fair use, while seductive, would swallow copyright law and crush human-centered creativity.*

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\*Pendleton Miller Chair in Law, University of Washington School of Law. Special thanks to my coauthor for a wonderful collaboration on several projects overseas and at UW Law School. Thank you to my friend Robert Gomulkiewicz for his comments on the manuscript over lunch at the usual spot. Anna Johansen, UW Law Class of 2024, provided valuable research assistance and Cindy Fester added her professional touch to this manuscript.

\*\*James W. Mifflin Professor of Law, University of Washington School of Law. My sincere thanks to my wonderful research assistant Robert Colton.

*Class action settlements—which combine private ordering with judicial oversight—may offer the best opportunity to establish a licensing regime that protects creators from future infringement. In lieu of fair use, we urge a different doctrine: “fair licensing.” Licensing poses its own risks to creativity; it risks creating moats around knowledge and paying creators symbolic amounts for giving up control of their works. But AI class actions can and should play an influential role in spurring the creation of fair AI licensing regimes. Courts and litigants are wise to act expeditiously in doing so: there is a constitutional urgency to protecting the essence of human creativity.*

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## INTRODUCTION

Generative artificial intelligence models are fast becoming a normal feature of the digital landscape.<sup>1</sup> So quickly, in fact, that it has proven impossible for lawmakers and regulators to fully conceive of, must less respond to, the host of issues raised by this new but artificially natural-feeling technology.<sup>2</sup> Indeed,

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<sup>1</sup> OpenAI, the leading AI company, has released successive versions of its GPT foundation model for users to generate text, images, and voices. *See Hello GPT-4o*, OPENAI (May 13, 2024), <https://openai.com/index/hello-gpt-4o/> [<https://perma.cc/B8NH-EBTM>] (“We’re announcing GPT-4o, our new flagship model that can reason across audio, vision, and text in real time.”); Jennifer Elias, *Google Rolls Out Its Most Powerful AI Models as Competition from OpenAI Heats Up*, CNBC (May 14, 2024), <https://www.cnbc.com/2024/05/14/google-announces-lightweight-ai-model-gemini-flash-1point5-at-google-i/o.html> [<https://perma.cc/GK8U-EYX6>]; *Introducing the Next Generation of Claude*, ANTHROPIC (Mar. 4, 2024), <https://www.anthropic.com/news/claude-3-family> [<https://perma.cc/A2WD-BUTG>] (“Today, we’re announcing the Claude 3 model family, which sets new industry benchmarks across a wide range of cognitive tasks. The family includes three state-of-the-art models in ascending order of capability: Claude 3 Haiku, Claude 3 Sonnet, and Claude 3 Opus.”).

<sup>2</sup> *Senator Schumer to Propose Framework for AI Legislation in Coming Weeks*, REUTERS (May 9, 2024), <https://www.reuters.com/technology/legislative-roadmap-ai-is-coming-weeks-schumer-says-2024-05-08/> [<https://perma.cc/J2RP-8L4B>] (“Senate Majority Leader Chuck Schumer said on Wednesday he would provide a framework for addressing the risks and potential benefits of artificial intelligence in the coming weeks, which will then be translated into piecemeal legislation.”); Brian Fung, *Chuck Schumer and Bipartisan Group of Senators Unveil Plan to Control AI—While Investing Billions of Dollars In It*, CNN (May 15, 2024), <https://www.cnn.com/2024/05/15/tech/schumer-ai-framework/index.html> [<https://perma.cc/FY2X-U27W>] (reporting that the policy action plan “instructs multiple Senate committees to come up with guardrails for AI to address some of its biggest risks, such as AI-enabled discrimination, job displacement and election interference”).

AI's creators are struggling with the impact of their own work.<sup>3</sup> The rapidity with which generative AI is spreading, combined with lawmakers' deep-rooted commitment—embodied in the Communications Decency Act—to minimizing regulation of the Internet, means that litigation, rather than regulation, will play the lead role in establishing legal limits on 21st-century AI systems in the U.S.<sup>4</sup>

Moreover, the sheer magnitude of people and entities affected by AI foundation models, and the depersonalized, algorithmic mechanisms that propel those models, mean that many legal claims against AI companies will only provide effective relief if they are brought as class actions.<sup>5</sup> Without the benefits of aggregation, there is no viable way for the creative working class—from journalists, novelists, playwrights, poets, nonfiction writers, screenwriters, composers, lyricists, musicians, videogame developers, and cartoonists, to illustrators, painters, and artists—who allege unlawful activity by AI corporations to pursue compensation and/or injunctive relief against further harm. Even with class action lawsuits, a favorable outcome is uncertain.

We anticipate waves of class litigation by parties impacted by generative AI as they seek to shelter their businesses, livelihoods, and identities from the rising

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<sup>3</sup> See, e.g., Ed Newton-Rex, @ednewtonrex, X (Mar. 4, 2024), <https://x.com/ednewtonrex/status/1764667915075543256> [<https://perma.cc/K9DH-PQBR>]; Ed Newton-Rex, @ednewtonrex, X, (Nov. 15, 2023), <https://x.com/ednewtonrex/status/1724902327151452486?s=20&mx=2> [<https://perma.cc/5MFT-3GVP>] (“I’ve resigned my role leading the Audio team at Stability AI, because I don’t agree with the company’s opinion that training generative AI models on copyrighted works is ‘fair use.’”); Gareth Vipers et al., *Elon Musk Sues OpenAI, Sam Altman, Saying They Abandoned Founding Mission*, WALL ST. J. (Mar. 1, 2024), <https://www.wsj.com/tech/ai/elon-musk-sues-openai-sam-altman-for-breach-of-contract-0864979d> [<https://perma.cc/A5LA-AVFT>] (describing Musk’s lawsuit as saying OpenAI was “giving priority to profit over the benefits of humanity”).

<sup>4</sup> Nowhere does the May 2024 Senate’s roadmap for AI policy address copyright AI concerns. CHUCK SCHUMER, MIKE ROUNDS, MARTIN HEINRICH & TODD YOUNG, *DRIVING U.S. INNOVATION IN ARTIFICIAL INTELLIGENCE: A ROADMAP FOR ARTIFICIAL INTELLIGENCE POLICY IN THE UNITED STATES SENATE* (May 2024), [https://www.schumer.senate.gov/imo/media/doc/Roadmap\\_Electronic1.32pm.pdf](https://www.schumer.senate.gov/imo/media/doc/Roadmap_Electronic1.32pm.pdf) [<https://perma.cc/B424-HPHK>]. In a law that went into effect on August 1, 2024, European regulators have taken a stance that is more protective of creative rights and individual privacy. See *The EU Artificial Intelligence Act*, *FUTURE OF LIFE INST.*, <https://artificialintelligenceact.eu/> [<https://perma.cc/2KL2-RUCW>] (last visited Oct. 9, 2024). For a description of international AI copyright cases, see Aklovy Panwar, *Generative AI & Copyright Issues Globally: ANI Media v. OpenAI*, *TECH POL’Y PRESS* (Jan. 8, 2025), <https://www.techpolicy.press/generative-ai-and-copyright-issues-globally-ani-media-v-openai/> [<https://perma.cc/4LVZ-PK5L>].

<sup>5</sup> See Xiyin Tang, *The Class Action as Licensing and Reform Device*, 122 COLUM. L. REV. 1627, 1632 (arguing that class actions “hav[e] a part to play in making substantive copyright law”) [hereinafter *The Class Action*].

influence of artificial intelligence in everyday life.<sup>6</sup> This Article addresses the first wave—intellectual property disputes against the AI companies themselves—which is already here.

Copyright—the protection for “the creative powers of the mind”<sup>7</sup>—is enshrined in the U.S. Constitution.<sup>8</sup> To replicate natural-seeming language, AI models are dependent on complex, rich narratives—narratives that can be found in novels, short stories, academic articles, poetry, songs, and other copyright-protected creative output. So AI companies copied that output without slowing down to seek permission or offer compensation. The companies decided that it was better to ask forgiveness than permission.<sup>9</sup> At a time when the humanities are already under attack, technology companies are eating them for breakfast.<sup>10</sup>

Over the past year, authors, artists, coders, publishers, and organizations representing them have filed suits arguing that AI foundation model companies, from OpenAI to Anthropic—backed by Big Tech money—are violating their copyrights by “training” their large language models on tens of thousands of

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<sup>6</sup> In addition to the copyright class actions discussed here, other lawsuits are investigating the role of AI companies in scraping individuals’ data, see, e.g., Class Action Complaint at 1, P.M. v. OpenAI LP, No. 23-CV-03199 (N.D. Cal. June 28, 2023) (alleging scraping of publicly available information violated right to privacy), and using AI to reduce insurance payouts, Class Action Complaint at 1, Kisting-Leung v. Cigna Corp., No. 23-CV-01477 (E.D. Cal. July 24, 2023) (alleging AI algorithm wrongly denied insurance claims).

<sup>7</sup> *In re Trade-Mark Cases*, 100 U.S. 82, 94 (1879); see generally Julie E. Cohen, *Creativity & Culture in Copyright Theory*, 40 U.C. DAVIS L. REV. 1151 (2007) (“Creativity is universally agreed to be a good that copyright law should seek to promote, yet copyright scholarship and policymaking have proceeded largely on the basis of assumptions about what it actually is.”).

<sup>8</sup> U.S. CONST. art. I, § 8, cl. 8 (Congress shall have power “To promote the Progress of Science and Useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries”).

<sup>9</sup> Alexei Oreskovic, *Can We Afford to Let AI Companies Ask for Forgiveness Instead of Permission?*, YAHOO FIN. (May 31, 2024), <https://finance.yahoo.com/news/afford-let-ai-companies-ask-190305079.html> [<https://perma.cc/QKJ6-FK4R>] (“Asking for forgiveness, rather than permission, is Silicon Valley’s favorite business model—from Uber’s early days entering cities without seeking approval from local officials to the social networking companies’ loose treatment of user data. With the AI market booming, the forgiveness cycle is kicking into high gear once again.”); Torshie Torto, *AI May Not Replace You But It Will Steal From You*, MEDIUM (Sept. 29, 2023), <https://medium.com/@naatorsh/generative-ai-is-theft-d99643bbfcf4> [<https://perma.cc/R8V3-98EF>].

<sup>10</sup> See, e.g., Ignacio M. Sanchez Prado, *The Humanities Are Worth Fighting For*, L.A. REV. OF BOOKS (July 14, 2023), <https://lareviewofbooks.org/article/the-humanities-are-worth-fighting-for/> [<https://perma.cc/427S-SV5T>] (noting that “the humanities were already being dismantled” as early as 2001, but pointing to the 2008 financial crisis as a tipping point).

copyrighted creative works without even the veneer of an attempt to obtain consent or provide compensation.<sup>11</sup>

Despite the enormous influence of a handful of class suits on the development of copyright law, there remains very little scholarship on the intersection of class actions and copyright.<sup>12</sup> In this Article, we seek to advance the study of copyright class actions in the field of artificial intelligence. To that end, we argue that class action plaintiffs' input claims are correct on the merits. Beginning in the 1990s with the Ninth Circuit's decisions in the so-called *MAI* Trio, courts have consistently and adeptly used existing copyright law to preserve authorial rights against incursions by new duplicating technologies. Under that precedent, AI "training" constitutes unlawful copying. This same set of precedents also undermines AI companies' fair use defense.

Procedurally, this Article argues that the Rule 23 class action device is an effective and appropriate tool with which to impose legal guardrails for direct infringement on AI companies. Examining earlier copyright class actions, we show that the AI plaintiffs' direct copyright infringement claims—which we call "input" claims because they arise out of material that was input into AI engines—fall squarely within the letter of Rule 23. AI class actions also embody Rule 23's spirit. Class actions are appropriate when a defendant's conduct impacts a group of people in functionally the same way. This maps on precisely to the facts of what AI companies did. Moreover, the class action device can achieve a remedy for large numbers of people who otherwise would be without the resources or knowledge to

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<sup>11</sup> Alex Reisner, *Generative AI is Challenging a 234-Year-Old Law*, THE ATL. (Feb. 29, 2024), <https://www.theatlantic.com/technology/archive/2024/02/generative-ai-lawsuits-copyright-fair-use/677595/> [https://perma.cc/B4CW-QNXP].

<sup>12</sup> The preeminent article in this area is Tang, *The Class Action*, *supra* note 5. A few other works have focused on particular copyright cases. *See, e.g.*, James Grimmelman, *Future Conduct and the Limits of Class Action Settlements*, 91 N.C. L. REV. 387, 419–20 (2013) (discussing the *Google Book Project* case); Pamela Samuelson, *The Google Book Settlement as Copyright Reform*, 2011 WIS. L. REV. 479, 560 (2011) (same) [hereinafter *The Google Book Settlement*]; Renee G. Stern, Note, *Taming the "Frankenstein Monster": Copyright Claim Compatibility with The Class Action Mechanism*, 38 COLUM. J.L. & ARTS 549 (2015) (discussing *Football Ass'n Premier League Ltd. v. YouTube, Inc.*, 297 F.R.D. 64 (S.D.N.Y. 2013)). Professor Tang has also argued that licensing regimes—such as we propose here—carry the risk of entrenching tech oligopolies that will later evade licensing regimes. *See* Xiyin Tang, *Copyright's Techno-Pessimist Creep*, 90 FORDHAM L. REV. 1151, 1184–87 (2021). We discuss our pragmatic response to this. *See infra* Part VII.

vindicate their rights. That is also true here: Only as a group do creators have the clout to negotiate with companies valued in the billions of dollars.<sup>13</sup>

Importantly, input claims are only one facet of creators' challenges to AI. Plaintiffs in AI cases have also alleged various downstream, post-“training” infringement claims, which we refer to as “output” claims.<sup>14</sup> For example, plaintiffs have argued that AI engine outputs may themselves be infringing.<sup>15</sup> Our focus here is on input claims, but two observations are in order. First, while class certification may be appropriate for adjudicating some output claims, requirements for individualized proof and/or individualized assessment of defenses will render class certification more challenging for such claims. Second, if (as we think likely) the parties reach a settlement in the pending cases, any such agreement is likely to encompass both input and output claims, which arise from the same basic factual predicate. Any release of future output claims will thus hover in the air during resolution of the input claims. In assessing the fairness of a settlement, the key question will be whether the agreement preserves authorial voice and independence into the future in a sustainable way.

With regard to both input and output claims, the class action device serves a vital forward-focused role. Xiyin Tang has argued that copyright class actions spur the creation of licensing schemes and generate blueprints for legislative gap-filling.<sup>16</sup> That is already happening in the AI context. Ironically, at the very same time that AI companies are defending their “fair learning” justification for stealing from the creative working class, they are already entering into licensing deals with news publishers as well as user platforms such as Reddit.<sup>17</sup> The difference in the

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<sup>13</sup> Cade Metz & Tripp Mickle, *OpenAI Completes Deal That Values the Company at \$80 Billion*, N.Y. TIMES (Feb. 16, 2024), <https://www.nytimes.com/2024/02/16/technology/openai-artificial-intelligence-deal-valuation.html> [https://perma.cc/T5LX-M6L3z].

<sup>14</sup> See Class Action Complaint at 22, *Andersen v. Stability AI Ltd.*, No. 23-CV-00201 (N.D. Cal. Jan. 13, 2023).

<sup>15</sup> See *id.*; First Amended Complaint at 2, *Doe v. GitHub, Inc.*, No. 22-CV-06823-JST (N.D. Cal. July 21, 2023); Complaint at 4, *Getty Images (US), Inc. v. Stability AI, Inc.*, No. 23-CV-00135-UNA (D. Del. Feb. 3, 2023); Complaint at 6, *Concord Music Grp., Inc. v. Anthropic PBC*, No. 23-CV-01092 (M.D. Tenn. Oct. 18, 2023); Complaint at 32, *N.Y. Times Co. v. Microsoft Corp.*, No. 23-CV-11195 (S.D.N.Y. Dec. 27, 2023).

<sup>16</sup> Tang, *The Class Action*, *supra* note 5, at 1644 (“[A]ggregate litigation and its ensuing settlements act as both blanket licenses, where individualized licensing negotiations proved impossible, and as the blueprint for gap-filling legislation.”).

<sup>17</sup> Todd Spangler, *OpenAI Inks Licensing Deals to Bring Vox Media, The Atlantic Content to ChatGPT*, VARIETY (May 29, 2024), <https://variety.com/2024/digital/news/>

class action context is that a court will need to approve any settlement; an important element of that judicial review will be ensuring that working class artists, and not only best-selling authors, receive fair compensation for any licensing agreement that results.

We conclude by centering the risk to human creativity that is at the heart of the pending class actions. Artificial intelligence inevitably has the buzz, and the buzzwords, of cutting-edge post-modern life.<sup>18</sup> But generative AI raises questions at least as old and as important as the Constitution. And the Constitution's far-sighted protection of intellectual property rights should not be forgotten in the heady rush of innovation. In fundamental ways, AI copyright class actions are not solely about the right of this or that author, or the economic impact of copyright

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openai-vox-media-atlantic-chatgpt-licensing-deals-1236018547/ [https://perma.cc/4TTC-29NZ]; Katie Robertson, *OpenAI Strikes a Deal to License News Corp Content*, N.Y. TIMES (May 22, 2024), <https://www.nytimes.com/2024/05/22/business/media/openai-news-corp-content-deal.html> [https://perma.cc/YFQ3-7KBF] ("The deal gives OpenAI's chatbots access to new and archived material from The Wall Street Journal, The New York Post, MarketWatch and Barron's, among others."); Emilia David, *OpenAI Strikes Licensing Deal With the Magazine Giant Behind People*, THE VERGE (May 7, 2024), <https://www.theverge.com/2024/5/7/24151171/openai-dotdash-meredith-people-instyle-licensing> [https://perma.cc/H8NJ-X6XU] (reporting Dotdash Meredith, publisher of *People*, *Better Homes & Gardens*, *Investopedia*, *Food & Wine*, and *InStyle*, will license its content to OpenAI to "train AI models with its articles"); Angela Christy et al., *OpenAI to Use FT Content for Training AI Models in Latest Media Tie-up*, REUTERS (Apr. 30, 2024), <https://www.reuters.com/technology/financial-times-openai-sign-content-licensing-partnership-2024-04-29/> [https://perma.cc/5HD6-F6GM]; A.W. Ohlheiser, *A Poster's Guide to Who's Selling Your Data to Train AI*, VOX (Feb. 29, 2024), <https://www.vox.com/technology/24086039/reddit-tumblr-wordpress-whos-selling-your-data-to-train-ai> [https://perma.cc/TCJ9-P9NJ] ("The Associated Press has licensed part of its archives to OpenAI. Shutterstock, the stock photo archive, has signed a six-year deal with OpenAI to provide training data, which includes access to its photo, video, and music databases."); *see also id.* ("Reddit and Google entered into a \$60 million deal that would give Google access to Reddit's API in order to, among other things, train its generative AI models."); Chris Morris, *Here Are the Companies OpenAI Has Made Deals With to Train ChatGPT*, FAST CO. (May 29, 2024), <https://www.fastcompany.com/91130785/companies-reddit-news-corp-deals-openai-train-chatgpt-partnerships> [https://perma.cc/6SXL-R8DV] ("In the past month, OpenAI has partnered with Reddit, News Corp., Vox Media, and the Atlantic as it looks for data to train ChatGPT.").

<sup>18</sup> Garielle Olya, *OpenAI Engineers Earn \$900K Per Year: How Does That Compare To Salaries at Other Top Tech Companies?*, YAHOO FIN. (Apr. 25, 2024), <https://finance.yahoo.com/news/openai-engineers-earn-900k-per-200010721.html> [https://perma.cc/6QMG-HNHD]; *Writer Salary*, ZIPRECRUITER, <https://www.ziprecruiter.com/Salaries/Writer-Salary> [https://perma.cc/G4WR-VKD7] (last visited Mar. 19, 2025) ("As of Mar 12, 2025, the average annual pay for a Writer in the United States is \$28,500 a year. Just in case you need a simple salary calculator, that works out to be approximately \$13.70 an hour. This is the equivalent of \$548/week or \$2,375/month.").

infringement on individuals; rather, these claims are about a threat to the concept of authorship as a human endeavor, and to the vision of America's founders that copyright will protect and incentivize human creativity.

Since the Founding, copyright law has withstood the challenges of successive new technologies. But in a world where 90% of online content will be synthetically generated by 2026, human creativity is endangered.<sup>19</sup> Thus, we conclude by arguing that there is a constitutional—and not merely a statutory or economic—urgency to protecting the human role, and human agency, in the process of creation. Class actions are a feasible, viable way to respect this constitutional urgency. We recognize that licensing agreements are the most likely, and perhaps the only, way to resolve the impasse between creators and AI companies.

But licensing regimes pose their own risks to the livelihood and dignity of artists. Fair licensing must do more than give authors a smidgeon of cash in exchange for their creative souls; it must address the constitutional urgency, and the unknowable future, brought on by generative AI. To qualify as far, we argue that a licensing regime must bear three hallmarks: 1) it must allow creators to opt out; 2) it must not allow licensees' unilateral expansion of the scope of the license; and 3) it must provide a mechanism for attribution to human authors.

Part I of this Article illustrates how AI transforms, and taints, human creativity.

Part II briefly describes the pending intellectual property class actions currently pending against AI companies and describes their central copyright claims.

Part III traces how, beginning in the 1990s, courts have successfully applied existing copyright law to successive waves of technological disruption. It shows

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<sup>19</sup> *AI Experts Predict by 2026, 90% of Online Content Will Be Generated by Artificial Intelligence*, IDCA PRESS (Sept. 27, 2022), <https://idc-a.org/news/industry/AI-Experts-Predict-By-2026-90-Of-Online-Content/127ab0c0-34ba-4c03-8bad-1e4f21923f31> [https://perma.cc/43JB-AZXL]; Alexandra Garfinkle, *90% of Online Content Could Be Generated by AI by 2025, Expert Says*, YAHOO FIN. (Jan. 13, 2023), <https://finance.yahoo.com/news/90-of-online-content-could-be-generated-by-ai-by-2025-expert-says-201023872.html> [https://perma.cc/MX7Q-UKNB].

that, under these precedents, AI companies are liable for feeding copyright-protected creative works into their engines.

Part IV analyzes courts' application of Rule 23 in pre-AI copyright class actions. Current AI class claims reflect the same fundamental pressure points as did earlier suits.

Part V argues that, just as existing copyright law can meet this moment, so too can existing class action doctrine. Using two current AI cases as examples—one from the Second Circuit and one from the Ninth—we argue that AI plaintiffs' input claims fall in the heartland of what Rule 23 is designed to accomplish. We also recognize that class certification is likely to prove more difficult (though not impossible) for “output” claims—claims for derivative infringement and other downstream claims that arise out of the original unlawful copying.

Part VI contests the AI companies' fair use defense, which comes down to one philosophy: “trust us.”

Part VII concludes by urging courts and Congress to reject fair learning in favor of fair licensing. It proposes three terms that can ensure that a licensing regime stays faithful to the constitutional essence of copyright law.

# I

## AI AND THE RISK OF POST-HUMAN CREATIVITY

In a rock band, four or five members each play a role or more: a lead guitar, rhythm guitar, bass guitar, drum, keyboard, and lead vocal.<sup>20</sup> A symphony requires many musicians with talent in their respective instruments to collaborate under a conductor's baton perfecting a beautiful movement.<sup>21</sup> Jazz musicians are known for their partnership merging their different styles and elevating their art or seizing inspiration from listening to other jazz musicians.<sup>22</sup> The "intimate exchange of the creative pair, such as John Lennon and Paul McCartney" illuminates the value of human connectivity for creative process and achievements.<sup>23</sup> Recording an album needs more than just the band but the producer, the studio, the engineer, the mixing engineer, and the mastering engineer.<sup>24</sup> Connecting humans for collaboration is essential for creativity.

Michelangelo is known for the breathtaking painting of the Sistine Chapel ceiling. But he could not accomplish the feat alone. He "worked with a team of assistants" to achieve the results.<sup>25</sup> Picasso made Cubism together with Georges Braque and rivaled with Henri Matisse leading to adversarial collaboration.<sup>26</sup>

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<sup>20</sup> *Rock of Ages: A Closer Look*, 5TH AVE. THEATER, [https://www.5thavenue.org/media/h1hofn0t/1819-roa\\_study\\_guide.pdf](https://www.5thavenue.org/media/h1hofn0t/1819-roa_study_guide.pdf) [<https://perma.cc/A8Z9-TRYC>] (last visited Oct. 11, 2024).

<sup>21</sup> *What is the Difference Between a Symphony and an Orchestra?*, COLO. SYMPHONY (Sept. 2, 2022), <https://coloradosymphony.org/symphony-vs-orchestra/> [<https://perma.cc/DP85-FBV9>] ("A symphony is an orchestra's large-scale musical composition, usually requiring 50–80 instruments. Symphonies refer to the music, not the musicians performing it, and similar to stage plays, they may have several movements or acts of, often complex, elaborate classical music.").

<sup>22</sup> *The Most Essential Jazz Collaborations*, SPOTIFY (Nov. 26, 2013), <https://open.spotify.com/album/4681YDZS6qj3wCsVP6ndmG> [<https://perma.cc/EZW9-3MMZ>] (listing 15 songs of famous collaborations).

<sup>23</sup> Joshua Wolf Shenk, *The End of 'Genius'*, N.Y. TIMES (July 19, 2014), <https://www.nytimes.com/2014/07/20/opinion/sunday/the-end-of-genius.html> [<https://perma.cc/6SDS-P37Z>].

<sup>24</sup> Ari Herstand, *What to Know Before You Record Your Album*, ASCAP (July 24, 2013), <https://www.ascap.com/help/career-development/how-to-record-your-album> [<https://perma.cc/52RV-EW4C>].

<sup>25</sup> Fernando Teixeira & Izabela Cardozo, *The 'Lone Genius' Myth: Why Even Great Minds Collaborate*, BBC (Mar. 12, 2021), <https://www.bbc.com/worklife/article/20210308-the-lone-genius-myth-why-even-great-minds-collaborate> [<https://perma.cc/63CX-TLJT>].

<sup>26</sup> *Cubism*, TATE, <https://www.tate.org.uk/art/art-terms/c/cubism> [<https://perma.cc/8XG6-MTY9>] (last visited Oct. 11, 2024) ("Cubism was a revolutionary new approach to representing reality invented in around 1907–08 by artists Pablo Picasso and Georges Braque. They brought different views of subjects (usually objects or figures) together in the same picture, resulting in paintings that appear fragmented and abstracted."); Paul Trachtman, *Matisse & Picasso*, SMITHSONIAN MAG., Feb. 2003, at 62, 62 ("[T]hese

Albert Einstein accumulated inventive knowledge from reading and analyzing other people's inventions while he was working as a patent examiner at the Swiss Patent Office,<sup>27</sup> and testing his idea for his theory of relativity in conversation with the engineer Michele Besson, "the best sounding board in Europe."<sup>28</sup> Creativity is demonstratively the product of human connectivity and collaboration.

With generative AI, creativity may become *post*-human. A new rock song, a newly improvised jazz piece, a new symphony, among other myriad new music products, can be synthetically generated.<sup>29</sup> A known musician's style can be imitated through AI generation.<sup>30</sup> A famed vocalist's unique sound can be generated because GPT-4o "can respond to audio inputs in as little as 232 milliseconds."<sup>31</sup> Connectivity and collaboration are not invited. All the models need is prompts.

Do you want to write in the style of Tolstoy's novels—perhaps *War and Peace*, or *Anna Karenina*? AI models are standing by to assist in generating deepfake Tolstoy-like new text through a series of prompts: "1. Directly ask the AI to write like the writer you have in mind[,] 2. Describe what the writer's voice is like, and ask the AI to write like that (preferably with examples)[, and] 3. Fine-tune the AI

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friends—and rivals—spurred each other to change the course of 20th-century art[.]"); John Richardson, *Between Picasso and Matisse*, VANITY FAIR, May 18, 2009, at 144, 147 ("[T]he two greatest painters and sculptors of the 20th century bounced off each other, outdid each other, honored each other, and occasionally ignored each other, in ways that were sometimes calculated, sometimes instinctive, and sometimes fortuitous.").

<sup>27</sup> Teixeira & Cardozo, *supra* note 25.

<sup>28</sup> Shenk, *supra* note 23.

<sup>29</sup> There are many AI music generators available today. For example, see LOUDLY, <https://www.loudly.com/ai-music-generator> [<https://perma.cc/738W-QZLL>] (last visited Jan. 29, 2025) ("Studio quality music ... Make AI-generated music in seconds and add to your videos, social channels, advertising media, podcasts, apps and more."); SOUNDRAW, <https://soundraw.io/> [<https://perma.cc/Z4NY-QPHL>] (last visited Jan. 29, 2025) ("Create tracks with AI for background music, making your own songs, distributing songs, [and] selling songs[.]"); SOUNDFUL, <https://soundful.com/en-us/> [<https://perma.cc/5MUH-UEHH>] (last visited Jan. 29, 2025) ("The future of music is here with Soundful's AI Music Generator. Leverage the power of AI to generate royalty free background music at the click of a button for your videos, streams, podcasts and much more.").

<sup>30</sup> If you are inclined to create a Beethoven-like symphony, see Today, *AI Scientists Use Computer to Create Beethoven-Like Symphony*, YOUTUBE (Oct. 24, 2021), <https://www.youtube.com/watch?v=0AU10opANTE> [<https://perma.cc/32US-4LK7>].

<sup>31</sup> OPENAI, *supra* note 1.

on a specific writer[.]”<sup>32</sup> Do you wish to draft a sitcom dialogue mimicking Jerry and Kramer in a new Seinfeld episode?<sup>33</sup> In minutes, AI models trained on novels and scripts written by human authors present you with synthetic literary text of the original authors’ style.

Writing pitches for sequels to popular movies in an instant? AI models’ performance in the movie sequels task garnered praises like “surprising,” “good,” “good enough that you could see someone buying a ticket to the film,” and “brilliant.”<sup>34</sup> For instance, in response to *Casablanca* in the prompt, AI wrote: “One possible plot for a sequel to *Casablanca* could explore what happened to Rick Blaine and Ilsa Lund after they parted ways in *Casablanca*. The sequel could pick up several years after the events of the original film, with Rick and Ilsa living separate lives in different parts of the world. Perhaps circumstances conspire to bring them back together, and they must grapple with the complicated feelings they have for each other and the choices they made in the past.”<sup>35</sup> Having ingested all the scripts and movies, AI models produce new pitches deriving from the originals.

AI can generate a painting that helps you win a jury prize.<sup>36</sup> Prompts, again, are what you input at the computer.<sup>37</sup> Learning how to paint from teachers, imitating styles from accomplished artists, studying their techniques, and listening to critiques from others, none of these steps are necessary. AI models trained on existing images from all sources are ready at your prompt command to generate

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<sup>32</sup> Dan Shipper, *How to Make AI Write Like Your Favorite Author, a Step-by-Step Guide from Prompting to Fine-Tuning*, EVERY (Mar. 3, 2023), <https://every.to/chain-of-thought/how-to-make-ai-write-like-your-favorite-author> [perma.cc/MYL3-5JNK].

<sup>33</sup> *Id.* (featuring an AI-generated dialogue between Jerry and Kramer to illustrate the differences between using different AI models for generating text).

<sup>34</sup> Matt Singer, *We Asked an Artificial Intelligence to Write Sequels to Beloved Movies*, SCREEN CRUSH (Mar 2, 2023), <https://screencrush.com/artificial-intelligence-writes-movie-sequels/> [https://perma.cc/E62C-6JCE].

<sup>35</sup> *Id.*

<sup>36</sup> Kevin Roose, *An A.I.-Generated Picture Won an Art Prize. Artists Aren’t Happy*, N.Y. TIMES (Sept. 2, 2022), <https://www.nytimes.com/2022/09/02/technology/ai-artificial-intelligence-artists.html> [https://perma.cc/YE98-JGCB] (reporting Jason M. Allen won the Colorado State Fair’s annual art competition for his AI-generated piece).

<sup>37</sup> *Id.* (reporting Jason M. Allen typed prompts into Midjourney AI to generate “Théâtre D’opéra Spatial”).

whatever you desire and whenever you wish.<sup>38</sup> All you need is to type in the prompts, and generative AI programs will do the rest in seconds.<sup>39</sup>

Learning to speak or sing beautifully in a foreign language typically takes years of learning from teachers and coaches. In many cases, the students may travel abroad to submerge themselves in living in foreign countries for the opportunities to connect with the people and culture while improving their language abilities. In the AI age, just ignore human connectivity and creativity regarding learning foreign languages. For instance, AI can generate an English-speaking rock band vocalist (who is real) rocking away fluently and with nuanced flair in Japanese and Korean languages (synthetically, of course).<sup>40</sup>

Albums of new songs by different artists can be synthetically generated without ever stepping into a studio.<sup>41</sup> Google's Dream Track AI tool excites performers to generate new content in their replicas.<sup>42</sup> The days of collaboration

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<sup>38</sup> For "best" prompts to help generating paintings and images, see *Best Midjourney Prompts*, PROMPTHERO, <https://prompthero.com/midjourney-prompts> [<https://perma.cc/84MB-XE2E>] (last visited Oct. 10, 2024) ("Search the best Midjourney prompts and get millions of ideas for your next prompt engineering session. Showing only good prompts for Midjourney, ranked by users' upvotes and popularity."); Hiba Amin, *How to Master Midjourney Prompts (Best Prompts in 2024)*, SUPERSIDE (Oct. 5, 2024), <https://www.superside.com/blog/midjourney-prompts> [<https://perma.cc/GT49-PG23>].

<sup>39</sup> *Prompts*, MIDJOURNEY, <https://docs.midjourney.com/docs/prompts> [<https://perma.cc/82GW-VUA5>] (last visited Oct. 10, 2024) ("A prompt is a short text phrase that the Midjourney Bot interprets to produce an image. The Midjourney Bot breaks down the words and phrases in a prompt into smaller pieces, called tokens, that are compared to its training data and then used to generate an image. A well-crafted prompt can help make unique and exciting images. . . . A basic prompt can be as simple as a single word, phrase or emoji. The Midjourney Bot works best with simple, short phrases that describe what you want to see. Avoid long lists of requests and instructions. Instead of: Show me a picture of lots of blooming California poppies, make them bright, vibrant orange, and draw them in an illustrated style with colored pencils Try: Bright orange California poppies drawn with colored pencils.").

<sup>40</sup> FKA Twigs, whose real name is Tahliah Debrett Barnett, can replicate herself singing in different languages. See Prithvi Iyer, *Transcript of Senate Hearing on NO FAKES ACT*, TECH POL'Y PRESS (May 20, 2024), <https://www.techpolicy.press/transcript-us-senate-judiciary-subcommittee-hearing-on-the-no-fakes-act/> [<https://perma.cc/JC5Q-CBBW>] ("In the past year, I have developed my own deepfake version of myself that is not only trained in my personality but can also use my exact tone of voice to speak many languages.").

<sup>41</sup> Chloe Veltman, *Google's Latest AI Music Tool Creates Tracks Using Famous Singers' Voice Clones*, NPR (Nov. 17, 2023), <https://www.npr.org/2023/11/17/1213551049/google-latest-ai-music-tool-creates-tracks-using-famous-singers-voice-clones> [<https://perma.cc/T9UP-MQCH>].

<sup>42</sup> *Id.* ("Whoever gets paid for [their voice clone] will be happy because they'll be able to sit at home and not have to go to a recording session.").

in the studio are numbered. Obviously, for now, those famous few get paid by Google's Deep Mind AI for having their voices cloned as part of new synthetic content creation without collaborating with others in the studio. For many others with ordinary voices, there is nothing to collect.<sup>43</sup>

Generating a haiku in seconds? Ditto. AI models ingest haiku and are trained to generate haiku, poems known for having 17 syllables, and apply the world's shortest and clearest rules to compose new poems and evaluate their aesthetic. AI can generate haiku quicker than humans, and humans fail to distinguish which haikus are synthetic and which are human-created.<sup>44</sup> John Grisham took years to research and develop characters and stories for his books. However, AI can generate sequel chapters mimicking John Grisham's style in an instant.

AI poses an existential threat to the creative working class, and also to the very concept of human creativity.<sup>45</sup> If we do not act soon, we will no longer be able to distinguish—or perhaps even remember—what human creativity is.

## II

### COPYING AND FAIR USE IN DISRUPTIVE TECHNOLOGIES

The Constitution's Copyright Clause was drafted during the age of lithography—more than 50 years before the rotary press spurred modern print media.<sup>46</sup> Yet its language, and its mission, have remained relevant.<sup>47</sup> Copyright law has outlasted cycles of disruptive technological advancements. When personal computers first began to enter businesses and households, critics lamented

<sup>43</sup> Xuan-Thao Nguyen, *Fakes and the New Property Right?*, 53 FLA. ST. U. L. REV. (forthcoming 2026).

<sup>44</sup> Jimpei Hitsuwari et al., *Does Human-AI Collaboration Lead to More Creative Art? Aesthetic Evaluation of Human-Made and AI-Generated Haiku Poetry*, 139 COMPUTS. IN HUM. BEHAV., Feb. 2023, at 1, 1, <https://www.sciencedirect.com/science/article/abs/pii/S0747563222003223> [<https://perma.cc/EU4T-DX7R>].

<sup>45</sup> Emma Saunders, *John Grisham: Threat from AI Cannot Be Truly Appreciated*, BBC (Oct. 17, 2023), <https://www.bbc.com/news/entertainment-arts-67134595> [<https://perma.cc/W67V-WMNR>]; Susan Hornik, *Hollywood Writers Fear Losing Work to AI*, BBC (July 26, 2023), <https://www.bbc.com/news/business-66289583> [<https://perma.cc/L7UA-H42S>].

<sup>46</sup> The rotary printing press, invented by Richard Hoe, was first available in 1847. See Princeton Univ., *Hoe's Eight-Cylinder Printing Press*, GRAPHIC ARTS COLLECTION (July 23, 2013), <https://graphicarts.princeton.edu/2013/07/23/hoes-eight-cylinder-printing-press/> [<https://perma.cc/EHM2-4LVF>].

<sup>47</sup> U.S. CONST. art. I, § 8, cl. 8 (granting Congress the power “To promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries”).

that “as people and businesses often find the transition to computers difficult, integrating computer software into the realm of copyright law has proven to be a daunting task.”<sup>48</sup> Ultimately, however, both courts and Congress rose to the challenge, and copyright law has remained a relevant, practical tool for protecting authorial rights from technology-enabled infringement. Beneath each technological innovation, the heart of the issue has remained: the protection of human creative output. And in each instance, the Constitution’s Copyright Clause has served as a compass, guiding courts to encourage technological innovation while simultaneously protecting human creativity.

This Part recounts how courts have thoughtfully applied copyright doctrine—both affirmative claims, as well as the defense of fair use—to waves of disruptive digital technology. The precedents described below provide a firm basis for holding AI companies liable for their unauthorized “training” of AI models on copyrighted creative works, and for denying a “fair learning” defense. Simultaneously, however, this part recounts the Supreme Court’s somewhat expansive use of the fair use doctrine to protect some code-copying in its 2021 decision in *Google LLC v. Oracle America, Inc.*<sup>49</sup>

#### A. *The MAI Trio: Code Copying*

The Copyright Act explicitly contemplates the evolution of technological methods of copying creative output. It defines “copies” as “material objects . . . in which a word is *fixed by any method now known or later developed*.”<sup>50</sup> In the early 1990s, the Ninth Circuit penned three opinions later referred to as the *MAI* Trio, defining the meaning of “copying” under the Copyright Act during the rise of software and personal computers. These decisions, which granted property rights—and copyright protections—to the output of the software age, apply directly in the age of artificial intelligence.<sup>51</sup>

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<sup>48</sup> Jule L. Sigall, Comment, *Copyright Infringement Was Never This Easy: RAM Copies and Their Impact on the Scope of Copyright Protection for Computer Programs*, 45 CATH. U. L. REV. 181, 181 (1995); Pamela Samuelson et al., *A Manifesto Concerning the Legal Protection of Computer Programs*, 94 COLUM. L. REV. 2308, 2310 (1994) (observing that copyright law fails to protect computer programs); *Comput. Assocs., Int’l, Inc. v. Altai, Inc.*, 982 F.2d 693, 712 (2d Cir. 1992).

<sup>49</sup> *Google LLC v. Oracle Am., Inc.*, 593 U.S. 1 (2021).

<sup>50</sup> Copyright Act of 1976, 17 U.S.C. § 101 (emphasis added).

<sup>51</sup> See Danielle D’Onfro, *Contract-Wrapped Property*, 137 HARV. L. REV. 1058, 1072–73 (2024) (*MAI Systems Corp.* “arguably chang[ed] the shape of modern property ownership”).

### 1. *Code Is a “Copy”*

The first of the Trio, *MAI Systems Corp. v. Peak Computer*, established that even temporary copies of software code are protected by copyright law.<sup>52</sup> In so doing, *MAI Systems* defined the concept of “copying” for the digital age.

The case concerned a dispute between MAI—a computer manufacturer and software developer—and Peak, a computer maintenance company.<sup>53</sup> When Peak provided maintenance and repair services to those of its customers using MAI computers, it necessarily ran MAI software.<sup>54</sup> MAI argued that this unlicensed use of its software constituted “copying” for purposes of the Copyright Act; it sought and obtained a permanent injunction against Peak.<sup>55</sup> The Court framed the question as whether “copying” occurs when a computer program is transferred from a permanent storage device to a computer’s random-access memory (RAM).<sup>56</sup> It answered that question in the affirmative.

To begin, the Court noted that it was “generally accepted that the loading of software into a computer constitutes the creation of a copy.” It applied this same logic to RAM copies.<sup>57</sup> A computer executing any program must load that program into RAM.<sup>58</sup> Peak argued that RAM copies were not “fixed” under copyright law. But the Ninth Circuit held that a RAM copy is “sufficiently permanent or stable to permit it to be perceived, reproduced, or otherwise communicated for a period of

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<sup>52</sup> *MAI Sys. Corp. v. Peak Comput.*, 991 F.2d 511 (9th Cir. 1993).

<sup>53</sup> *Id.*

<sup>54</sup> *Id.* at 513.

<sup>55</sup> *Id.* at 514–15.

<sup>56</sup> *Id.*

<sup>57</sup> *Id.* at 519 (citing *Vault Corp. v. Quaid Software Ltd.*, 847 F.2d 255, 260 (5th Cir.1988)); 2 MELVILLE B. NIMMER & DAVID NIMMER, *NIMMER ON COPYRIGHT* § 8.08 (1983); NAT’L COMM’N ON THE NEW TECH. USES OF COPYRIGHTED WORKS, *FINAL REPORT OF THE NATIONAL COMMISSION ON THE NEW TECHNOLOGICAL USES OF COPYRIGHTED WORKS* 13 (1978)).

<sup>58</sup> See *What Is Computer and Laptop RAM?*, INTEL, <https://www.intel.com/content/www/us/en/tech-tips-and-tricks/computer-ram.html> [<https://perma.cc/M3E3-42UK>] (last visited Oct. 10, 2024) (“RAM is a common computing acronym that stands for random-access memory. Sometimes it’s called PC memory or just memory. In essence, RAM is your computer or laptop’s short-term memory. It’s where the data is stored that your computer processor needs to run your applications and open your files. Inside your computer, RAM typically comes in the form of a rectangular flat circuit board with memory chips attached, also referred to as a memory module. Computers typically come with at least two RAM modules with room to add more, if needed. These RAM modules are critical components that work hand in hand with your computer’s central processing unit (CPU) and must be working optimally for you to have a good experience.”).

more than transitory duration.”<sup>59</sup> Therefore, it held that the “loading of copyrighted computer software from a storage medium (hard disk, floppy disk, or read-only memory) into the memory of a central processing unit “CPU”) causes a copy to be made.”<sup>60</sup>

The immediate impact of the case was that MAI could prevent Peak from using its software, thereby preventing Peak from offering its services as a competitor. The lasting impact was even broader. *MAI* was innovative, clear, and—given the lack of Supreme Court precedent in copyright—“far-reaching.”<sup>61</sup> It was also problematic. Scholars have criticized *MAI* on textual and policy grounds.<sup>62</sup> As Danielle D’Onfro recently observed, the effect of *MAI* was to entrench restrictive intellectual property licenses into anything related to software—which is fast becoming everything.<sup>63</sup> Indeed, the Ninth Circuit now appears to offer a more nuanced take on software copies.<sup>64</sup>

Nevertheless, what is good for the goose should be good for the gander. *MAI*’s broad conception of a fixed copy—which has tended to benefit corporate software developers—provides authors and other copyright owners with a strong shield against non-consensual copying by AI companies.

## 2. *Limiting Fair Use for Code Copying*

The second case in the *MAI* Trio, *Triad Systems Corp. v. Southeastern Exp. Co.*, which reached the Ninth Circuit in 1995, narrowly construed fair use in

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<sup>59</sup> *MAI Sys. Corp.*, 991 F.2d at 518.

<sup>60</sup> *Id.*

<sup>61</sup> See Stephen Yelderman, *The Supreme Court’s Fragile Copyright Law*, 50 FLA. ST. U. L. REV. 335, 345–46 (2023) (noting that, given the rarity of Supreme Court review of copyright decisions, circuit law has broad influence).

<sup>62</sup> Aaron Perzanowski, *Fixing RAM Copies*, 104 NW. U. L. REV. 1067, 1075–80 (2010).

<sup>63</sup> D’Onfro, *supra* note 51, at 1073.

<sup>64</sup> *CDK Glob. LLC v. Brnovich*, 16 F.4th 1266, 1276 (9th Cir. 2021) (“Loading software into a computer’s memory satisfies the embodiment requirement because a computer’s memory is a medium from which software ‘can be perceived, reproduced, or otherwise communicated.’ But embodiment alone does not result in the creation of a copy; the embodiment must also persist for a period of more than transitory duration. We have not previously considered what is required for a copy to persist for more than a transitory period. . . . *MAI* and the cases following it establish only that ‘loading a program into a computer’s memory can result in copying that program,’ not that ‘loading a program into a form of memory always results in copying.’”) (citations omitted).

the copying of software.<sup>65</sup> Triad manufactured computers for use by automotive parts stores.<sup>66</sup> Triad also developed software for its service technicians to use.<sup>67</sup> Southeastern competed against Triad for the business of servicing and maintaining Triad computers.<sup>68</sup> Upon discovering that Southeastern had been making RAM copies of Triad software when providing services to customers, Triad sued.<sup>69</sup> Following *MAI*, Triad moved for summary judgment on its copyright infringement claim; Southeastern countered with a fair use defense.<sup>70</sup> The district court denied both motions, the case proceeded to trial, and the jury found that Southeastern had violated Triad's copyrights.<sup>71</sup> Following the verdict, the district court granted Triad's motion for a preliminary injunction, pending the resolution of other issues in the case.<sup>72</sup> Southeastern appealed.

Applying *MAI*, the Ninth Circuit expressed "no doubt" that Southeastern had made infringing copies of Triad's software.<sup>73</sup> The Court also noted that, for purposes of injunctive relief, there is a presumption of irreparable harm from copyright infringement, notwithstanding that a copyright plaintiff can theoretically be made whole through money damages.<sup>74</sup>

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<sup>65</sup> See *Triad Sys. Corp. v. Se. Exp. Co.*, 64 F.3d 1330, 1335–36 (9th Cir. 1995), *superseded by statute on other grounds*, 17 U.S.C. § 117(c), *as stated in* *4Die4Kourt v. Hillair Cap. Mgmt., LLC*, 692 F. App'x. 366, 369 (9th Cir. 2017). 17 U.S.C. § 117(c) provides:

Machine Maintenance or Repair.—Notwithstanding the provisions of section 106, it is not an infringement for the owner or lessee of a machine to make or authorize the making of a copy of a computer program if such copy is made solely by virtue of the activation of a machine that lawfully contains an authorized copy of the computer program, for purposes only of maintenance or repair of that machine, if—

(1) such new copy is used in no other manner and is destroyed immediately after the maintenance or repair is completed; and

(2) with respect to any computer program or part thereof that is not necessary for that machine to be activated, such program or part thereof is not accessed or used other than to make such new copy by virtue of the activation of the machine.

<sup>66</sup> *Triad Sys. Corp.*, 64 F.3d at 1333.

<sup>67</sup> *Id.*

<sup>68</sup> *Id.*

<sup>69</sup> *Id.*

<sup>70</sup> *Id.* at 1334.

<sup>71</sup> *Id.*

<sup>72</sup> *Id.*

<sup>73</sup> *Id.* at 1335.

<sup>74</sup> *Id.*

Most significantly, the Ninth Circuit rejected Southeastern's fair use defense.<sup>75</sup> Southeastern, the Court held, "has invented nothing of its own; its use of Triad's software is ... neither creative nor transformative, and does not provide the marketplace with new creative works."<sup>76</sup> Southeastern was "simply commandeering its customers' software and using it for the very purpose for which, and in precisely the manner in which, it was designed to be used."<sup>77</sup> The Court also found that Southeastern's conduct yielded no appreciable public benefit.<sup>78</sup> Accordingly, the Ninth Circuit rejected the fair use defense in RAM copy infringement cases.

In 1998—after *MAI* and *Triad*—Congress amended Section 117 of the Digital Millenium Copyright Act to prohibit software developers from using the RAM copy doctrine to eliminate competition from computer service companies.<sup>79</sup> But Congress did not eliminate the RAM copy doctrine itself; it merely provided an exception to it.<sup>80</sup> Congress also did not overturn *MAI*'s holding that license agreements define the limits of licensees' rights with regard to software.<sup>81</sup>

### 3. *The Age of Licenses*

A decade later, the Ninth Circuit decided the final case in the *MAI* Trio, *Wall Data Inc. v. LA County Sheriff's Dept.*<sup>82</sup> Wall Data developed RUMBA software and the Los Angeles County Sheriff's Department purchased licenses for 3,663 computers.<sup>83</sup> But the Sheriff's Department installed the software on 6,007

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<sup>75</sup> *Id.* at 1336.

<sup>76</sup> *Id.*

<sup>77</sup> *Id.* at 1337.

<sup>78</sup> *Id.*

<sup>79</sup> See 17 U.S.C. § 117(c).

<sup>80</sup> See Melissa A. Bogden, *Fixing Fixation: The RAM Copy Doctrine*, 43 ARIZ. ST. L. J. 181, 197 (2011) ("By codifying an exception for RAM copies created during computer maintenance and repair, Congress implicitly approved *MAI*'s conclusion that a RAM copy could be fixed.").

<sup>81</sup> See *Vernor v. Autodesk, Inc.*, 621 F.3d 1102, 1111 (9th Cir. 2010) ("In response to *MAI*, Congress amended § 117 to permit a *computer owner* to copy software for maintenance or repair purposes. See 17 U.S.C. § 117(c); see also H.R. Rep. No. 105-551, pt. 1, at 27 (1998). However, Congress did not disturb *MAI*'s holding that licensees are not entitled to the essential step defense.").

<sup>82</sup> *Wall Data Inc. v. L.A. Cnty Sheriff's Dep't*, 447 F.3d 769 (9th Cir. 2006).

<sup>83</sup> *Id.* at 773.

computers.<sup>84</sup> Wall Data brought a copyright infringement suit against the Sheriff's Department, which raised "fair use" and "essential step" defenses.<sup>85</sup>

The Court rejected fair use. It ruled that making verbatim copies of software, for the same purpose, was not transformative, nor was it an industry norm.<sup>86</sup> It also held that, were the practice of duplicating software in excess of one's license to become widespread, it "could seriously impact" the market.<sup>87</sup>

The Court also rejected an "essential step" defense under 17 U.S.C. § 117.<sup>88</sup> "Essential step" means the making of another copy of a software program in the utilization of the computer program in conjunction with a machine. The copy is used in no other manner. The Ninth Circuit held that the "essential step" defense only applies to an "owner" of a program, not to a licensee such as the LA Sheriff's Department.<sup>89</sup> The Ninth Circuit cited *MAI* in support of its ruling that the Sheriff's Department's licensee is bound by the license terms, and as a licensee, the Sheriff's Department did not have the statutory right to make extra copies of the software.<sup>90</sup>

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<sup>84</sup> *Id.* at 776.

<sup>85</sup> *Id.*

<sup>86</sup> *Id.* at 776–82.

<sup>87</sup> *Id.* at 781–82.

<sup>88</sup> 17 U.S.C. § 117 provides:

- (a) Making of Additional Copy or Adaptation by Owner of Copy.—Notwithstanding the provisions of §106, it is not an infringement for the owner of a copy of a computer program to make or authorize the making of another copy or adaptation of that computer program provided:
- (1) that such a new copy or adaptation is created as an essential step in the utilization of the computer program in conjunction with a machine and that it is used in no other manner, or
  - (2) that such new copy or adaptation is for archival purposes only and that all archival copies are destroyed in the event that continued possession of the computer program should cease to be rightful.

<sup>89</sup> 447 F.3d at 784–85 ("We conclude that the Sheriff's Department received licenses to the RUMBA software. Generally, if the copyright owner makes it clear that she or he is granting only a license to the copy of software and imposes significant restrictions on the purchaser's ability to redistribute or transfer that copy, the purchaser is considered a licensee, not an owner, of the software.").

<sup>90</sup> *Id.* at 785 ("In this case, as in *MAI*, the licensing agreement imposed severe restrictions on the Sheriff's Department's rights with respect to the software. Such restrictions would not be imposed on a party who owned the software. . . . The Sheriff's Department's use of and rights to the RUMBA software products were restricted under the terms of the click-through and volume booklet licenses. These restrictions were sufficient to classify the transaction as a grant of license to Wall Data's software, and not a sale of Wall Data's software. For these reasons, under *MAI*, the Sheriff's Department is not the "owner" of copies of Wall Data's software for purposes of § 117.").

The *MAI* Trio applied long-standing copyright law to burgeoning digital technologies. The Trio established that digital copying of copyrighted works in the computer software context is unlawful infringement, barring permission or a statutory exemption. It also empowered and protected software creators by allowing them to define the terms of use for their product through the (now ubiquitous) use of licenses. Notably, courts—not Congress—took the lead in analyzing the application of the Copyright Act to new technologies.<sup>91</sup> Although Congress eventually weighed in, amending § 117, it did so only after the issues of copying and fair use of software had been explicated through an adversary process between those parties most directly impacted.

*B. Cached Contents and Fair Use: Field v. Google*

The explosion of networked computers in the early 2000s forced copyright law to update copyright doctrine once again. Companies such as Google, Yahoo, AltaVista, and Lycos developed technologies to capture the emerging search sector of the digital economy. To do so, they sought to copy, analyze, and cache every existing web page. Google's automatic program for finding and cataloging web pages was called the "Googlebot."<sup>92</sup> Search companies did not seek permission from the copyright owners of any of these web pages. Litigation soon followed, pitting copyright owners against the search companies.

In this battle, the search companies held their own.

When a user conducts a search at Google, the search engine displays its search results, comprising the title of a webpage, short snippets from the webpage, the URL for the page, and another link labeled "cached."<sup>93</sup> Clicking on the "cached" link "directs an Internet user to the archival copy of a Web page stored in Google's system cache, rather than to the original Web site for that page."<sup>94</sup> A disclaimer explains that the page is a snapshot from the Google cache, not the original page.<sup>95</sup>

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<sup>91</sup> See also Bogden, *supra* note 80, at 186 (defending the role of courts in elucidating copyright doctrine of emerging technologies).

<sup>92</sup> *Googlebot*, GOOGLE FOR DEVS., <https://developers.google.com/search/docs/crawling-indexing/googlebot> [<https://perma.cc/YYM9-W5EN>] (last visited Jan. 20, 2024).

<sup>93</sup> *Field v. Google, Inc.*, 412 F. Supp. 2d 1106 (D. Nev. 2006).

<sup>94</sup> *Id.* at 1111.

<sup>95</sup> *Id.*

The snapshot is therefore not current if the webpage has been updated by the owner.<sup>96</sup>

The “cached” links served several purposes, according to Google, including: (1) providing archival copies that allowed users to access the pages in the event the website became inaccessible, (2) providing webpage comparisons, enabling users to determine how a particular webpage changed over time, and (3) identifying search query terms, thus allowing users to determine why a particular page was more responsive to their query.<sup>97</sup> Also, according to Google, the vastness of the internet prevented it from contacting website owners to ascertain whether they wanted their pages listed in search results or accessible through “cached” links.<sup>98</sup>

In *Field*, the plaintiff—an attorney and amateur author—brought a copyright infringement action against Google for copying his website, on which he had posted 50 creative works, and storing these copies in a cache without authorization.<sup>99</sup> The plaintiff argued that Google directly infringed his copyrights when a user clicked on a “cached” link to the web pages containing the plaintiff’s copyrighted works and downloaded a copy of those pages from Google’s cache.<sup>100</sup> That meant, according to the plaintiff, that Google itself had created and distributed copies of the plaintiff’s works.<sup>101</sup>

Field did not prevail. The district court held that the *user*, not *Google*, creates and downloads a copy of the cached web page when the user requests a web page contained in the Google cache.<sup>102</sup> Without a user’s request, no copy is created or distributed; even with such a request, the “automated, non-volitional conduct by Google in response to a user’s request does not constitute direct infringement” under copyright law.<sup>103</sup> The district court also sustained Google’s implied license defense. At the time of the lawsuit, Field had an easy way to protect his digital

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<sup>96</sup> *Id.* at 1112.

<sup>97</sup> *Id.* at 1111–12.

<sup>98</sup> *Id.* at 1112.

<sup>99</sup> *Id.* at 1109.

<sup>100</sup> *Id.* at 1115.

<sup>101</sup> *Id.*

<sup>102</sup> *Id.*

<sup>103</sup> *Id.* The Court also analyzed the other three factors, nature of copyrighted works, the amount and substantiality of the use, and the effect of the use upon the potential market for or value of the copyrighted work. The district court ruled for Google for each of the three remaining factors. *Id.* at 1120–22.

material from being cached: he could have used a “no-archive” meta-tag, which would have informed Google not to display “cached” links to his page. Field did not do this.<sup>104</sup> Instead, the plaintiff “made a conscious decision to permit” Google to make available the cached links.<sup>105</sup>

Most significantly, the district court found that Google’s copying and distributing of the plaintiff’s copyrighted works by allowing users access to them through cached links constituted fair use.<sup>106</sup> Under the first fair use factor—the purpose and character of Google’s use—the court observed that Google’s system cache serves a different purpose from that of the plaintiff’s original works. The plaintiff intended his copyrighted works to serve an artistic function.<sup>107</sup> But Google’s cache enabled users to access content when the original page is inaccessible, detect changes in a particular website, and allow users to understand why a page was or was not responsive to their query.<sup>108</sup> “Because Google serves different and socially important purposes ... and does not merely supersede the objectives of the original creations,” the district court concluded that Google’s alleged copying and distribution of the plaintiff’s web pages was transformative.<sup>109</sup>

Assessing the three remaining fair use factors, the district court found that Google operated its cache system in good faith; that it provided a disclaimer and explanation; and that it followed industry protocols by not displaying “cached” links if the owner of a page opted out.<sup>110</sup>

*Field* established a blueprint for other copyright infringement actions relating to cached contents.<sup>111</sup> For instance, the district court in *Parker v. Yahoo!* adopted much of *Field*’s reasoning and held that Yahoo!, a search engine with similar caching practices, had an implied license to display a cached copy of the plaintiff’s

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<sup>104</sup> *Id.* at 1116.

<sup>105</sup> *Id.*

<sup>106</sup> *Id.* at 1118–23.

<sup>107</sup> *Id.* at 1118.

<sup>108</sup> *Id.* at 1118–19.

<sup>109</sup> *Id.* at 1119.

<sup>110</sup> *Id.* at 1123. The district court also held that Section 512(b) of the Digital Millennium Copyright Act—which provides a safe harbor to Internet service providers for “caching” activities—immunized Google from liability in damages. *Id.* at 1123–25.

<sup>111</sup> See, e.g., *Parker v. Google, Inc.*, 422 F. Supp. 2d 492 (E.D. Pa. 2006), *aff’d*, 242 F. App’x 833 (3d Cir. 2007), *cert. denied*, 552 U.S. 1156 (2008); *Parker v. Yahoo!, Inc.*, No. Civ.A.07-2757, 2008 WL 4410095 (E.D. Penn. Sept. 25, 2008).

copyrighted works.<sup>112</sup> AI companies will likely invoke *Field* to argue that their “training” is simply caching by another name. As we discuss further below, however, AI large language models are a far cry from Google’s caches.<sup>113</sup>

C. *Licensing and Fair Use: American Geophysical Union v. Texaco, Inc.*<sup>114</sup>

As courts expanded the power of licensors in copyright, they also incorporated licensing schemes into their concept of fair use. This trend is best embodied in *American Geophysical Union v. Texaco, Inc.*, where the Second Circuit expressly considered the availability of a licensing mechanism in rejecting a fair use defense.<sup>115</sup> In *Texaco*, academic researchers sued oil giant Texaco, alleging that the company routinely photocopied academic research publications for its scientists without permission from or compensation to the publishers.<sup>116</sup> The court’s rejection of fair use in *Texaco* provides an important check on *Field*’s fair use approach.

In *Texaco*, the court questioned whether fair use could even apply to mechanical copying of an entire document.<sup>117</sup> Even under the traditional four-factor fair use test, however, the court rejected the defense. It found that Texaco’s practice of making copies for individual scientists was “part of a systematic process of encouraging employee researchers to copy articles so as to multiply available copies while avoiding payment.”<sup>118</sup> While the second factor—the nature of the copyrighted work—favored Texaco, the third and fourth factors tipped in favor of the plaintiff authors. The Court was particularly persuaded by the fact that Texaco copied each copyrighted work in its entirety. Texaco had attempted to reframe the question by noting that only a small fraction of any particular *volume* of the academic journal was copied—but the Court refused to take a macro view, given that “each article enjoys independent copyright protection.”<sup>119</sup>

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<sup>112</sup> *Parker*, 2008 WL 4410095, at \*3–4.

<sup>113</sup> See *infra* Part VI.

<sup>114</sup> *Am. Geophysical Union v. Texaco, Inc.*, 60 F.3d 913 (2d Cir. 1994).

<sup>115</sup> *Id.*

<sup>116</sup> *Id.* at 915 (noting that “all or most” of Texaco’s 400–500 researchers “presumably photocopy” research materials). Although *Texaco* was brought as a class action, the court did not address class certification because the parties stipulated to a set of facts for a pre-certification determination of whether the photocopying constituted fair use. *Id.*

<sup>117</sup> *Id.* at 917.

<sup>118</sup> *Id.* at 920.

<sup>119</sup> *Id.* at 926.

Most importantly, the Court found in favor of the plaintiffs on the fourth factor—purportedly the “most important” fair use element—because of the availability of the Copyright Clearance Center, a private licensing organization that could negotiate a royalty in exchange for additional copies.<sup>120</sup> The Court noted that existence of “traditional, reasonable, or likely to be developed” licensing markets is an important factor in assessing the effect of an infringing activity on the market; if paying for a use is relatively easy, free use is, simply, “less fair.”<sup>121</sup>

Some scholars have criticized *Texaco* for allowing the existence of a private licensing scheme to warp the traditional fair use analysis.<sup>122</sup> As discussed below, however, the doctrine of fair use must respond to current copyright culture. And within that culture, licensing organizations and agreements have become a routine and important way—perhaps the only feasible way—to mediate between copyright holders and digital innovators.

#### *D. Digital Copying of Creative Works*

Beginning early in the 2000s, technology enabled companies to duplicate creative works with increasing efficiency, opening the door to mass-scale digital duplication, resulting in individual as well as class suits seeking redress for copyright infringement by digital disruptors.

##### *1. Digital Copying: New York Times Co. v. Tasini*<sup>123</sup>

In *New York Times Co. v. Tasini*, the Supreme Court confronted the first wave of large-scale digital replication of copyrighted works. The plaintiffs in *Tasini* had published their works in print periodicals. The periodicals’ publishers had, without consent, submitted the authors’ pieces to an electronic database, making them retrievable by users as individual works, detached from the volume in which they first appeared. The defendant publishers argued that this was a “revision” of a work

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<sup>120</sup> *Id.* at 930 (finding that the Copyright Clearance Center provided a “workable market for institutional users to obtain licenses”).

<sup>121</sup> *Id.* at 931.

<sup>122</sup> See, e.g., Mark A. Lemley, *Should a Licensing Market Require Licensing?*, 70 L. & CONTEMP. PROBS. 185, 190 (2007) (criticizing the “well-known circularity” of the relationship between a licensing market and the fourth fair use factor); Pamela Samuelson, *Unbundling Fair Uses*, 77 FORDHAM L. REV. 2537, 2585–86 (2009).

<sup>123</sup> *N.Y. Times Co. v. Tasini*, 533 U.S. 483 (2001).

authorized by copyright law. The Court rejected that argument.<sup>124</sup> Detaching these works from their context and dropping them into a massive database, the Court held, “effectively overrides the Authors’ exclusive right to control the individual reproduction and distribution” of their work.<sup>125</sup>

The publishers offered several other defenses that recur in digital copying cases, none of which prevailed (and many of which were raised anew by subsequent digital disruptors). First, they claimed that the decontextualization of the copyrighted works could be solved technologically by enabling users to “manipulate the Databases” to retrieve all the works contained within the original volume.<sup>126</sup> The Court was unimpressed. Second, defendants argued that, at most, they could be contributory infringers; end users, rather than the Databases, would be committing the infringing acts. Again, the Court disagreed: “It is the copies themselves, without any manipulation by users,” that violate the Copyright Act.<sup>127</sup> Finally, the defendants argued that disallowing inclusion of these works in electronic databases would, as the Court phrased it, “punch gaping holes in the electronic record of history.”<sup>128</sup> The Court remained unmoved.<sup>129</sup> This, according to the Court, is what licensing agreements are made for.<sup>130</sup>

## 2. *Fair Use*: Google Book Project<sup>131</sup>

Although *Tasini* was a Supreme Court decision, it is overshadowed in cultural memory by the Second Circuit’s adjudication of Google’s book project. Google began with an ambitious (and ultimately unrealized) plan to create a comprehensive database of books—a quasi-mythical universal library.<sup>132</sup> In 2004, announcing the “Google Books Library Project,” Google secured agreements with the New York Public Library, the Library of Congress, and several university libraries to digitally

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<sup>124</sup> *Id.* at 502 (rejecting the defendants’ claims that inclusion in the database was similar to the conversion of a work from newsprint to microfilm).

<sup>125</sup> *Id.* at 503–04.

<sup>126</sup> *Id.* at 504.

<sup>127</sup> *Id.* at 505.

<sup>128</sup> *Id.*

<sup>129</sup> *Id.* at 505–06 (declining to rule based on “speculation of future harms”).

<sup>130</sup> *Id.*

<sup>131</sup> *Authors Guild, Inc. v. Google, Inc.*, 804 F.3d 202 (2d Cir. 2015) [hereinafter *Google Book Project*].

<sup>132</sup> Scott Rosenberg, *How Google Book Search Got Lost*, WIRED (Apr. 11, 2017), <https://www.wired.com/2017/04/how-google-book-search-got-lost/> [<https://perma.cc/78JT-8LM9>] (“In its youth, Google Books inspired the world with a vision of a library of utopia.”).

copy their collections, and it scanned more than twenty million volumes in its quest to create a massive digital book repository.<sup>133</sup> Left out of this vision was a process for seeking permission from, or paying compensation to, copyright holders included in the scanned book collection.

The Authors Guild, Inc., an organization of published authors, as well as several individual authors, challenged the project in a class action. Google asserted that its unauthorized activities—copying, storing, distributing, and displaying the copyrighted book—were protected by the doctrine of fair use.<sup>134</sup> The parties participated in extensive negotiations and entered into a proposed settlement.<sup>135</sup> That settlement would have granted Google broad (though not exclusive) rights over the books in its electronic database, including the right to sell subscriptions to an e-book database and the right to sell online access to individual books, in exchange for paying 63% of the revenues to copyright holders.<sup>136</sup> Objectors contested the settlement on the ground that it did not comply with Rule 23; they also alleged that it violated copyright, privacy, and antitrust law, among others.<sup>137</sup> The district court rejected the proposed settlement.<sup>138</sup>

Google reduced the scope of its project so that users would only be able to see “snippets” of the copied texts in the public domain; what was originally a digital bookstore became a vast public index instead. The Second Circuit found that Google’s now-much-narrowed search and snippet functions satisfy fair use.<sup>139</sup> It held that the first factor—the purpose and character of the use—favored Google.<sup>140</sup> Google’s use of copyrighted works “highly transformative” because its digitizing technology enables “a search for identification of books containing a term of interest to the searcher” and permits “a searcher to identify those that contain a word or term of interest”.<sup>141</sup> With the snippet views, searchers can only “read snippets from the book searched” but gain “important value to the

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<sup>133</sup> *Google Book Project*, 954 F. Supp. 2d 282, 286 (S.D.N.Y. 2013), *aff’d*, 804 F.3d 202 (2d Cir. 2015).

<sup>134</sup> *Id.* at 288 (stating that from “the outset” Google’s principal defense was fair use).

<sup>135</sup> *Id.*

<sup>136</sup> *Google Book Project*, 770 F. Supp. 2d 666, 671 (S.D.N.Y. 2011).

<sup>137</sup> *Id.* at 673–74.

<sup>138</sup> *Google Book Project*, 954 F. Supp. 2d at 288 (citing 770 F. Supp. 2d 666).

<sup>139</sup> *Google Book Project*, 804 F.3d at 218 (noting that “[s]nippet view thus adds importantly to the highly transformative purpose of identifying books of interest to the searcher”).

<sup>140</sup> *Id.* (finding that the first factor “favors a finding of fair use”).

<sup>141</sup> *Id.* at 217.

basic transformative search function, which tells only whether and how often the searched term appears in the book.”<sup>142</sup> Google’s tiny snippets show “the searcher just enough context surrounding the searched term to help her evaluate whether the book falls within the scope of her interest (without revealing so much as to threaten the author’s copyright interests).”<sup>143</sup> In other words, Google’s transformative use of the copyrighted works did not directly compete as substitutes for the plaintiffs’ books.<sup>144</sup>

On the second factor, the nature of copyrighted works, the Second Circuit noted that “each of three” books scanned by Google is “factual” and concluded that nonfiction or fiction books are “not dispositive” in finding fair use.<sup>145</sup> The Circuit observed that “[n]othing in this case influences us one way or the other with respect to the second factor considered in isolation.”<sup>146</sup> Considering *both* the first factor and second factor of fair use doctrine together, the Circuit stated, “the second factor favors fair use not because Plaintiffs’ works are factual, but because the secondary use transformatively provides valuable information about the original, rather than replicating protected expression in a manner that provides a meaningful substitute for the original.”<sup>147</sup> The Circuit, however, did not provide extensive explanation. This seems to suggest that authors of published nonfiction books may face a conclusory finding of fair use under the second factor, or that the second factor is no longer relevant in fair use analysis.

For the third factor, the amount and substantiality of the portion used, the Second Circuit found that “[w]hile Google makes an unauthorized digital copy of the entire book, it does not reveal that digital copy to the public. The copy is made to enable the search functions to reveal limited, important information about the books.”<sup>148</sup> Accordingly, with respect to the search function, Google satisfied the third factor. As to the snippet view function, Google constructed the snippet feature in a “manner that substantially protects against its serving as an

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<sup>142</sup> *Id.*

<sup>143</sup> *Id.* at 218.

<sup>144</sup> *Id.*

<sup>145</sup> *Id.* at 220.

<sup>146</sup> *Id.*

<sup>147</sup> *Id.*

<sup>148</sup> *Id.* at 221–22.

effectively competing substitute for Plaintiffs' books".<sup>149</sup> In fact, Google included many limitations on the snippet function:

These include the small size of the snippets (normally one eighth of a page), the blacklisting of one snippet per page and of one page in every ten, the fact that no more than three snippets are shown—and no more than one per page—for each term searched, and the fact that the same snippets are shown for a searched term no matter how many times, or from how many different computers, the term is searched. In addition, Google does not provide snippet view for types of books, such as dictionaries and cookbooks, for which viewing a small segment is likely to satisfy the searcher's need. The result of these restrictions is, . . . , that a searcher cannot succeed, even after long extended effort to multiply what can be revealed, in revealing through a snippet search what could usefully serve as a competing substitute for the original.<sup>150</sup>

....

The other restrictions built into the program work together to ensure that, even after protracted effort over a substantial period of time, only small and randomly scattered portions of a book will be accessible.<sup>151</sup>

With such limitations and restrictions imposed by Google in creating its search and snippet functions, Google satisfied the third factor for both the search and snippet functions.

Under the fourth factor, the effect of the use upon potential market or value, the Second Circuit ruled for Google because Google did not sell scanned books in competition with the plaintiffs. Specifically, the snippet views in the aggregate amount to "no more than 16% of a book."<sup>152</sup> The Circuit also found that a loss of sale of a book occurs "in relation to interests that are not protected by the copyright" because "a searcher's need for access to a copyrighted book will at times be because the snippet conveys a historical fact that the searcher needs to ascertain."<sup>153</sup> In

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<sup>149</sup> *Id.* at 222.

<sup>150</sup> *Id.*

<sup>151</sup> *Id.*

<sup>152</sup> *Id.* at 224.

<sup>153</sup> *Id.*

summary, Google's making of a complete digital copy of the copyrighted works for the narrow and unchanging purpose of providing the public with its search and snippet view functions did not constitute copyright infringement.

Google, the defendant in both *Field* and *Google Book Project*, prevailed in its fair use defense in the second suit because both cached content and the snippet index involved limited, unchanging, and transformative use of existing copyrights. In neither case did the search company's output interfere with copyright holders' potential market of selling their books or negatively impact the value of copyrighted works. In the context of AI input class actions, by contrast, there are no firm guardrails on the use of the copied copyrighted works. There is also a strong profit motive to resist the formation of such guardrails. AI companies rely on existing literary text, images, and sounds to create AI models. Without human creative works to train AI models, there can be no AI models.<sup>154</sup> That creativity is the essence of what copyright law protects.

### 3. *Fair Use of Code*: Google LLC v. Oracle America, Inc.

In setting up its open-source Android platform, Google engineers wrote millions of lines of new code. But they also copied 11,500 lines of code from Java SE, a program ultimately owned by Oracle.<sup>155</sup> By using this code—which included tasks that were essential to using Java coding language at all—Google enabled “millions of programmers, familiar with Java, to be able easily to work with its new Android platform.”<sup>156</sup> Oracle sued Google, arguing among other things that Google's use of the code violated copyright. The question before the Supreme Court was whether this copied code is subject to copyright protections (the trial court had found otherwise<sup>157</sup>), and—if yes—whether Google's actions were shielded as fair use.

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<sup>154</sup> In fact, some are already warning that AI models are running up against limits on available content on which to train. See, e.g., Nicola Jones, *The AI revolution Is Running out of Data. What Can Researchers Do?*, 636 NATURE 290 (2024), <https://www.nature.com/articles/d41586-024-03990-2> [<https://perma.cc/P7ND-JAUN>].

<sup>155</sup> Google LLC v. Oracle Am., Inc., 593 U.S. 1 (2021).

<sup>156</sup> *Id.* at 9; see also *id.* at 9–14 (explaining the nature and use of the copied code).

<sup>157</sup> *Id.* at 14–15.

Reasonable minds could and did disagree about these issues. One jury deadlocked on the question of fair use;<sup>158</sup> following an appeal, a subsequent jury found Google's use of the code did constitute fair use.<sup>159</sup> On appeal again, the Federal Circuit reversed, finding "nothing fair about taking a copyrighted work verbatim and using it for the same purpose and function as the original in a competing platform."<sup>160</sup>

The Supreme Court, in an archetypal opinion by Justice Stephen Breyer, reversed the reversal.<sup>161</sup> It assumed, without deciding, that the code at issue was protected by copyright.<sup>162</sup> But it concluded that Google's use of the 11,500 lines of code *was* protected by fair use.<sup>163</sup> The purpose of the judge-made, equitable doctrine of fair use, the Court noted, is to "permit courts to avoid rigid application of the copyright statute when, on occasion, it would stifle the very creativity which that law is designed to foster."<sup>164</sup> In the Court's view, Google's use of the Java code merited that protection.

To a large extent, the Court's fair use holding reflects underlying skepticism toward the concept of granting copyright protection to computer code. Although it assumed for purposes of argument that code is copyrightable, it strongly suggested that—to the extent it is protected at all—code should enjoy much thinner protection than fiction, and even than less-protected non-fiction.<sup>165</sup> In the Court's view, the code at issue was a type of functional organizer—the equivalent of cabinets, drawers, and files.<sup>166</sup> On this basis, when analyzing the first fair use factor, the

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<sup>158</sup> *Id.* at 14.

<sup>159</sup> *Id.* at 16.

<sup>160</sup> *Id.*

<sup>161</sup> *Id.* at 16 ("And the Circuit again reversed the District Court. ... Google then filed a petition for certiorari[.]"); *id.* at 20 ("The second question asks us to determine whether Google's use of the API was a 'fair use.' ... Unlike the Federal Circuit, we conclude that it was.").

<sup>162</sup> *Id.* at 20 ("We shall assume, but purely for argument's sake, that the entire Sun Java API falls within the definition of that which can be copyrighted. We shall ask instead whether Google's use of part of that API was a 'fair use.'").

<sup>163</sup> *Id.* at 33, 40.

<sup>164</sup> *Id.* at 18 (quoting *Stewart v. Abend*, 495 U.S. 207, 236 (1990)).

<sup>165</sup> *Id.* at 20–21; *see also id.* at 21 (discussing computer programs and stating that "[g]enerally speaking, computer programs differ from books, films, and many other 'literary works' in that such programs almost always serve functional purposes").

<sup>166</sup> *Id.* at 27.

nature of the copyrighted work, the Court ruled that the code was, “if copyrightable at all, further than are most computer programs . . . from the core of copyright.”<sup>167</sup>

The Court also indicated strong support for Google’s argument that its use of the Java code lines was transformative, thus tipping the second fair use factor in Google’s favor. In the Court’s view, Google’s use of the code furthered the development of computer systems in the new and important realm of smartphone platforms.<sup>168</sup> The Court found that the third factor—the amount and substantiality of the portion used—also favored Google: the Court found that the copied code was only 0.4 percent of the total set of Java’s code.<sup>169</sup> Finally, the Court found that Google’s use of the code lines posed little threat to Oracle’s market, because Oracle was “poorly positioned to succeed in the mobile market.”<sup>170</sup> In other words, Google was not developing a market substitute for Oracle’s products.<sup>171</sup> The Court also saw Oracle’s attempt to shield this code as a potentially monopolistic move that would thwart innovation.<sup>172</sup> It ruled in favor of Google on the ground of fair use.

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The cases involving RAM copies, cached contents, digital libraries of scanned books, and lines of computer code, illustrate the ways that copyright law has adapted in response to the computer revolution in the last five decades. These precedents show that AI companies, in “feeding” copyrighted works to their systems, were engaging in what copyright law defines as unlawful infringement. Yet that is not the end of the matter. In the era of networked computers,

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<sup>167</sup> *Id.* at 29. The Court also cited with approval an amicus brief by the American Antitrust Institute warning that “Copyright on largely functional elements of software that [have] become an industry standard gives a copyright holder anti-competitive power.” *Id.* at 32 (quoting Brief for Am. Antitrust Inst. as Amicus Curiae at 7).

<sup>168</sup> *Id.* at 31–32. In so holding, the Court relied on two Ninth Circuit cases finding fair use in situations where companies had reverse-engineered or copied code as an intermediate step in developing a new product. *Id.* at 22 (citing with approval *Sony Comput. Ent., Inc. v. Connectix Corp.*, 203 F.3d 596, 603–08 (9th Cir. 2000) and *Sega Enters. Ltd. v. Accolade Inc.*, 977 F.2d 1510, 1521–27 (9th Cir. 1992)). For a thoughtful analysis of *Oracle*, *Connectix* and *Sega*, see Justin Hughes, *The Sub Rosa Rules of Copyright Fair Use*, 64 ARIZ. L. REV. 1, 27–28 (2022).

<sup>169</sup> *Oracle*, 593 U.S. at 28.

<sup>170</sup> *Id.* at 31.

<sup>171</sup> *Id.* at 37.

<sup>172</sup> *Id.* at 39.

courts—squeamish about squelching innovation—appear to have become more open to findings of fair use. Where Big Tech enjoyed fair use protection, no asking for forgiveness was necessary. But the scope of fair use doctrine remains ambiguous, and fair use decisions such as *Field* and *Oracle* apply imperfectly, if at all, to the wholesale copying of thousands of copyrighted works of fiction and non-fiction.

This uncertainty lays the foundation for the current wave of class actions by creators against AI companies. The technology is new, but the questions are familiar: what constitutes infringement? What infringement is protected by fair use? With one notable recent exception, courts in the many pending cases have yet to answer.<sup>173</sup>

### III

#### GENERATIVE AI AND THE FIRST WAVE OF LITIGATION

The unexpected arrival of generative AI in 2022 as the world resumed normalcy after the COVID-19 pandemic sent a shockwave across the globe. Generative AI dominated headlines in late 2022 and early 2023. This new technology was lauded—and also criticized for trampling on copyright and privacy laws. This Section briefly describes the three primary types of cases in the current, first wave of litigation arising from generative AI.<sup>174</sup>

##### A. Copyright Infringement Actions

Generative AI systems rely on data to train models for the creation and generation of new works that mirror the training data. The quality of that data matters.<sup>175</sup> The phrase *garbage in, garbage out*, first uttered by IBM programmer

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<sup>173</sup> Thomson Reuters Enter. Ctr. GmbH v. Ross Intel. Inc., No. 20-CV-00613-SB, 2025 WL 458520, \*7 (D. Del. Feb. 11, 2025) (finding that defendant Ross Intelligence, an AI company, violated Thompson Reuter’s copyright when Ross copied the headnotes from Thompson Reuter’s Westlaw research platform for the purpose of training Ross’s AI-driven legal research platform).

<sup>174</sup> For a helpful visual of American AI copyright cases, see Kate Knibbs, *Every AI Copyright Lawsuit in the U.S., Visualized*, WIRED (Dec. 19, 2024), <https://www.wired.com/story/ai-copyright-case-tracker/> [<https://perma.cc/7EBF-BGYS>].

<sup>175</sup> “In computer science, garbage in, garbage out (GIGO) is the concept that flawed, biased or poor quality (‘garbage’) information or input produces a result or output of similar (‘garbage’) quality.” *Garbage in, garbage out*, WIKIPEDIA, [https://en.wikipedia.org/wiki/Garbage\\_in,\\_garbage\\_out](https://en.wikipedia.org/wiki/Garbage_in,_garbage_out) [<https://perma.cc/J4ZY-N3CF>] (last visited Oct. 14, 2024).

and instructor George Fueschel,<sup>176</sup> applies squarely to generative AI.<sup>177</sup> Indeed, AI developers actively seek to avoid poor data in training their models. This has led AI companies to use copyrighted content to train models, without taking the time to seek permission from, or offer compensation to, copyright holders. This type of infringement falls in the “input” claims category.

In general, copyright refers to a bundle of rights, namely, the right to make copies, the right to prepare derivative works, the right to distribute the works, the right to publicly perform the works, and the right to publicly display the works.<sup>178</sup> Before the arrival of generative AI, most copyright infringement cases centered on unauthorized copying and distribution. In *American Geophysical Union v. Texaco, Inc.*, for example, the defendant’s employees used a photocopy machine to make unauthorized copies of journal articles.<sup>179</sup>

The age of networked computers spurred the creation of new technologies for ease of copying and distribution, as seen in *A&M Records, Inc. v. Napster* where the defendant was accused of providing a central server that facilitated music file uploading and sharing among users without permission from copyright holders.<sup>180</sup> As a result, fewer copyright disputes rested on violation of the right to prepare derivative work, and if they did, the focus was on situations where a subsequent work was allegedly derived from the original.<sup>181</sup> Moreover, the development of well-recognized IP structures, such as the licensing model and movie right options,

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<sup>176</sup> *Id.*; Rahul Awati, *Garbage in, Garbage out (GIGO)*, TECHTARGET, <https://www.techtarget.com/searchsoftwarequality/definition/garbage-in-garbage-out> [<https://perma.cc/G6K2-F83P>] (last visited Oct. 31, 2023).

<sup>177</sup> *E.g.*, Heather Rodriguez, *Garbage In, Garbage Out: The Potential Pitfalls of Artificial Intelligence*, TEX. A&M UNIV. COLL. OF ARTS & SCI. (Jan. 19, 2023), <https://artsci.tamu.edu/news/2023/01/garbage-in-garbage-out-the-potential-pitfalls-of-artificial-intelligence.html> [<https://perma.cc/ZT4K-HJFL>]; Brooks Hanson et al., *Garbage in Garbage Out: Mitigating Risks and Maximizing Benefits of AI in Research*, 623 NATURE 28 (2023), <https://www.nature.com/articles/d41586-023-03316-8> [<https://perma.cc/K5DP-LGG2>].

<sup>178</sup> 17 U.S.C. § 106.

<sup>179</sup> *Am. Geophysical Union v. Texaco, Inc.*, 60 F.3d 913, 914 (2d Cir. 1994) (holding that copying journal articles for private corporate library use is infringement, not fair use).

<sup>180</sup> *A&M Recs., Inc. v. Napster, Inc.*, 239 F.3d 1004, 1011 (9th Cir. 2001).

<sup>181</sup> Brett Snider, *Is It Illegal to Remix Music*, FINDLAW (Aug. 31, 2013), <https://www.findlaw.com/legalblogs/law-and-life/is-it-illegal-to-remix-music/> [<https://perma.cc/3JE8-Y6UC>] (“The main legal issue with remixes is that they are derivative works, meaning that they are derived mostly from other artists’ songs. In theory, this isn’t an issue. But almost all music released for consumers has copyright protection, preventing remixers from making their own version of certain songs without permission.”); Jay T. Westermeier,

helped guard against infringing derivative works. For instance, J.K. Rowling sold both movie and merchandise rights based on her Harry Potter series.<sup>182</sup>

In the AI era, copyright disputes have taken a darker turn. Pending copyright class actions zero in on the violation of both the right to make copies and the right to prepare derivative works. In *Getty Images v. Stability AI*, for example, Getty Images alleges that Stability AI copied more than 12 million photographs without permission for compensation, with the purpose of “build[ing] a competing business.”<sup>183</sup> In the course of so doing, Getty Images alleges, Stability AI also either removed or altered Getty Images’ copyright management information and infringed on its trademarks.<sup>184</sup> Now stuffed to the gills with rich and complex images created by human artists, Stability AI dazzles the public with its generative AI models, with which users can generate stunning AI images in seconds. In sum, unlike the copyright infringement actions of prior decades, AI copyright suits seek to protect creators’ rights to authorial creative integrity against a pending torrent of copycat creativity.

Two unsettled doctrinal questions dominate the pending copyright suits. The first is whether the AI companies’ actions constitute “copying” for purposes of copyright law. We argue above that, in light of a series of cases applying copyright law to emerging technologies, it does.<sup>185</sup>

The second question is whether AI developers’ use of copyrighted works is protected by fair use. Courts, including the Supreme Court, have struggled to apply the traditional four fair use factors in this new context.<sup>186</sup> In *Oracle*, the Supreme

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*Understanding the Importance of Derivative Works*, FINNEGAN (Mar. 2009), <https://www.finnegan.com/en/insights/articles/understanding-the-importance-of-derivative-works.html> [<https://perma.cc/9QBG-PE29>].

<sup>182</sup> Michael Cieply, *Warner and J.K. Rowling Reach Wide-Ranging Deal*, N.Y. TIMES (Sept. 12, 2013), <https://www.nytimes.com/2013/09/13/business/media/warner-jk-rowling-partnership-will-include-new-wizardry-film.html> [<https://perma.cc/5CR4-X7AR>]; Nathan Reiff, *NBCUniversal Buys Harry Potter Rights in Enormous Franchise Deal (NBCU,TWX,DWA)*, INVESTOPEDIA (June 25, 2019), <https://www.investopedia.com/news/nbcuniversal-buys-harry-potter-rights-enormous-franchise-deal-nbcutwxdwa/> [<https://perma.cc/KS7E-5K2T>].

<sup>183</sup> Amended Complaint at 1, *Getty Images (US), Inc. v. Stability AI, Inc.*, No. 23-CV-00135-GBW (D. Del. Mar. 29, 2023), <https://storage.courtlistener.com/recap/gov.uscourts.ded.81407/gov.uscourts.ded.81407.13.0.pdf> [<https://perma.cc/B4YG-6DHD>].

<sup>184</sup> *Id.*

<sup>185</sup> See *supra* Part II.

<sup>186</sup> The fair use factors are:

Court held that fair use protected Google’s use of 11,500 lines of Oracle’s Java code.<sup>187</sup> But neither *Oracle* nor other cases address fair use when creative works are being copied and made available to the public wholesale, nor when the purpose of this copying is to enable the instantaneous creation of limitless derivative works that will directly compete against the works that were copied.

The pending AI copyright suits, which are seeking substantial money damages for past infringement,<sup>188</sup> leverage the utilitarian and incentivization theories underlying copyright infringement claims.<sup>189</sup> These theories, however, understate the core value of copyright to society.<sup>190</sup> The heart of the copyright violations by AI companies is the complete disregard for creators’ originality, manifested as unique voices, styles, signatures, manners, and genres.<sup>191</sup> Rich, diverse works of authorship enhance the progress of humankind. Encouraging

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- (1) the purpose and character of the use, including whether such use is of a commercial nature or is for nonprofit educational purposes;
  - (2) the nature of the copyrighted work;
  - (3) the amount and substantiality of the portion used in relation to the copyrighted work as a whole; and
  - (4) the effect of the use upon the potential market for or value of the copyrighted work.

17 U.S.C. § 107.

<sup>187</sup> *Google LLC v. Oracle Am. Inc.*, 593 U.S. 1 (2021).

<sup>188</sup> See Class Action Complaint at 47, *Authors Guild v. OpenAI, Inc.*, No. 23-CV-08292 (S.D.N.Y. Sept. 19, 2023); Class Action Complaint at 43, *Andersen v. Stability AI Ltd.*, No. 23-CV-00201 (N.D. Cal. Jan. 13, 2023); First Amended Complaint at 64–65, *Doe v. GitHub, Inc.*, No. 22-CV-06823-JST (N.D. Cal. July 21, 2023); Complaint at 35–36, *Getty Images (US), Inc. v. Stability AI, Inc.*, No. 23-CV-00135-UNA (D. Del. Feb. 3, 2023); Complaint at 58, *Concord Music Grp., Inc. v. Anthropic PBC*, No. 23-CV-01092 (M.D. Tenn. Oct. 18, 2023); Complaint at 67, *N.Y. Times Co. v. Microsoft Corp.*, No. 23-CV-11195 (S.D.N.Y. Dec. 27, 2023). These complaints note how lucrative generative AI deals have delivered for the defendants, in particular, for OpenAI.

<sup>189</sup> See, e.g., Mei-lan Stark, *5 Ways Copyright Laws Encourage Personal Expression and Creativity*, U.S. CHAMBER OF COM. (Apr. 25, 2022), <https://www.uschamber.com/intellectual-property/five-ways-copyright-laws-encourage-personal-expression-and-creativity> [<https://perma.cc/XFB7-X8KX>]; Kristelia Garcia, *Monetizing Infringement*, 54 U.C. DAVIS L. REV. 265 (2020); Shyamkrishna Balganesh, *Foreseeability and Copyright Incentives*, 122 HARV. L. REV. 1569 (2009).

<sup>190</sup> U.S. CONST. art. I, § 8, cl. 8 (“[t]o promote the Progress of Science and useful Arts”); see also Deepak Somaya & Lav R. Varshney, *Ownership Dilemmas in an Age of Creative Machines*, 36 ISSUES 79, 79–80 (2020), <https://issues.org/ownership-dilemmas-in-an-age-of-creative-machines/> [<https://perma.cc/4EXQ-MPLV>].

<sup>191</sup> See Judy Estrin, *The Case Against AI Everything, Everywhere, All at Once*, TIME (Aug. 11, 2023), <https://time.com/6302761/ai-risks-autonomy/> [<https://perma.cc/6CX5-3W9P>] (“Artificial Intelligence is not just chat bots, but a broad field of study. One implementation capturing today’s attention, machine learning, has expanded beyond *predicting* our behavior to generating content—called Generative AI. The awe of machines

that progress is an explicit purpose of the Intellectual Property Clause of the Constitution.

*B. Claims Under the Digital Millenium Copyright Act*

Open-source software developers are also in the first wave of generative AI class actions. In *Doe v. GitHub, Inc.*,<sup>192</sup> anonymous members of a proposed class of developers allege that AI companies have taken billions of lines of open-source code, without attribution or permission, to train their generative models, thus violating traditional copyright law as well as the Digital Millenium Copyright Act of 1998 (DMCA).<sup>193</sup> This type of claims is also in the “input” claims category.

Computer software developers spend significant time and creativity drafting software code.<sup>194</sup> Coders have adopted open-source licensing regimes to facilitate collaborative efficiency and creativity within the copyright law framework. For more than three decades, coders worldwide have followed the requirements of open-source license agreements, including GPL, MIT’s Open-Source License.<sup>195</sup>

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wielding the power of language is seductive, but *Performative* AI might be a more appropriate name, as it leans toward production and mimicry—and sometimes fakery—over deep creativity, accuracy, or empathy.”).

<sup>192</sup> First Amended Complaint at 21–23, *Doe v. GitHub, Inc.*, No. 22-CV-06823-JST (N.D. Cal. July 21, 2023).

<sup>193</sup> Digital Millenium Copyright Act, Pub. L. No. 105-304, 112 Stat. 2860 (1998).

<sup>194</sup> Christian Owens, *Move Over Actors and Artists, Software Developers Are True Creative Heroes*, FORBES (Feb. 14, 2019), <https://www.forbes.com/sites/christianowens/2019/02/14/move-over-actors-and-artists-software-developers-are-true-creative-heroes/> [https://perma.cc/DY3X-NRBD]; Ralph D. Clifford et al., *Answering Question One in Google v. Oracle: The Creativity of Computer Programmers*, 70 J. COPYRIGHT SOC’Y 127 (2023), [https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=4267334](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=4267334) [https://perma.cc/4N7R-L447].

<sup>195</sup> For instance, MIT Open Source License Provides:

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In these agreements, the copyright management information (CMI) such as the copyrighted work's title, copyright registration number, the copyright owner's name, the creator's name, and terms and conditions for use of the work, are included as part of the licensed materials.<sup>196</sup> Under these agreements, billions of lines of code have become publicly accessible. Developers post code in so-called Git depositaries—hence the name GitHub. The open-source software movement fueled the rapid development of the World Wide Web, among countless other projects.

Big Tech companies, notably Microsoft, in teaming up with startup OpenAI, are releasing generative AI systems that are trained on billions of lines of code taken from these publicly accessible code depositaries. But coders allege that the companies have exploited this code without complying with the open-source license terms.<sup>197</sup> In fact, according to the class action complaint brought by coders, Big Tech companies removed or altered the copyright management information (CMI) from the licensed codes, cleansing them of copyright identity and protection.<sup>198</sup> The cleansed codes are used as training data for generative AI models. The output of the training data is new codes that are either copies of the original codes or derivatives thereof. Though AI companies have not made their codes public, the output exposes the scope and the damages to coders and authors alike. The output mirroring the training data demonstrates that when it comes to your children, you can immediately identify them because you were the one who gave birth to them. The coders seek to bring their grievances as a class.

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*The MIT License*, OPEN SOURCE INITIATIVE, <https://opensource.org/license/mit/> [<https://perma.cc/2JUV-NACW>] (last visited Oct. 14, 2024).

<sup>196</sup> *Copyright Management Information (CMI)*, COPYRIGHT ALL., <https://copyrightalliance.org/education/copyright-law-explained/the-digital-millennium-copyright-act-dmca/copyright-management-information/> [<https://perma.cc/R5D2-76FK>] (last visited Oct. 14, 2024) (“The DMCA includes provisions that protect the integrity of copyright management information. Copyright management information, or CMI, is information about a copyrighted work, its creator, its owner, or use of the work that is conveyed in connection with a copyrighted work. For example, CMI would include the copyrighted work's title, ISBN number or copyright registration number; the copyright owner's name; the creator's name; and terms and conditions for use of the work.”).

<sup>197</sup> First Amended Complaint at 54–55, *Doe v. GitHub, Inc.*, No. 22-CV-06823-JST (N.D. Cal. July 21, 2023).

<sup>198</sup> *Id.* at 34–35.

### C. Data Privacy Violations

The third type of AI class action challenges the unlawful taking of private information, including personally identifiable information, from hundreds of millions of internet users, including children of different age groups, across platforms and sites, without their informed consent or knowledge. The allegations in *J.L. v. Google LLC* and *A.T. v. OpenAI* exhibit this “move fast and break things” attitude.<sup>199</sup> Indeed, Google, the defendant in one of the two data privacy class actions, has repeatedly engaged in the strategy of “Do First, Ask Forgiveness Later” that entangled the company in legal troubles with both regulators and rights holders.<sup>200</sup> The data privacy claims, however, is not in the copyright’s “input” claims category.

In *J.L.*, eight plaintiffs filed a proposed class action against Google regarding its generative AI system Bard.<sup>201</sup> The plaintiffs alleged that Bard scraped personal data and property for its training data. Google moved to dismiss the complaint based on a wide range of procedural and substantive defects.<sup>202</sup> Google asserted that the use of the data is necessary to train Bard and the lawsuit would “take a sledgehammer not just to Google’s services but to the very idea of generative AI.”<sup>203</sup> Google’s response reflects the current arms race among Big Tech companies in their race to develop and train what will become the dominant generative AI models.

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<sup>199</sup> Dana Kanze, Mark A. Conley & E. Tory Higgins, *Research: Organizations That Move Fast Really Do Break Things*, HARV. BUS. REV. (Feb. 12, 2020), <https://hbr.org/2020/02/research-organizations-that-move-fast-really-do-break-things> [<https://perma.cc/XZ8V-HFS8>] (observing that “Silicon Valley has long been known for its ‘ask forgiveness, not permission’ and ‘move fast and break things’ attitudes, but lately it’s had to reckon with the consequences of that mindset. Examples from Uber to WeWork suggest that this modus operandi exposes fast-growing firms to significant risks.”).

<sup>200</sup> Erik Sherman, *Google Struggles with Its “Do First, Ask Forgiveness Later” Strategy*, CBS NEWS (Mar. 12, 2010), <https://www.cbsnews.com/news/google-struggles-with-its-do-first-ask-forgiveness-later-strategy/> [<https://perma.cc/8SPA-6BFY>] (naming many examples of Google undertaking business initiatives without asking permission involving copyrights and private data throughout its existence that got the company in trouble repeatedly).

<sup>201</sup> Class Action Complaint, *J.L. v. Alphabet Inc.*, No. 23-CV-03440-LB (N.D. Cal. July 11, 2023), <https://www.classaction.org/media/jl-et-al-v-alphabet-inc-et-al.pdf> [<https://perma.cc/CG9J-5UZH>].

<sup>202</sup> Blake Brittain, *Google Says Data-Scraping Lawsuit Would Take ‘Sledgehammer’ to Generative AI*, REUTERS (Oct. 17, 2023), <https://www.reuters.com/legal/litigation/google-says-data-scraping-lawsuit-would-take-sledgehammer-generative-ai-2023-10-17/> [<https://perma.cc/8CCB-26MC>].

<sup>203</sup> *Id.*

In another class action, *A.T. v. OpenAI*, the complaint alleges that OpenAI, together with Microsoft, has continually released new versions of ChatGPT, Dall-E, and Vall-E since the first version was released, jolting and entrancing the public with “human-like” generative AI capability.<sup>204</sup> Subsequently, with ChatGPT 4.0, for instance, OpenAI charges a subscription fee of \$20 per month per user. OpenAI is amassing billions of dollars from both its alliance with Microsoft and charging high user fees. According to the complaint filed in the class action, to develop ChatGPT, Dall-E, and Vall-E or generative AI products, OpenAI turns to the internet to steal private information, including personal data from millions of unsuspecting consumers worldwide. This stolen data, the complaint alleges, includes private information and private conversations, medical data, information about children, and other type of data OpenAI can scrape off the internet to feed its large language models and deep language algorithms.

In addition, the complaint asserts, OpenAI takes private and personal information from its 100 million registered users, without disclosing that to them. This information includes all input details, account information users enter for registration, names, contact details, login credentials, emails, payment information for paid users, transaction records, identifying data harvested from users’ devices and browsers, social media information, chat log data, usage data, analytics, cookies, keystrokes, typed searches, and other online activity data.<sup>205</sup> Most significantly, OpenAI scrapes users’ digital footprints accumulated in real-time and as far back as fifteen years ago.

The allegations paint a stark picture that the massive personal data gives OpenAI sufficient information for its generative AI products to be created and trained to have the ability to “create our digital clones, including the ability to replicate our voice and likeness and predict and manipulate our next move,” “misappropriate our skill sets and encourage our own professional obsolescence.”<sup>206</sup>

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<sup>204</sup> Class Action Complaint at 2–3, *A.T. v. OpenAI LP*, No. 23-CV-04557 (N.D. Cal. Sept. 5, 2023), <https://fingfx.thomsonreuters.com/gfx/legaldocs/xmpjlnldzpr/OPENAI%20PRIVACY%20LAWSUIT%20complaint.pdf> [<https://perma.cc/S8HD-X64F>].

<sup>205</sup> *Id.* at 6.

<sup>206</sup> *Id.* at 7.

AI models pose a threat to privacy and human creativity. In October 2023, President Biden signed an executive order directing agencies to develop “New Standards for AI Safety and Security.”<sup>207</sup> But that directive is unlikely to provide compensation to those creators whose copyrights have already been disrespected, or to those people whose privacy has been violated. Especially given the pace and scale of AI companies’ efforts, litigation is the best option for copyright holders—including everyday people—to shelter their creative works and personal data from this new force. The first wave of AI class actions seeks to do just that.

#### IV

#### CLASS CERTIFICATION IN PRE-AI COPYRIGHT SUITS

Class actions, governed in federal courts by Rule 23, are a well-established (if sometimes controversial) vehicle for groups of individuals alleging similar harm to seek redress for that harm in a single suit led by representative plaintiffs.<sup>208</sup> The quintessential class action is for so-called “negative-value” claims, where—in the absence of a class—individuals would not have the incentive or resources to vindicate their legal rights in court.<sup>209</sup> AI class actions brought by creators whose works have been used to “train” large language models fit this framework perfectly. Yet class actions are high-stakes, uncertain endeavors. The very things that make class actions so valuable—their flexibility, their potentially broad preclusive effect, and their ability to generate productive settlement discussions—also make them risky for everyone involved.

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<sup>207</sup> *Fact Sheet: President Biden Issues Executive Order on Safe, Secure, and Trustworthy Artificial Intelligence*, WHITE HOUSE (Oct. 30, 2023), <https://www.whitehouse.gov/briefing-room/statements-releases/2023/10/30/fact-sheet-president-biden-issues-executive-order-on-safe-secure-and-trustworthy-artificial-intelligence/> [https://perma.cc/X28T-Q78K].

<sup>208</sup> See 7A CHARLES ALAN WRIGHT & ARTHUR R. MILLER, *FEDERAL PRACTICE AND PROCEDURE* § 1751 (4th ed. 2024) (“The obvious advantage of the representative suit was that it was far cheaper and more convenient to maintain a single proceeding in equity than to adjudicate the controversy in piecemeal fashion by multiple actions at law.”).

<sup>209</sup> See, e.g., Linda Sandstrom Simard, *A View from Within the Fortune 500: An Empirical Study of Negative Value Class Actions*, 47 IND. L. REV. 739, 740 (2023) (“By aggregating groups of small value claims together, the cost of litigation is shared . . . , thus making litigation more feasible for claims that would otherwise never see the light of a courtroom.”).

Although group litigation has ancient roots, the modern class action dates to 1966, when rulemakers promulgated what is now Rule 23.<sup>210</sup> From the outset, many proponents of Rule 23 conceived of it as a quasi-regulatory device, resolving concrete disputes in a way that could provide closure to large numbers of people, many of whom would lack the resources to seek individual vindication of their rights.<sup>211</sup> Today, civil rights, consumer, and tort litigants argue that class actions are “an important substitute for, or addition to, public administration.”<sup>212</sup> In contrast to this quasi-regulatory conception, the defense bar has sought to depict Rule 23 as a mere joinder device, albeit one that, in their view, is being exploited by rapacious plaintiffs’ lawyers. David Marcus refers to this formalist conception as an “adjectival” view of Rule 23—one in which the procedure is subordinate to, and should not distort, the substantive law.<sup>213</sup>

Inevitably, these theoretical tensions have played out in copyright class actions.<sup>214</sup> Even prior to the Roberts Court’s procedural revival<sup>215</sup>—which has created heightened barriers to class certification—courts evinced skepticism toward copyright class actions. One court described a proposed copyright class unflatteringly as a “Frankenstein monster.”<sup>216</sup> Perhaps as a result, until recently, there were relatively few such suits, with the *Google Book Project* and *Spotify* cases likely the only ones to receive mainstream media coverage.<sup>217</sup>

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<sup>210</sup> David Marcus, *The History of the Modern Class Action, Part I: Sturm und Drang, 1953–1980*, 90 WASH. U. L. REV. 587, 588 (2013).

<sup>211</sup> See, e.g., *id.* at 590.

<sup>212</sup> *Id.*; see also Robert L. Carter, *The Federal Rules of Civil Procedure as a Vindicator of Civil Rights*, 137 U. PENN. L. REV. 2179, 2185 (1989) (class actions are “closely associated with the figure of the private attorney general”).

<sup>213</sup> *Id.*

<sup>214</sup> See, e.g., Samuelson, *The Google Book Settlement*, *supra* note 12 (arguing, based on the *Google Book Project* case, that “courts should engage in heightened scrutiny of the certifiability of a settlement class when the settlement would, in effect, achieve legislative outcomes”); C. Scott Hemphill, *Collusive and Exclusive Settlements of Intellectual Property Litigation*, 2010 COLUM. BUS. L. REV. 685, 690–91 (2010) (arguing that the *Google Book Project* settlement “made brilliant use of the class action mechanism”).

<sup>215</sup> See Howard M. Wasserman, *The Roberts Court and the Civil Procedure Revival*, 31 REV. LITIG. 311, 312–13 (2012).

<sup>216</sup> *Football Ass’n Premier League, Ltd. v. YouTube, Inc.*, 297 F.R.D. 64, 64 (S.D.N.Y. 2013) (quoting *Eisen v. Carlisle & Jacquelin*, 391 F.2d 555, 572 (2d Cir. 1968)).

<sup>217</sup> See Tang, *The Class Action*, *supra* note 5, at 1645 (noting that “few copyright class actions were filed between 1938, when Rule 23 was promulgated, and 1990”). The earliest known copyright class was certified in 1938. See *Buck v. Russo*, 25 F. Supp. 317 (D. Mass. 1938) (suit brought by President of the American Society of Composers, Authors & Publishers alleging infringement of copyrighted musical compositions).

Yet over time many groups of creators did seek to bring class actions to vindicate their copyright claims. As described below, plaintiffs in earlier suits invoked different categories of Rule 23, sought different forms of relief, and met with varying degrees of success. Among those that failed, some founded on substantive grounds (such as a fair use defense) unrelated to class certification, while others were deemed not to have met the requirements of Rule 23. Many of these decisions were unpublished, which limited their precedential value.<sup>218</sup>

Nevertheless, these pre-AI copyright class actions provide insight into the applicability of Rule 23 in today's AI suits. In general, when courts concluded that the heart of a claim was a defendant's allegedly infringing conduct, they tended to find Rule 23 satisfied. Conversely, courts focusing on the individualized nature of copyrights, or on individualized defenses such as notice or fair use, tended to find class resolution inappropriate.<sup>219</sup> Predictably, then, plaintiffs' theory of liability was rooted in the defendants' conduct: the class argued that the defendant acted according to a uniform policy or practice, often with a dollop (or more) of bad faith. Conversely, copyright class defendants emphasized the scattered nature of the plaintiff copyright holders; they told a story of uniqueness, messy layers of contracts, and the need for individualized determinations of copyright ownership and fair use.<sup>220</sup> Details of Rule 23 aside, certification appears to depend on which of these conflicting narratives—and class action theories—prevails.

This Section describes how courts have applied the certification requirements of Rule 23(a) and (b) in pre-AI copyright class actions. It also explains the specific way that courts have applied Rule 23(e)—which governs approval of class action settlements—in the context of copyright. To approve a class action settlement, a court must find that the proposed class satisfies all of these provisions.

#### A. *Copyright and Class Action Rule 23(a)*

To obtain class certification—in order to litigate, or to obtain judicial approval of a settlement—a party bears the burden to satisfy the Rule 23 criteria. First,

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<sup>218</sup> See *infra* Part IV.

<sup>219</sup> See, e.g., *Ryan v. CARL Corp.*, No. C97-3873, 1999 WL 16320, at \*6 (N.D. Cal. Jan. 13, 1999) (“[T]he trend appears to be to deny certification if the plaintiffs are suing a ‘habitual infringer’ but have little else in common.”).

<sup>220</sup> See, e.g., *Football Ass’n Premier League, Ltd. v. YouTube, Inc.*, 297 F.R.D. 64, 65 (S.D.N.Y. 2013) (“Generally speaking, copyright claims are poor candidates for class-action treatment.”).

the proposed class representative must demonstrate that the claims meet the four requirements of Rule 23(a), which are referred to in shorthand as numerosity, commonality, typicality, and adequacy of representation.<sup>221</sup> Taken collectively, these four factors are intended to ensure that a proposed class is sufficiently large and yet sufficiently cohesive to litigate as a collective, through the proxies of class representatives.

Prior to the Roberts Court's heightened scrutiny of class actions, 23(a) was not considered particularly onerous. This shoot-from-the-hip view of Rule 23(a) applied in early copyright class actions as it did more generally. For example, in *Bernstein v. Universal Pictures, Inc.*, the district court provisionally certified a class of lyricists and composers in a suit alleging that movie and television producers used adhesive contracts to constrain plaintiffs from entering the industry.<sup>222</sup> The Second Circuit ultimately rejected the suit on its merits, but the class certification appears to have been decided in a cursory preliminary order. Another court certified a class of composers alleging infringement by cable company Showtime/The Movie Channel in five breezy paragraphs (at least, breezy by civil procedure standards).<sup>223</sup>

Later decisions, however, gave more attention to 23(a) factors:

**23(a)(1):** To meet the numerosity requirement, a party seeking class certification must show that the class “is so numerous that joinder of all members is impracticable.”<sup>224</sup> There is no numerical cutoff for a class; this finding is within the discretion of the court. Class sizes smaller than 50 people are unusual, but not unheard of.<sup>225</sup> Copyright class actions have not typically struggled to meet the numerosity threshold, although in one early case, a court denied certification in a one-page order because the plaintiffs had failed to demonstrate the existence of a

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<sup>221</sup> See FED. R. CIV. P. 23(a); see, e.g., *Wal-Mart Stores, Inc. v. Dukes*, 564 U.S. 338, 345 (2011) (listing Rule 23(a) factors).

<sup>222</sup> *Bernstein v. Universal Pictures, Inc.*, 379 F. Supp. 933, 934 (S.D.N.Y. 1974), *rev'd*, 517 F.2d 976 (2d Cir. 1975).

<sup>223</sup> *David v. Showtime/The Movie Channel, Inc.*, 697 F. Supp. 752, 756–57 (S.D.N.Y. 1988).

<sup>224</sup> FED. R. CIV. P. 23(a)(1).

<sup>225</sup> See *WRIGHT & MILLER*, *supra* note 208, § 1762; see also 28 U.S.C. § 1332(d)(5)(B) (granting diversity jurisdiction over certain class actions with a class size of at least 100).

sufficient number of freelance photographers affected by the defendant's alleged infringement.<sup>226</sup>

**23(a)(2):** This factor, which requires a showing of “questions of law or fact common to the class,”<sup>227</sup> was long considered a minimal burden—a view that is reflected in early copyright class actions.<sup>228</sup> In *Ryan v. CARL Corporation*, for example, the plaintiff class argued that the defendant's document retrieval service, which functioned “like a private interlibrary loan service,” had provided over 700,000 copies of plaintiffs' copyrighted publications to users of its service, making payments for only 461 of them.<sup>229</sup> In affirming commonality, the court noted that “plaintiffs are essentially challenging a standard business procedure” with a “common core of salient facts.”<sup>230</sup> The same logic applied in *American Geophysical Union v. Texaco, Inc.*, although that case settled without a judicial analysis of Rule 23, after courts in the Second Circuit ruled against Texaco's fair use defense,<sup>231</sup> Texaco's activity of making copies of academic articles for its employees was uniform in its purpose and effect.

Since 2011, however, commonality has been a higher hurdle. That year, the Supreme Court decided *Wal-Mart v. Dukes*, a Title VII class action in which over a million employees claimed gender discrimination, the Court emphasized that not any common questions would do; claims must depend on a “common contention . . . that is capable of classwide resolution—which means that

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<sup>226</sup> See *Resnick v. Copyright Clearance Ctr., Inc.*, No. CIV.A.01-11520-RWZ, 2003 WL 22176619, at \*1 (D. Mass. Sept. 22, 2003).

<sup>227</sup> FED. R. CIV. P. 23(a)(2).

<sup>228</sup> See, e.g., *Utopia Ent., Inc. v. Claiborne Par.*, No. CIV.A.03-1355, 2006 WL 8435006, at \*4 (W.D. La. Jan. 10, 2006) (noting that defendants conceded commonality), *R. & R. adopted*, 2006 WL 548476 (W.D. La. Mar. 6, 2006); *Showtime*, 697 F. Supp. at 757 (finding that “[i]ncidental differences do not defeat commonality”).

<sup>229</sup> *Ryan v. CARL Corp.*, No. C97-3873, 1999 WL 16320, at \*1 (N.D. Cal. Jan. 13, 1999).

<sup>230</sup> *Id.* at \*6–7.

<sup>231</sup> *Am. Geophysical Union v. Texaco, Inc.* 802 F. Supp. 1, 4 (S.D.N.Y. 1992) (describing “[t]his class action”), *aff'd*, 60 F.3d 916 (2d Cir. 1994), *cert. dismissed*, 516 U.S. 1005 (1995). Although there is no Rule 23 certification analysis in the published opinions, the settlement agreement reached required approval by the court, a requirement for all class actions, suggesting that the case was treated as a certified class. See *Texaco, Publishers Agree to Settle Copyright Case (ARL 180)*, STANFORD LIBRS., <https://fairuse.stanford.edu/texaco/settlement-arl-180/> [<https://perma.cc/9SXF-5F6Q>] (last visited Mar. 30, 2025) (noting that “the settlement is subject to the approval of the entire group of publishers and the court”).

determination of its truth or falsity will resolve an issue that is central to the validity of each one of the claims in one stroke.”<sup>232</sup>

Unsurprisingly, *Wal-Mart*’s more stringent approach affected proposed copyright classes. For example, in *Wu v. Pearson Education, Inc.*, the district court initially certified a class of copyright owners who alleged that Pearson had printed educational materials containing the owners’ work product in numbers in excess of the amount for which Pearson had paid.<sup>233</sup> Subsequently the case was transferred to a different district court judge, who decertified the class, in part based on a finding that “layers of individually negotiated contractual arrangements” defeated commonality.<sup>234</sup> Similarly, the district court in *Football Association Premier League, Ltd. v. YouTube* found no commonality in a suit by a “worldwide class” of copyright owners against YouTube, given the need for individual determinations of the validity of a copyright, notice to YouTube of infringement, fair use, damages, and other specific defenses.<sup>235</sup> Commonality continues to pose a significant challenge to class plaintiffs, including those in pending copyright class actions.

**23(a)(3):** This provision asks whether “the claims or defenses of the representative parties are typical of the claims or defenses of the class.”<sup>236</sup> Although there is some overlap between this provision and both (a)(2) and (a)(4),<sup>237</sup> the focus of the typicality factor is on the congruency between the claim of the named plaintiff(s) and those absent class members: it requires that the claims of the class representatives are fundamentally aligned with those of the absentees.<sup>238</sup>

Analysis of typicality in copyright class actions has often been cursory. In one early suit by a proposed *plaintiff* class of music publishers against a proposed *defendant* class of producers and distributors, the court held that the single named plaintiff lacked Article III standing to make claims against defendants other than

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<sup>232</sup> *Wal-Mart Stores, Inc. v. Dukes*, 564 U.S. 338, 350 (2011).

<sup>233</sup> *Wu v. Pearson Educ., Inc.*, No. 09 CIV. 6557, 2012 WL 6681701, at \*1 (S.D.N.Y. Dec. 21, 2012).

<sup>234</sup> *Id.* at \*7.

<sup>235</sup> *Football Ass’n Premier League, Ltd. v. YouTube, Inc.*, 297 F.R.D. 64, 66 (S.D.N.Y. 2013).

<sup>236</sup> FED. R. CIV. P. 23(a)(3).

<sup>237</sup> *See, e.g., Brown v. Kelly*, 609 F.3d 467, 475 (2d Cir. 2010) (noting that “the commonality and typicality requirements often tend to merge into one another”).

<sup>238</sup> *See WRIGHT & MILLER, supra* note 208, § 1764.

the one that had allegedly reproduced his copyrighted music.<sup>239</sup> For that reason, the court held that the plaintiff also failed to show typicality.<sup>240</sup>

But typicality may also be a sticking point in plaintiff-side class actions. For example, the court in *Football Association* minced no words in rejecting certification based on typicality as well as commonality.<sup>241</sup> The class claims in that case were dauntingly broad. The proposed class included copyright holders worldwide who fell into either of two categories: (1) YouTube had previously blocked infringement of their copyrights on its site, but there were subsequent infringing uploads; and/or (2) YouTube had allowed copyrighted musical compositions to be used without authorization.<sup>242</sup> The court noted that, to establish liability, each class member of this proposed worldwide class would be required to show that YouTube had legal knowledge of the unlawful conduct.<sup>243</sup> As to each allegedly unlawful download, moreover, YouTube would have a potential fair use defense.<sup>244</sup> “The unique nature of each work and of its infringement,” the court stated, “cannot be obliterated by its inclusion in a sea of other claims.”<sup>245</sup> Other courts have also evinced skepticism of typicality in broadly framed class claims.<sup>246</sup>

**23(a)(4):** The final, and most important, element of 23(a) is adequacy of representation. This provision encapsulates the need to ensure due process before allowing representative parties to litigate the rights of those who are absent.<sup>247</sup>

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<sup>239</sup> *Angel Music, Inc. v. ABC Sports, Inc.*, 112 F.R.D. 70, 73 (S.D.N.Y. 1986).

<sup>240</sup> *Id.*; see also *Estate of Berlin v. Stash Recs., Inc.*, No. 95 Civ. 6575, 1996 WL 374176, at \*2 (S.D.N.Y. July 2, 1996) (finding that “other class members have not been injured by the same course of conduct”).

<sup>241</sup> *Football Ass’n Premier League, Ltd. v. YouTube, Inc.*, 297 F.R.D. 64, 64 (S.D.N.Y. 2013) (calling the case “a Frankenstein monster posing as a class action”).

<sup>242</sup> *Id.* at 65.

<sup>243</sup> *Id.*

<sup>244</sup> *Id.*

<sup>245</sup> *Id.*

<sup>246</sup> See, e.g., *Schneider v. YouTube, Inc.*, 674 F. Supp. 3d 704, 727 (N.D. Cal. 2023) (describing typicality as “questionable” where “[e]ach work-in-suit will be the subject of individualized proof of ownership and infringement”); see also *Blackman v. Teespring, Inc.*, No. 19-CV-01494-RS, 2019 WL 7832600, at \*2 (N.D. Cal. Jul. 12, 2019) (granting motion to sever joined copyright claims under Rule 21 because claims would need to be resolved upon individualized facts).

<sup>247</sup> WRIGHT & MILLER, *supra* note 208, § 1765 (noting that adequacy of representation is mandatory because “[t]he binding effect of all class-action decrees raises substantial due-process questions”).

Adequacy contemplates two separate inquiries. The first—and the one most pressing in copyright class actions—is whether the named class representatives will fairly and adequately represent the class. To protect this fundamental requirement, courts must ensure there are no significant conflicts of interest between the named representatives and absent class members. In *Amchem Products, Inc. v. Windsor*, the Supreme Court rejected a massive asbestos-related class settlement on the ground that the class representatives, who had current asbestos-related injuries, were structurally inadequate to represent class members whose injuries might manifest in a more-distant future.<sup>248</sup> Although the Court pointed to specific examples that gave rise to its concerns—such as the settlement’s failure to adjust for future inflation—its holding was premised not only on the terms of the settlement, but the structural conflict of interests between representatives and absent class members.

Courts have found adequacy to be an important consideration in copyright class settlements involving future licensing agreements. For example, the district court rejected a proposed 2011 settlement in *Authors Guild v. Google (Google Book Project)* in part because the “interest and values” of certain absent class members differed from those of the class representatives.<sup>249</sup> Under such circumstances, the court found it unacceptable that absent class members might be “deemed—by their silence—to have granted to Google a license to future use of the copyrighted works.”<sup>250</sup> Similarly, the Second Circuit reversed approval of a proposed settlement in *In re Literary Works in Electronic Database Copyright Litigation* because the Court agreed with objectors that the named plaintiffs had a structural incentive to favor class members with registered copyrights over class members without any registered copyrights—a bias that was reflected in the structure of the proposed settlement.<sup>251</sup>

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<sup>248</sup> See *Amchem Prods., Inc. v. Windsor*, 521 U.S. 591, 625 (1997) (Rule 23(a)(4) “serves to uncover conflicts of interest between named parties and the class they seek to represent.”).

<sup>249</sup> *Google Book Project*, 770 F. Supp. 2d 666, 679 (S.D.N.Y. 2011).

<sup>250</sup> *Id.* at 680.

<sup>251</sup> *In re Literary Works in Elec. Database Copyright Litig.*, 654 F.3d 242, 254 (2d Cir. 2011); see also *Utopia Ent., Inc. v. Claiborne Par.*, No. CIV.A.03-1355, 2006 WL 8435006, at \*1 (W.D. La. Jan. 10, 2006) (no adequacy of representation when one of the named representatives might be viewed as having condoned the infringement, thus undermining the class claims).

In both *Google Book Project* and *In re Literary Works*, the plaintiffs were subsequently able to satisfy the adequacy requirement, at least at the district court level. In *Google Book Project*, Judge Chin in 2012 approved Authors Guild's motion for class certification notwithstanding Google's claim that the class representatives were inadequate because a large percentage of absent class members in fact supported Google's book project and/or believed they benefited from it.<sup>252</sup> In dicta, the Second Circuit noted its view that Google's adequacy argument "may carry some force," but it vacated certification without analysis to prioritize resolution of the fair use question.<sup>253</sup>

The class in *In re Literary Works* also ultimately satisfied the adequacy requirement. The Second Circuit mandated the creation of sub-classes to ensure adequate representation of authors with only non-registered copyrights.<sup>254</sup> Subsequently the district court approved a revised settlement agreement that included such a sub-class.<sup>255</sup>

The second facet of adequacy addresses whether class counsel has the requisite experience and resources to prosecute a complex action on behalf of a class. As of 2003, Rule 23 mandates that courts adjudicating class actions appoint class counsel.<sup>256</sup> Since that time, it is unusual for a court to deny class certification on the ground that counsel is inadequate. But in one case—coincidentally decided in 2003—the court did deny certification in a copyright case based in part on poor representation.<sup>257</sup>

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<sup>252</sup> *Google Book Project*, 282 F.R.D. 384, 394 (S.D.N.Y. 2012), *vacated on other grounds*, 721 F.3d 132 (2d Cir. 2013).

<sup>253</sup> *Google Book Project*, 721 F.3d 132, 134 (2d Cir. 2013).

<sup>254</sup> See FED. R. CIV. P. 23(c)(5) ("When appropriate, a class may be divided into subclasses that are each treated as a class under this rule.").

<sup>255</sup> Order Granting Final Approval of Revised Proposed Settlement and Final Judgment, *In re Literary Works in Elec. Databases Copyright Litig.*, No. 00-MD-01379-GBD (S.D.N.Y. June 10, 2014), <https://storage.courtlistener.com/recap/gov.uscourts.nysd.410272.51.0.pdf> [<https://perma.cc/URJ4-XSET>].

<sup>256</sup> FED. R. CIV. P. 23(g)(1).

<sup>257</sup> *Auscape Int'l v. Nat'l Geographic Soc'y*, No. 02 Civ. 6441, 2003 WL 23531750, at \*4–8 (S.D.N.Y. July 25, 2003). The plaintiff represented a proposed class arguing that National Geographic had violated their copyrights by reproducing their articles (which had previously appeared in the print version in the magazine) on microfiche and CD Rom. The district court found class counsel inadequate in a 6-page description of ineffectiveness, sanctions, and prior misconduct. The court also found that the class failed to satisfy Rule 23(b)(3). *Id.* at \*17.

*B. Copyright and Class Action Rule 23(b)*

In addition to Rule 23(a), a proposed class must also comport with one provision of Rule 23(b), which delineates three major forms of the class action. Given the small number of proposed copyright classes that survived Rule 23(a), there is minimal caselaw analyzing Rule 23(b) in the context of copyright claims. That said, copyright plaintiffs have sought certification under all three Rule 23(b) class subtypes—a pattern that is replicated in pending AI class actions. As described below, the various Rule 23(b) categories differ in ways that are significant for copyright cases. For example, some Rule 23(b) categories prohibit class members from opting out; one category mandates such an opt-out right. Some categories allow money damages; others bar them. As described below, the AI copyright plaintiffs have pleaded certification under all these potential categories, leaving their options open.

**Rule 23(b)(1):** Although it comes first chronologically, Rule 23(b)(1) is a lesser known, somewhat obscure provision of the class action rule. It contains two subparts.<sup>258</sup> Referred to colloquially as the “prejudice class” provision, (b)(1) authorizes class resolution in situations where individual suits reaching inconsistent results might prejudice either the party opposing the class (typically the defendant), or members of the class (typically the plaintiffs). Rule 23(b)(1) does not permit putative class members to opt out of a certified class; this means that a class certified under (b)(1) will bind—for good or for ill—all who are encompassed within the class definition. In addition, there is no requirement that class members receive individualized notice in (b)(1) classes, although Rule 23 does provide that a court “may direct appropriate notice to the class.”<sup>259</sup>

**(b)(1)(A):** This sub-provision of (b)(1) allows certification where individual suits might “establish incompatible standards of conduct.”<sup>260</sup> On its face, this language seems to contemplate class certification under a very broad set of

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<sup>258</sup> FED. R. CIV. P. 23(b)(1).

<sup>259</sup> FED. R. CIV. P. 23(c)(2)(A).

<sup>260</sup> FED. R. CIV. P. 23(b)(1)(A) (“A class action may be maintained if Rule 23(a) is satisfied and if:

(1) prosecuting separate actions by or against individual class members would create a risk of:  
(A) inconsistent or varying adjudications with respect to individual class members that would establish incompatible standards of conduct for the party opposing the class”).

circumstances. That is not true in practice. Most importantly, this provision does not make certification appropriate simply due to the risk of inconsistent jury verdicts. Construed that way, (b)(1)(A) would make most cases certifiable.<sup>261</sup> In practice, this Rule 23(b) category typically applies in contexts where a ruling against the defendant as to one party would force the court to take identical steps with respect to others similarly situated, such as in a case brought by one of multiple riparian landowners.<sup>262</sup> In modern day, this subtype is most commonly used in ERISA cases, where a plaintiff's action is brought on behalf of a retirement plan.<sup>263</sup>

The court in *Showtime/The Movie Channel* granted certification in a copyright suit under (b)(1)(A), based on its finding that individual suits by copyright owners against the defendant cable company might create contrary, seemingly arbitrary, results.<sup>264</sup> Reflecting an earlier, more naïve approach to class action analysis, however, the court's analysis was barely a paragraph long.<sup>265</sup>

**(b)(1)(B):** This sub-provision allows certification where individual judgments “as a practical matter, would be dispositive of the interests” of those not before the court.<sup>266</sup> Just as with (b)(1)(A), *stare decisis*—or the possibility that different courts might reach different results—is not enough to justify certification under this sub-provision. As with Rule 23(b)(1)(A), absent class members do not have a right to opt out of a (b)(1)(B) class.

This is not a strong basis for class certification in the AI context. The paradigmatic use of (b)(1)(B) is—or was—where a defendant's resources are inadequate to meet the substantial legal claims against it; in the absence of a class action, the first plaintiffs to reach judgment will deplete the available funds at the expense of those later in line. But forcing all affected parties to sue as part of a class raises due process concerns, especially given the lack of an opt-out right. In

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<sup>261</sup> 2 WILLIAM RUBENSTEIN, ALBA CONTE & HERBERT B. NEWBERG, NEWBERG AND RUBENSTEIN ON CLASS ACTIONS § 4:7 (6th ed. 2024) (“This would cast too broad a net.”).

<sup>262</sup> FED. R. CIV. P. 23(b)(1)(A) advisory committee's note to 1966 amendment.

<sup>263</sup> RUBENSTEIN ET AL., *supra* note 261, § 4:12 (noting that courts “regularly certify ERISA cases under Rule 23(b)(1)(A)”).

<sup>264</sup> *David v. Showtime/The Movie Channel, Inc.*, 697 F. Supp. 752, 757 (S.D.N.Y. 1988).

<sup>265</sup> *Id.*

<sup>266</sup> FED. R. CIV. P. 23(b)(1)(B) (allowing a class action where adjudications with respect to individual class members that, as a practical matter, would be dispositive of the interests of the other members not parties to the individual adjudications or would substantially impair or impede their ability to protect their interests).

*Ortiz v. Fibreboard*, the Supreme Court cast a shadow on this type of class action. It rejected a settlement of an asbestos class action that would have been confined to the available insurance proceeds of the defendant (and not every available dollar); and it warned against “adventurous application” of Rule 23(b)(1)(B).<sup>267</sup> As a result, courts rarely certify limited fund classes; like its counterpart (b)(1)(A), this subtype is predominantly used in ERISA suits.<sup>268</sup>

Courts have not certified copyright class actions under Rule 23(b)(1). In *WB Music Corp. v. Rykodisk, Inc.*, the court refused such certification, noting that because each class member’s infringement claim was particular to them, resolution of one would not impair the rights of others.<sup>269</sup> Similarly, the First Circuit rejected an attempt by a graphic artist to sue a defendant class made up of wholesalers and retailers who infringed the copyright to her wallpaper design.<sup>270</sup> In essence, the court found, the plaintiff was arguing, incorrectly, that *stare decisis* was sufficient to qualify as a prejudice requiring class resolution; the court was unpersuaded.<sup>271</sup>

**23(b)(2):** This class action category, referred to as the “civil rights” provision, applies where “the party opposing the class has acted or refused to act on grounds that apply generally to the class, so that final injunctive relief or corresponding declaratory relief is appropriate respecting the class as a whole.”<sup>272</sup> This provision is a vehicle for obtaining declaratory and injunctive relief, rather than money damages.<sup>273</sup> As with 23(a), there is no right to opt out of a certified (b)(2) class: a decision is binding on all those who fall within the class.

Rule 23(b)(2) may provide relief to groups of copyright owners in two ways. First, (b)(2) certification can provide the basis for class-wide injunctive relief—that is, it may be invoked to prevent future infringement. Second, parties and courts may

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<sup>267</sup> *Ortiz v. Fibreboard Corp.*, 527 U.S. 815, 845 (1999).

<sup>268</sup> See 1 JOSEPH M. McLAUGHLIN, *McLAUGHLIN ON CLASS ACTIONS* § 5:14 (21st ed. 2024) (noting that “classes seeking to remedy alleged breaches of fiduciary duties under ERISA are generally certified under Rule 23(b)(1)(B) or, alternatively, under Rule 23(b)(1)(A) or (b)(2)”).

<sup>269</sup> *WB Music Corp. v. Rykodisk, Inc.*, No. CIV.A.94-2902, 1995 WL 631690, at \*4 (E.D. Pa. Oct. 26, 1995).

<sup>270</sup> *Tilley v. TJX Co.*, 345 F.3d 34, 40–43 (1st Cir. 2003).

<sup>271</sup> *Id.* at 41.

<sup>272</sup> FED. R. CIV. P. 23(b)(2).

<sup>273</sup> FED. R. CIV. P. 23(b)(2) advisory committee’s note to 1966 amendment (Rule 23(b)(2) does not apply where “final relief relates exclusively or predominantly to money damages”); Suzette Malveaux, *Class Actions at the Crossroads: An Answer to Wal-Mart v. Dukes*, 5 HARV. L. & POL’Y REV. 375, 391–96 (2011).

invoke (b)(2) in so-called bifurcated proceedings. Under Rule 23(c)(4), a court may certify a class only for certain issues. Using this issue-class provision, a court could certify a class under (b)(2) for purposes of determining liability, while leaving damages or other downstream claims to be resolved through a different, perhaps individual, mechanism.<sup>274</sup>

Two early copyright class actions illustrate this. In one of the cases (b)(2) certification was not appropriate given the plaintiffs' request for substantial damages awards.<sup>275</sup> But the plaintiffs in *Ryan v. CARL Corp.* were successful in obtaining certification under (b)(2), despite potential for money damages. The *Ryan* class requested that the court bifurcated issues into liability—for which (b)(2) was appropriate—and damages, which could be adjudicated later, if necessary, either in the form of a (b)(3) class or in individual proceedings.<sup>276</sup> The court in *Ryan* agreed: it approved (b)(2) certification given the “uniformity” of the defendant’s allegedly infringing practice and stayed consideration of a damages class for another day.<sup>277</sup>

Yet courts have been skeptical of (b)(2) copyright claims where plaintiffs cannot show a high degree of uniformity in the defendant’s relationship with class members. In *Kihn v. Bill Graham Archives LLC*, the Ninth Circuit reversed a district court decision certifying a class of musicians alleging copyright violations by a company that allows users access to recordings of live concerts from the 1950s to 1990s.<sup>278</sup> The district court had certified the class under both (b)(2) and (b)(3); the appellate court rejected both.<sup>279</sup> As to (b)(2), the Court of Appeals found that the result of certification—an injunction requiring the defendant to remove a whole category of recordings from its website—failed to recognize significant distinctions among class members.<sup>280</sup> For example, some of the musicians involved might have reached agreements with the defendant, and others may wish to do so in the

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<sup>274</sup> WRIGHT & MILLER, *supra* note 208, § 1790; *see also, e.g.*, *McReynolds v. Merrill Lynch, Pierce, Fenner & Smith, Inc.*, 672 F.3d 482, 491–92 (7th Cir. 2012) (invoking Rule 23(c)(4) and allowing certification of Rule 23(b)(2) class for purposes of determining liability in Title VII case).

<sup>275</sup> *WB Music Corp. v. Rykodisk, Inc.*, No. CIV.A.94-2902, 1995 WL 631690, at \*4 (E.D. Pa. Oct. 26, 1995).

<sup>276</sup> Rule 23’s flexible judicial management provisions allow such bifurcation. FED. R. CIV. P. 23(c)(4)(A).

<sup>277</sup> *Ryan v. CARL Corp.*, No. C97-3873, 1999 WL 16320, at \*11 (N.D. Cal. Jan. 13, 1999).

<sup>278</sup> *Kihn v. Bill Graham Archives LLC*, No. 20-17397, 2022 WL 18935, at \*1 (9th Cir. Jan. 3, 2022).

<sup>279</sup> *Id.*

<sup>280</sup> *Id.* at \*3.

future.<sup>281</sup> Under (b)(2), those musicians would have no opportunity to opt out of the class.<sup>282</sup>

**23(b)(3):** This final class action category, added in 1966, allows certification of a class for purposes of seeking money damages for individual class members.<sup>283</sup> The pending AI copyright class actions all seek some form of money damages, which means that they will very likely need to contend with the thorny requirements of (b)(3). The Supreme Court has labeled (b)(3) “the most adventuresome innovation” of the modern Rule 23.<sup>284</sup> As one scholar stated two decades ago, the (b)(3) standard is fuzzy at best; the rules for interpreting it “have received virtually no clarification from the Supreme Court, have bewildered lower courts, and have not attracted substantial scholarly scrutiny.”<sup>285</sup> Notwithstanding the Roberts Court’s strong procedural bent, that remains largely true.

Because of inherent tensions between individuals’ right to their own day in court and the monolithic nature of a class determination, plaintiffs seeking (b)(3) certification must make additional showings to demonstrate that a representative action—rather than individual suits—is appropriate. Specifically, parties seeking (b)(3) certification must prove that common issues in the case predominate over individual issues, and also that a class action is superior to individual suits or other

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<sup>281</sup> *Id.*

<sup>282</sup> *Id.*

<sup>283</sup> Rule 23(b)(3) provides:

(3) the court finds that the questions of law or fact common to class members predominate over any questions affecting only individual members, and that a class action is superior to other available methods for fairly and efficiently adjudicating the controversy. The matters pertinent to these findings include:

- (A) the class members’ interests in individually controlling the prosecution or defense of separate actions;
- (B) the extent and nature of any litigation concerning the controversy already begun by or against class members;
- (C) the desirability or undesirability of concentrating the litigation of the claims in the particular forum; and
- (D) the likely difficulties in managing a class action.

FED. R. CIV. P. 23(b)(3).

<sup>284</sup> *Amchem Prods., Inc. v. Windsor*, 521 U.S. 591, 592 (1997).

<sup>285</sup> Allan Erbsen, *From Predominance to “Resolvability”: A New Approach for Regulating Class Actions*, 58 VAN. L. REV. 995, 1001 (2005).

dispute resolution formats.<sup>286</sup> Finally, a court certifying a class under Rule (b)(3) must also find that administering the class is feasible,<sup>287</sup> although the Supreme Court has clarified that a court need not address trial manageability if it is certifying a class for purposes of settlement.<sup>288</sup> Unlike in the other 23(b) categories, members of (b)(3) classes have the right to opt out of membership in the class.<sup>289</sup>

To show predominance, a proposed class must show that the class issues are not only common, but in fact are central—that they are the driving force in the dispute. Not surprisingly, therefore, proposed class suits with questionable commonality and typicality will inevitably founder on the extra predominance requirement.<sup>290</sup>

In *Google Book Project*, for example, the district court used Rule 23(b)(3) to certify a class of copyright holders in their suit alleging that Google’s project to digitize and create a scannable index of books was a “massive copyright infringement.”<sup>291</sup> The court found that “[e]very potential class member’s claim arises out of Google’s uniform, widespread practice of copying entire books without permission of the copyright holder and displaying snippets of those books for search.”<sup>292</sup> Google’s fair use defense, the court found, could also be resolved on an aggregate basis.<sup>293</sup> The district court also found that a class action was a superior method of resolving the claims against Google, saving both time and money.<sup>294</sup> On appeal, the Second Circuit vacated the certification order.<sup>295</sup> The appellate court did not take specific issue with the district court’s analysis, although it intimated

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<sup>286</sup> See FED. R. CIV. P. 23(b)(3).

<sup>287</sup> FED. R. CIV. P. 23(b)(3)(D).

<sup>288</sup> *Amchem*, 521 U.S. at 620.

<sup>289</sup> See FED. R. CIV. P. 23(c)(2)(B)(v).

<sup>290</sup> See, e.g., *Waite v. UMG Recordings, Inc.*, No. 19-CV-01091, 2023 WL 1069690, at \*8 (S.D.N.Y. Jan. 27, 2023) (moving to the “crux” of defendants’ arguments and rejecting class certification under Rule 23(b)(3)).

<sup>291</sup> *Google Book Project*, 282 F.R.D. 384, 387 (S.D.N.Y. 2012), *vacated on other grounds*, 721 F.3d 132 (2d Cir. 2013).

<sup>292</sup> *Id.* at 395.

<sup>293</sup> See *id.*

<sup>294</sup> See *id.*

<sup>295</sup> *Google Book Project*, 721 F.3d 132 (2d Cir. 2013).

some skepticism.<sup>296</sup> Rather, it ordered the district court hold its class certification in abeyance until after it resolved the fair use question.<sup>297</sup>

Class actions involve competing narratives—connectivity v. entropy. Copyright certification decisions reflect this tension. For example, in opposing (b)(3) certification, Google argued that copyright ownership was too varied and complex for resolution on a class-wide basis.<sup>298</sup> But the district court found that those individual issues were subsidiary to the central question of the legality of Google’s book project.<sup>299</sup> In contrast, in *Waite v. UMG Recordings, Inc.*, the district court denied (b)(3) certification on the ground that individual issues—specifically, whether the musical compositions at issue were “made for hire”—prevented resolution of the class claims on common proof.<sup>300</sup> Resolution of these same connectivity v. entropy questions will determine class certification in the AI context.

### C. *Copyright and Class Action Settlements Under Rule 23(e)*

Settlements of class actions are different—and more onerous—than the private settlements that are traditional in litigation. Because any settlement will bind absent class members to a judgment, Rule 23(e) requires a court to ensure that those absent class members have been adequately represented and that the proposed settlement is “fair, reasonable, and adequate.”<sup>301</sup> Reflecting the quasi-regulatory nature of class actions, the end-product of Rule 23(e) is a hybrid creature between a court judgment and a private settlement contract.<sup>302</sup> Parties first bargain with each other; then they must persuade the court, over the voices of any objectors, that the settlement is worthy of a judicial stamp of approval.

This approval requires multiple steps. First, a court must determine that a proposed settlement class meets the Rule 23(a) and (b) requirements described above; the Supreme Court expressly admonished litigants and courts that

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<sup>296</sup> *Id.* at 134.

<sup>297</sup> *Id.* at 135.

<sup>298</sup> *Google Book Project*, 282 F.R.D. at 395.

<sup>299</sup> *See id.*

<sup>300</sup> *Waite v. UMG Recordings, Inc.*, No. 19-CV-01091, 2023 WL 1069690, at \*5–6 (S.D.N.Y. Jan. 27, 2023).

<sup>301</sup> FED. R. CIV. P. 23(e)(2).

<sup>302</sup> Howard M. Erichson & Ethan J. Leib, *Class Action Settlements as Contracts?*, 102 N.C. L. REV. 73, 77 (2023).

the requirements apply—perhaps with even greater import—in the settlement context.<sup>303</sup> Second, Rule 23(e) mandates that courts give appropriate notice to all class members.<sup>304</sup> It must also hold a “fairness hearing” to evaluate the settlement, and to allow objectors to the proposal to have their say.<sup>305</sup> In evaluating whether a proposed settlement is adequate, a court must consider, *inter alia*: whether the representatives fairly represented the class; whether the proposal was negotiated at arms’ length; and whether the relief provided for the class is adequate, taking into account factors such as the costs and risks of proceeding to trial and the method proposed for remitting the relief provided by the settlement (money damages or otherwise) to class members.<sup>306</sup>

Central to this fairness determination is an evaluation of whether there is a significant conflict among different subsets of the class. In *Amchem Products, Inc. v. Windsor*—the Supreme Court’s master blueprint for class action settlements—the Court rejected a global asbestos settlement on the ground that the agreement impermissibly privileged class members with *current* asbestos-related injuries over those whose injuries would only manifest in the *future*.<sup>307</sup>

Notwithstanding the relative paucity of copyright class actions, copyright class settlements have played an influential role in establishing the parameters for technology companies’ use of intellectual property. The Second Circuit’s analysis of the proposed settlement in *In re Literary Works* provides an apt illustration.<sup>308</sup>

Following the Supreme Court’s decision in *Tasini*,<sup>309</sup> the Second Circuit evaluated a proposed consolidated class settlement in a suit by authors whose works had been placed in electronic databases without their permission.<sup>310</sup> The district court had referred the case to mediation; three years later, the parties had reached an

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<sup>303</sup> *Amchem Prods., Inc. v. Windsor*, 521 U.S. 591, 593 (1997) (cautioning litigants that “Rule 23(e)’s settlement prescription was designed to function as an additional requirement, not a superseding direction, to the class-qualifying criteria of Rule 23(a) and (b)”).

<sup>304</sup> FED. R. CIV. P. 23(e)(1).

<sup>305</sup> FED. R. CIV. P. 23(e)(2), (5).

<sup>306</sup> FED. R. CIV. P. 23(2)(A)–(D).

<sup>307</sup> *Amchem*, 521 U.S. at 626 (rejecting proposed settlement in part based on the agreement’s “disparity between the currently injured and exposure-only categories of plaintiffs”).

<sup>308</sup> *In re Literary Works in Elec. Databases Copyright Litig.*, 654 F.3d 242 (2d Cir. 2011).

<sup>309</sup> *N.Y. Times Co. v. Tasini*, 533 U.S. 483, 483 (2001).

<sup>310</sup> *In re Literary Works*, 654 F.3d at 245.

agreement.<sup>311</sup> They jointly moved the district court to certify the class and approve the settlement.<sup>312</sup> *In re Literary Works* contains two lessons for AI class actions:

1. *Class Settlements Must Not Mask Significant Intra-Class Conflicts*

The Second Circuit initially rejected the proposal on the ground that it did not adequately represent certain class members.<sup>313</sup> Under the terms of the proposed settlement, class members were divided into three classes.<sup>314</sup> Category A included class members who hold registered copyrights making them eligible for statutory damages.<sup>315</sup> Category B included those with copyrights registered too late to render them eligible for statutory damages, and Category C included those who have not yet registered their copyrights—a group which composed 99% of the total claims.<sup>316</sup> The Court found that there had been inadequate representation of the Category C group.<sup>317</sup> Noting that the interests of Category C should have been protected by a sub-class represented by independent counsel,<sup>318</sup> the Court remanded with instructions for the creation of three separately represented sub-classes.<sup>319</sup> On remand, the district court approved a settlement with those sub-classes.<sup>320</sup> As discussed below, some of the pending AI suits have defined the class to include only creators who have timely registered their copyrights; other suits, however, are including both registered and non-registered copyright holders in the class, thus raising the likely need for sub-classes.<sup>321</sup>

2. *Class Settlements May Release Defendants from Liability for Future Actions*

Objectors to the proposed settlement in *In re Literary Works* also challenged the scope of the settlement release, which applied to claims that were beyond those

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<sup>311</sup> *Id.*

<sup>312</sup> *Id.* at 247.

<sup>313</sup> *Id.* at 251.

<sup>314</sup> *Id.* at 246.

<sup>315</sup> *Id.*

<sup>316</sup> *Id.*

<sup>317</sup> *Id.* at 253.

<sup>318</sup> *Id.* at 254.

<sup>319</sup> *Id.* at 257–58.

<sup>320</sup> Order Granting Final Approval of Revised Proposed Settlement and Final Judgment at 3, *In re Literary Works in Elec. Databases Copyright Litig.*, No. 00-MD-01379 (S.D.N.Y. June 10, 2014).

<sup>321</sup> See First Consolidated Class Action Complaint at 60–61, *Authors Guild v. OpenAI, Inc.* Nos. 23-CV-08292, 23-CV-10211 (S.D.N.Y. Feb. 6, 2024), <https://admin.bakerlaw.com/wp-content/uploads/2024/02/ECF-47-First-Consolidated-Class-Action-Complaint.pdf> [<https://perma.cc/5F5W-Z9CZ>].

that had been pleaded in the class action.<sup>322</sup> Under the terms of the settlement, class members who did not opt out were prohibited from barring future use of their works by the defendant publishers, including the licensing of those works to third parties.<sup>323</sup> Objectors argued that future infringements would be new and distinct harms, and they also objected to the provision allowing future sub-licensing.<sup>324</sup> But the Second Circuit overruled the objections, finding that the settlement's scope was acceptable and that the terms were reasonably within the factual predicate of the underlying suit.<sup>325</sup>

There may be limits to courts' tolerance of future releases in some class settlements.<sup>326</sup> In the proposed settlement of *Google Book Project*, for example, the district court rejected a release outlined in a 166-page settlement agreement, finding the scope of the release of future claims too broad—too unpredictably constraining on class members.<sup>327</sup> But the court's rejection of that settlement may be an outlier.<sup>328</sup> Courts have approved copyright class settlements with releases in many other contexts.

#### *D. Administrative Rule 23 Requirements*

In addition to satisfying Rule 23(a) and one of the categories of Rule 23(b), a class action must be administrable—that is, a court must find that the parties are capable of implementing a judgment in a way that is fair to absent class members. Several practical elements of Rule 23 are particularly relevant to copyright class actions. Although pre-AI copyright opinions do not expressly address all these administrative elements, they are discussed here for purposes of setting forth the main points of contention in many certification disputes.

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<sup>322</sup> *In re Literary Works*, 654 F.3d at 247–48.

<sup>323</sup> *Id.*

<sup>324</sup> *Id.* at 248–49

<sup>325</sup> *Id.*

<sup>326</sup> Grimmelmann, *supra* note 12, at 418 (warning that future releases in class settlements “are harder to understand, they create unique design problems, and courts are the wrong institutions to make such decisions”).

<sup>327</sup> *Google Book Project*, 770 F. Supp. 2d 666, 671, 677–78 (S.D.N.Y. 2011).

<sup>328</sup> Tang, *The Class Action*, *supra* note 5, at 1659 (describing rejection of the *Google Book Project* settlement as “the exception”).

### 1. *Defining the Class: Ascertainability and the “Fail-safe Class”*

Over the past decade, some federal courts have read an “implied requirement of ascertainability” into Rule 23.<sup>329</sup> The basic concept is not controversial. To be certified, a class must be “sufficiently definite so that it is administratively feasible for the court to determine whether a particular individual is a member.”<sup>330</sup> To ensure this, a class must be defined by objective criteria.<sup>331</sup> Sometimes this can be complicated. For example, in a consumer class action, it may be difficult to determine by an objective standard who purchased a particular food item or cosmetic.

As it is applied by some courts, ascertainability can interpose a high, seemingly arbitrary barrier to class certification.<sup>332</sup> The Third Circuit is the leader of this aggressive approach.<sup>333</sup> That Court defends its rigorous ascertainability requirement on the ground that it protects absent class members, ensures due process to the defendant, and eases the cost and administrative burden of an ill-defined class.<sup>334</sup> This is purportedly necessary in order to determine the preclusive scope of a judgment—“who gets the benefit of any relief and who gets the burden of any loss.”<sup>335</sup> The term ascertainability is nowhere in the text or rulemaking commentary to Rule 23.

But the Circuits do not agree on the nature and scope of an ascertainability requirement—or even on whether it really exists—and the Supreme Court has yet to weigh in. The Second and Ninth Circuits, where most of the major AI class actions are pending, have both expressly rejected the Third Circuit’s ascertainability

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<sup>329</sup> *In re Initial Pub. Offerings Secs. Litig.*, 471 F.3d 24, 30 (2d Cir. 2006); RUBENSTEIN ET AL., *supra* note 261, § 3:2 (noting that some courts find this requirement to be implicit in Rule 23(a), while others locate this requirement in Rule 23(c)(1)(B)).

<sup>330</sup> WRIGHT & MILLER, *supra* note 208, § 1760.

<sup>331</sup> *See, e.g., In re Petrobas Secs.*, 862 F.3d 250, 254 (2d Cir. 2017).

<sup>332</sup> *See* Zachary L. Sanders, *Administrative Feasibility Redux: a Reexamination of the Heightened Ascertainability Requirement for Class Certification*, 98 N.Y.U. L. REV. 2273, 2273 (2023) (criticizing ascertainability as “a scattershot cudgel”).

<sup>333</sup> *See* Daniel Luks, *Ascertainability in the Third Circuit: Name That Class Member*, 82 FORDHAM L. REV. 2359 (2014) (criticizing the circuit’s high ascertainability standard); *Carrera v. Bayer Corp.*, 727 F.3d 300, 303–04 (3d Cir. 2013).

<sup>334</sup> *Carrera*, 727 F.3d at 307, 310.

<sup>335</sup> *Flo & Eddie, Inc. v. SiriusXM Radio, Inc.*, No. 13-5693, 2015 WL 4776932, at \*6 (C.D. Cal. May 27, 2015); *see, e.g., Marcus v. BMW of N. Am., LLC*, 687 F.3d 583 (3d Cir. 2012) (ascertainability ensures that those who will be bound by any judgment are identifiable).

requirement as grounded in policy rather than the text of Rule 23.<sup>336</sup> Therefore, while ascertainability—sometimes called “administrative feasibility”—may pose a challenge to class action litigants, the AI class actions are not likely to founder on this ground.

Related to ascertainability is the argument that a court should not certify a “fail-safe” class.<sup>337</sup> A fail-safe class is one in which membership in the class depends on whether a party has a valid claim.<sup>338</sup> In other words, if a class member loses their claim for relief, then by definition they were never properly a member of the class, and therefore are not bound by *res judicata*.<sup>339</sup> Neither the Second nor the Ninth Circuits has ruled on the existence or import of the concept of a “fail-safe” class.<sup>340</sup> In any case, however, as discussed below, the AI plaintiffs are not proposing such an *ipse-dixit*, preclusion-proof class. If courts in the pending AI cases certify classes of copyright holders, the members of those classes—that is, those creators who do not exercise their right to opt out<sup>341</sup>—may either prevail or take nothing, depending on courts’ views of the merits.

## 2. *The Order of Operations*

Under Rule 23, district courts have wide discretion as to how they manage class actions.<sup>342</sup> Therefore, while Rule 23 provides that courts should assess class certification at “an early practicable time,”<sup>343</sup> many courts allow certification to be decided after decisions—or even judgment—on the merits.<sup>344</sup>

This procedural flexibility inevitably interjects another axis of strategy and uncertainty into class actions, including the pending AI copyright cases. For example, *Texaco*, discussed above, was brought as a class action. However,

<sup>336</sup> *Briseno v. ConAgra Foods, Inc.*, 844 F.3d 1121, 1133 (9th Cir. 2017) (joining the Sixth, Seventh, and Eighth Circuits in declining to adopt a free-standing administrative feasibility requirement); *In re Petrobas Secs.*, 862 F.3d 250, 264 (2d Cir. 2017) (same); *see also* *Cherry v. Domestic Corp.*, 986 F.3d 1296, 1304 (11th Cir. 2021) (rejecting requirement).

<sup>337</sup> WRIGHT & MILLER, *supra* note 208, § 1760 (analyzing ascertainability and fail-safe classes).

<sup>338</sup> *See* Erin L. Geller, *The Fail-Safe Class as an Independent Bar to Class Certification*, 81 FORDHAM L. REV. 2769, 2770–71 (2013).

<sup>339</sup> *See, e.g.*, *Messner v. Northshore Univ. HealthSystem*, 669 F.3d 802, 825 (7th Cir. 2012).

<sup>340</sup> *See* *Makaron v. Enagic USA, Inc.*, 324 F.R.D. 228, 235 (C.D. Cal. 2018).

<sup>341</sup> *See* FED. R. CIV. P. 23(c)(2)(v).

<sup>342</sup> FED. R. CIV. P. 23(d) (allowing district court to prescribe the course of proceedings).

<sup>343</sup> FED. R. CIV. P. 23(c)(1)(A).

<sup>344</sup> WRIGHT & MILLER, *supra* note 208, § 1785.3 (listing cases).

the parties stipulated to try the question of fair use prior to addressing class certification. Once the Second Circuit denied Texaco's fair use defense—basically ensuring that Texaco would be held liable for copying research publications for its employees—the case settled.<sup>345</sup>

As discussed below, litigants in the pending AI copyright class actions have taken different procedural pathways. Those decisions have pragmatic and substantive implications.

## V

### CERTIFICATION OF AI INPUT CLASSES

Against the above background, multiple content creators have filed proposed class actions in federal courts against generative AI companies, seeking relief for various forms of copyright infringement, sometimes accompanied by state law claims. These lawsuits have sprung up primarily in two locations: New York and California, although two are in Delaware.<sup>346</sup> The New York cases, all in the Southern District, include actions brought by fiction authors, non-fiction authors, and journalists.<sup>347</sup> On the west coast, several suits—including those brought by visual artists,<sup>348</sup> music publishers,<sup>349</sup> coders,<sup>350</sup> and additional suits by authors<sup>351</sup>—were brought in California; all are pending in the Northern District.

In addition to the suits seeking formal class certification, there are a handful of cases against AI companies brought by single organizations or corporations that support, aggregate, and disseminate the work of a large number of creators. These include cases by *The New York Times*, the Center for Investigative Reporting, and

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<sup>345</sup> Sarah K. Wiant, *Settlement of Texaco Case*, STANFORD LIBRS. (June 1995), <https://fairuse.stanford.edu/texaco/settlement/> [<https://perma.cc/GK6L-JEQG>] (stating that Texaco agreed to pay over \$1 million, to pay a retroactive licensing agreement with the Copyright Clearance Center, and to enter a 5-year forward looking licensing agreement).

<sup>346</sup> Note that two major AI suits, neither class actions, are proceeding in Delaware. *Getty Images (US), Inc. v. Stability AI, Inc.*, No. 23-CV-00135-UNA (D. Del. filed Feb. 3, 2023); *Thomson Reuters Enter. Ctr. GmbH v. Ross Intel. Inc.*, No. 20-CV-00613-SB, 2025 WL 458520 (D. Del. Feb. 11, 2025).

<sup>347</sup> See *Huckabee v. Meta Platforms, Inc.*, No. 23-CV-09152-LGS (S.D.N.Y. filed Oct. 17, 2023) (non-fiction and self-help books).

<sup>348</sup> *Andersen v. Stability AI Ltd.*, No. 23-CV-0021 (N.D. Cal. filed Jan. 13, 2023).

<sup>349</sup> *Concord Music Grp., Inc. v. Anthropic PBC*, No. 24-CV-03811 (N.D. Cal. filed June 26, 2024).

<sup>350</sup> *Doe v. GitHub, Inc.*, No. 22-CV-06823 (N.D. Cal. filed Nov. 3, 2022).

<sup>351</sup> *Kadrey v. Meta Platforms, Inc.*, No. 23-CV-03417 (N.D. Cal. filed July 7, 2023); *Nazemian v. NVIDIA Corp.*, No. 24-CV-01454 (N.D. Cal. filed Mar. 8, 2024) (authors).

Getty Images.<sup>352</sup> Because these suits do not implicate the technical or logistical complexities of Rule 23, courts in these suits may reach decisions on the merits, including the applicability of fair use, earlier than their class-action cousins. If that happens, those precedents will influence the default expectations—and therefore the settlement options—of AI litigants across the board.

In the class suits, the parties' litigation strategies reflect those adopted by early copyright class litigants discussed above.<sup>353</sup> The plaintiff creators argue that the defendants' rapacious copying of literary works is the defining conduct in the dispute, providing the basis for class certification and liability. As their complaint states, "OpenAI and Microsoft have built a business valued into the tens of billions of dollars by taking the combined works of humanity without permission."<sup>354</sup> In contrast, the defendants—while trying to evade liability entirely based on fair use<sup>355</sup>—have generally made blanket denials regarding the class-wide actions necessary to support class certification.<sup>356</sup> The success of these opposing strategies will largely depend on courts' views of the underlying intellectual property claims. As is always true of class actions, procedure and substantive law are intertwined. But even if the copyright claims appear to chart new ground—something we dispute—the class certification issues are, mostly, old hat.

For purposes of analyzing the likelihood of obtaining class certification, we divide AI claims into two categories. In the first category, input claims, the plaintiffs

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<sup>352</sup> Complaint at 2, *N.Y. Times Co. v. Microsoft Corp.*, No. 23-CV-11195 (S.D.N.Y. Dec. 27, 2023) (challenging "[d]efendants' unlawful use of The Times's work to create artificial intelligence products that compete with it"). Other cases brought by news organizations or content aggregators include: *Ctr. for Investigative Reporting, Inc. v. OpenAI, Inc.*, No. 24-CV-04872 (S.D.N.Y. filed June 27, 2024); *see also* *Daily News LP v. Microsoft Corp.*, No. 24-CV-03285 (S.D.N.Y. filed Apr. 30, 2024); *Getty Images (US), Inc. v. Stability AI, Inc.* No. 23-CV-00135-UNA (D. Del. filed Feb. 3, 2023) (photographs); and *Intercept Media, Inc. v. OpenAI, Inc.*, No. 24-CV-01515 (S.D.N.Y. filed Feb. 28, 2024).

<sup>353</sup> *See generally supra* Part IV.

<sup>354</sup> The first of the consolidated suits, *Authors Guild v. OpenAI, Inc.*, was filed in September 2023. Class Action Complaint, *Authors Guild v. OpenAI, Inc.*, No. 23-CV-08292 (S.D.N.Y. Sept. 19, 2023).

<sup>355</sup> *See, e.g.*, OpenAI Defendants' Answer to First Consolidated Class Action Complaint at 3, *Authors Guild v. OpenAI, Inc.*, Nos. 23-CV-08292, 23-CV-10211 (S.D.N.Y. Feb. 16, 2024) (asserting that use of plaintiffs' works to teach AI models intelligence and language "would be paradigmatic transformative fair use"), <https://storage.courtlistener.com/recap/gov.uscourts.nysd.606655/gov.uscourts.nysd.606655.75.0.pdf> [<https://perma.cc/X2JL-FH5T>].

<sup>356</sup> *See, e.g., id.* at 45–46 (responding with one word to the Complaint's class allegations: "Denied.").

have a strong claim for class certification.<sup>357</sup> The plaintiffs' input claim is that AI companies committed direct copyright infringement by duplicating copyrighted works, without asking permission or offering compensation, in order to "train" their AI foundation models. To be sure, these are not slam-dunk claims; the AI defendants are straining mightily for a fair use defense, and the plaintiffs must obtain evidence proving which works were copied—evidence that they claim the defendants possess. Nevertheless, we believe these input claims are not only meritorious but also that they fit solidly within the Rule 23 class action framework. By way of illustration, we describe two input class claims below.

Several of the pending AI class suits seek a remedy not only for the initial copying of their works, but also for the "market usurpation defendants have enabled by making Plaintiffs unwilling accomplices in their own replacement."<sup>358</sup> We refer claims based on this market usurpation as output claims.<sup>359</sup> Output claims, often alleging derivative infringement<sup>360</sup> or asserting violations of the Digital Millenium Copyright Act, allege that AI companies are using creators' content—whether computer code, plot devices, literary text, images, or even name—to instantly produce and market derivative content without permission, attribution, or compensation. Although output claims are not the focus of this Article, we note that they are likely to require more individualized evidence and be subject to more individualized analysis (for example, of fair use, or substantial

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<sup>357</sup> See James Vincent, *The Lawsuit that Could Rewrite the Rules of AI Copyright*, THE VERGE (Nov. 8, 2022), <https://www.theverge.com/2022/11/8/23446821/microsoft-openai-github-copilot-class-action-lawsuit-ai-copyright-violation-training-data> [https://perma.cc/HQ5J-8YX6] (describing *Doe v. GitHub* as the "first class-action case in the U[.]S[.] challenging the training and output of AI systems").

<sup>358</sup> Class Action Complaint at 3, *Authors Guild v. OpenAI, Inc.*, No. 23-CV-08292 (S.D.N.Y. Sept. 19, 2023).

<sup>359</sup> This type of derivative claim can take many forms. For example, author Jane Friedman accused Amazon of selling books that listed her as an author but were in fact AI-generated. Clare Duffy, *An Author Says AI is "Writing" Unauthorized Books Being Sold under Her Name on Amazon*, CNN (Aug. 10, 2023), <https://www.cnn.com/2023/08/10/tech/ai-generated-books-amazon/index.html> [https://perma.cc/392M-3N5Y]. Flooded with low-quality, AI-generated, "scam" books, Amazon has now implemented a cap on how many titles can be published per day. Andrew Limbong, *Authors Push Back on the Growing Number of AI "Scam" Books on Amazon*, NPR (Mar. 13, 2024), <https://www.npr.org/2024/03/13/1237888126/growing-number-ai-scam-books-amazon> [https://perma.cc/T5CA-3UUM].

<sup>360</sup> The Copyright Act grants holders exclusive rights to "prepare derivative works." 17 U.S.C. § 106(2).

similarity). This is likely to make class certification of such claims challenging.<sup>361</sup> In all likelihood, however, the strength of those claims will never be tested: the lingering uncertainty and risk for all parties will provide a strong incentive to reach a settlement of all outstanding claims.

Below are two illustrative examples of input claims where we believe class certification is appropriate. As these examples demonstrate, AI copyright classes are not cookie-cutter. To the contrary, parties and attorneys have adopted quite different litigation strategies in these cases.

A. *The Input Class: Direct Copyright Infringement in Authors Guild v. OpenAI, Inc.*

In *Authors Guild v. OpenAI*, a professional writers' organization<sup>362</sup> as well as two groups totaling approximately 30 plaintiffs—including best-selling fiction authors such as George R. R. Martin and Jodi Picoult, as well as non-fiction authors including Stacy Schiff and Jia Tolentino—seek to represent classes of fiction and non-fiction authors in consolidated suits against Open AI and Microsoft.<sup>363</sup> Among other claims, the plaintiffs allege that OpenAI and Microsoft committed direct copyright infringement when they scraped class members' works in order to “train” their AI large language models GPT-N and ChatGPT.<sup>364</sup>

The consolidated complaint defines the fiction class as “[a]ll natural persons in the United States who are the sole authors of, and legal or beneficial owners of Eligible Copyrights in, one or more Fiction Class Works; and all persons in the United States who are the legal or beneficial owners of Eligible Fiction Copyrights in one or more Fiction Class Works held by literary estates.”<sup>365</sup> The non-fiction class definition is the same for non-fiction copyright owners. For purposes of

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<sup>361</sup> Some output claims may nevertheless be strong candidates for resolution by class action. For example, author Jane Friedman accused Amazon of selling books that listed her as an author but were in fact AI-generated. Duffy, *supra* note 359.

<sup>362</sup> *About the Guild*, AUTHORS GUILD, <https://authorsguild.org/about/> [<https://perma.cc/5SCM-DTSG>] (last visited Oct. 15, 2024).

<sup>363</sup> Three suits alleging similar claims were consolidated for pre-trial purposes. See Order Denying Motion to Intervene, *Authors Guild v. OpenAI, Inc.*, Nos. 23-CV-08292, 23-CV-10211, 24-CV-00084, 23-CV-11195 (S.D.N.Y. Apr. 1, 2024). For simplicity, this Article will refer to these consolidated putative class actions simply as “*Authors Guild*.”

<sup>364</sup> *Id.* at 17–19.

<sup>365</sup> *Id.* at 60.

these claims, eligible class members are limited to those who timely registered their copyrights. In their Answers, OpenAI and Microsoft repeatedly deny that any works were infringed.<sup>366</sup>

In their pleadings, the defendants also assert blanket denials regarding class certification.<sup>367</sup> Assuming that the plaintiff authors succeed in defeating a motion for summary judgment on the question of fair use, however, we believe plaintiffs' direct infringement claims merit class certification.

### 1. *Order of Operations—Fair Use First*

As an initial matter, the parties to the consolidated *Authors Guild* suit—now in the discovery process in the S.D.N.Y.—followed the blueprint established in *Texaco* and negotiated an agreement to allow the district court to first resolve the defendants' fair use defense, and only then to take up class certification if necessary.<sup>368</sup> In exchange for this concession by the plaintiffs, the defendants agreed to forego filing Rule 12(b)(6) motions to dismiss, and to comply with an expedited briefing and discovery schedule.<sup>369</sup>

However it is resolved, the *Authors Guild* court's fair use ruling, or a similar ruling in another case, will set the tone for the remainder of the case. As in *Texaco*, a rejection—even a partial one—of fair use will put the authors in a strong settlement position. A recent decision by the District of Delaware rejecting an AI company's fair use defense is one such positive development for creators. In *Thomson Reuters Enterprise Centre GmbH v. Ross Intelligence Inc.*, Thompson Reuters, owner of legal search engine Westlaw, alleged that Ross had unlawfully copied Westlaw's

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<sup>366</sup> See, e.g., OpenAI Defendants' Answer to First Consolidated Class Action Complaint at 25–38, *Authors Guild v. OpenAI, Inc.*, Nos. 23-CV-08292, 23-CV-10211 (S.D.N.Y. Feb. 16, 2024) (repeatedly denying “that any works were infringed”). Note that this denial does not say that no works were copied. It is a legal conclusion (“infringed”) couched in the format of a factual denial.

<sup>367</sup> Defendant Microsoft Corp.'s Answer to First Consolidated Class Action Complaint at 47–49, *Authors Guild v. OpenAI, Inc.*, Nos. 23-CV-08292, 23-CV-10211 (S.D.N.Y. Feb. 16, 2024), [https://storage.courtlistener.com/recap/gov.uscourts.nysd.606655/gov.uscourts.nysd.606655.74.0\\_1.pdf](https://storage.courtlistener.com/recap/gov.uscourts.nysd.606655/gov.uscourts.nysd.606655.74.0_1.pdf) [<https://perma.cc/JXN8-ZZ65>].

<sup>368</sup> Author Class Plaintiffs' Opposition to Motion to Intervene and Dismiss, Stay or Transfer at 6, *Authors Guild v. OpenAI, Inc.*, Nos. 23-CV-08292, 23-CV-10211 (S.D.N.Y. Feb. 26, 2024), <https://storage.courtlistener.com/recap/gov.uscourts.nysd.606655/gov.uscourts.nysd.606655.81.0.pdf> [<https://perma.cc/95CH-GQ2W>].

<sup>369</sup> *Id.*

headnotes in order to train Ross's competing product.<sup>370</sup> Ross had initially sought to license Westlaw's headnotes. When Westlaw refused, Ross hired a company to create "Bulk Memos" to train Ross's AI model; the Bulk Memos were created from Westlaw headnotes.<sup>371</sup> The district court found over 2,000 acts of direct infringement.<sup>372</sup>

The court rejected Ross's claim of fair use. It held that "using Thomson Reuters's headnotes as AI data to create a legal research tool to compete with Westlaw" was not transformative.<sup>373</sup> Further, it found that the copying could have an effect on Westlaw's market for its own current and future products.<sup>374</sup> The court therefore granted summary judgment to Thompson Reuters/Westlaw as to the specific infringed headnotes.<sup>375</sup>

While this is a promising example of a court rejecting a fair use defense by an AI company for training on copyrighted material, the decision in *Thompson Reuters* is limited by its context: legal search engine competitors.

If the court in *Authors Guild* does not reach the same conclusion, however, and it finds that the defendant's "training" constitutes fair use, either for all authors or (for example) only for the non-fiction authors, the settlement dynamics will shift in favor of the AI companies. Neither ruling is likely to destroy the incentive to reach some sort of settlement in these cases; the possibility of appellate or Supreme Court reversal will remain a threat. But the fair use determination will set the tone.

That said, no order of operations is risk-free here. Copyright class action plaintiffs on the west coast have opted for the traditional certification-first route. In *Tremblay v. OpenAI, Inc.*, the defendants have already succeeded in dismissing some of the plaintiffs' claims,<sup>376</sup> although not the direct infringement claims.<sup>377</sup>

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<sup>370</sup> Thomson Reuters Enter. Ctr. GmbH v. Ross Intel. Inc., No. 20-CV-00613-SB, 2025 WL 458520, \*1 (D. Del. Feb. 11, 2025).

<sup>371</sup> *Id.*; see also *id.* at \*5 (finding that "a Bulk Memo question that looks more like a headnote than it does like the underlying judicial opinion is strong circumstantial evidence of actual copying").

<sup>372</sup> *Id.* at \*5–6.

<sup>373</sup> *Id.* at \*7.

<sup>374</sup> *Id.* at \*9–10.

<sup>375</sup> *Id.* at \*10.

<sup>376</sup> See, e.g., Order Granting in Part and Denying in Part the Motions to Dismiss at 12, *Tremblay v. OpenAI, Inc.*, No. 23-CV-03223 (N.D. Cal. Feb. 12, 2024).

<sup>377</sup> *Tremblay v. OpenAI, Inc.*, 716 F. Supp. 3d 772, 777 (N.D. Cal. 2024) (noting that defendants did not move to dismiss the plaintiffs' claims for direct infringement).

That dismissal will narrow the scope of potentially valuable discovery. Litigating class certification is complex and costly. In addition, the presence of a potential fair use defense may muddy the certification analysis. The possibility that the defendants have a valid fair use defense as to even some class members might hinder a court from finding that the plaintiffs have met their burden to show Rule 23 commonality and typicality. In contrast, the *Authors Guild* plaintiffs will have the Rule 23 wind at their back if they survive a fair use motion for summary judgment.

The decision to resolve fair use prior to certification has other collateral consequences as well, because there are competing class actions in different jurisdictions, with potential overlap in class members. Before class certification, absent class members have not yet been joined to a suit.<sup>378</sup> If the *Authors Guild* case suffers a serious setback prior to certification, or if certification is delayed, absent class members may migrate to *Tremblay* or a different case that reaches class certification and settlement sooner.

## 2. *Authors Guild Satisfies Rule 23(a) Factors*

To succeed on certification, plaintiffs must show that their class claims meet the four Rule 23(a) requirements of numerosity, commonality, typicality, and adequacy of representation.<sup>379</sup> As one scholar has noted, these quippy labels “mask the complexity of the case law and scholarship that has accreted over generations to give these terms their meanings.”<sup>380</sup> Notwithstanding this complexity, and assuming that fair use is not an obstacle, the *Authors Guild* plaintiffs have strong arguments for all four 23(a) factors.

Rule 23(a)(1)—the requirement that the class be “so numerous that joinder of all members is impracticable”<sup>381</sup>—is satisfied. Notwithstanding the weak protests

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<sup>378</sup> See *Smith v. Bayer Corp.*, 564 U.S. 299, 315 (2011) (absent class members are not parties until a class has been certified, and therefore they are not bound).

<sup>379</sup> *Wal-Mart Stores, Inc. v. Dukes*, 564 U.S. 338, 345 (2011); FED. R. CIV. P. 23(a)(1)–(4).

<sup>380</sup> Jay Tidmarsh, *Diagnosis and Treatment of the “Superiority Problem,”* 69 VAND. L. REV. EN BANC 267, 267 (2016).

<sup>381</sup> FED. R. CIV. P. 23(a)(1).

of the defendants,<sup>382</sup> numerosity is not seriously in doubt.<sup>383</sup> Relatedly, by limiting the class membership to creators in the U.S. with registered copyrights,<sup>384</sup> the plaintiffs have defined the class in a way that is objective and verifiable, thus satisfying any potential ascertainability arguments. (Note: This is not necessarily true of the *Tremblay* plaintiffs in the Northern District of California, who are seeking to represent all copyright holders, whether registered or not.<sup>385</sup>)

The *Authors Guild* plaintiffs can also likely meet their burden to show commonality under Rule 23(a)(2). Predictably, the plaintiffs' theory of the case centers on the unifying and uniform act of AI companies duplicating copyrighted works for purposes of "training" large language models. Specifically, the Consolidated Complaint alleges that "[d]efendants copied and data-mined the works of [class members], without permission or compensation."<sup>386</sup> In so doing, the plaintiffs allege, the registered copyrights of all class members "were infringed in materially the same way."<sup>387</sup>

At some level, this allegation may appear to be circular; it begs the question of what constitutes a material infringement. But the plaintiffs' claims are more straightforward than that: they allege that the AI defendants unlawfully and directly "copied Plaintiffs' works and then fed them into their 'large language models.'"<sup>388</sup> This is a simple, unifying claim of liability for direct infringement. Whether or not

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<sup>382</sup> Defendant Microsoft Corp.'s Answer to First Consolidated Class Action Complaint at 48, *Authors Guild v. OpenAI, Inc.*, Nos. 23-CV-08292, 23-CV-10211 (S.D.N.Y. Feb. 16, 2024) (Microsoft "denies that it possesses information concerning the exact number of members of Plaintiffs' putative class"). Note that Microsoft's response, denying knowledge of an "exact" number, strongly suggests that it might have an approximate number.

<sup>383</sup> First Consolidated Class Action Complaint at 61, *Authors Guild v. OpenAI, Inc.*, Nos. 23-CV-08292, 23-CV-10211 (S.D.N.Y. Feb. 6, 2024) (alleging that "[b]oth Classes consist of at least tens of thousands of authors and copyright holders and thus are so numerous that joinder of all members is impractical"); *but see* Defendant Microsoft Corp.'s Answer to First Consolidated Class Action Complaint at 48, *Authors Guild v. OpenAI, Inc.*, Nos. 23-CV-08292, 23-CV-10211 (S.D.N.Y. Feb. 16, 2024) (Microsoft "denies that it possesses information concerning the exact number of members of Plaintiffs' putative class").

<sup>384</sup> First Consolidated Class Action Complaint at 60–61, *Authors Guild v. OpenAI, Inc.*, Nos. 23-CV-08292, 23-CV-10211 (S.D.N.Y. Feb. 6, 2024).

<sup>385</sup> First Consolidated Amended Complaint at 9, *Tremblay v. OpenAI, Inc.*, No. 23-CV-03223 (N.D. Cal. Mar. 13, 2024).

<sup>386</sup> First Consolidated Class Action Complaint at 4, *Authors Guild v. OpenAI, Inc.*, Nos. 23-CV-08292, 23-CV-10211 (S.D.N.Y. Feb. 6, 2024).

<sup>387</sup> *Id.* at 62.

<sup>388</sup> *Id.* at 3.

the defendants' actions are in fact unlawful, copying is the central question in the case for all class members.<sup>389</sup>

Plaintiffs' direct infringement claim also satisfies Rule 23(a)(3)'s typicality requirement, which tends to merge into the commonality analysis.<sup>390</sup> Typicality asks whether the claims of the class representatives align with those of the absent class members. In this case, the question is whether the fiction author representatives' claims mirror those of absent fiction authors, and whether the same dynamic is true for the non-fiction representatives vis-à-vis the absent non-fiction class members. It appears that they do. The class representatives allege that the defendant AI companies used all class members' copyrighted works in the same way and for the same general (albeit broad and evolving) purpose.<sup>391</sup> Beneath the technological complexity of AI, the direct infringement claims are simple and uniform—unlike the “Frankenstein” claims that the district court rejected in *Football Association*. In fact, the Second Circuit has found typicality in class actions with far more divergence among class members' experiences than exists here.<sup>392</sup> Moreover, unlike in *Football Association*, the classes in *Authors Guild* are defined concretely and objectively. They are limited to persons in the United States who possess (or are beneficial owners of) registered copyrights.<sup>393</sup> The claims are cohesive.

Finally, and for many of the same reasons, the *Authors Guild* classes satisfy Rule 23(a)(4) adequacy of representation. As just discussed, it does not appear that either the Authors Guild or the individual class representatives have interests that are misaligned with those of the absent class members. In the *Google Book Project* case, Google alleged that many plaintiff class members supported

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<sup>389</sup> *Wal-Mart Stores, Inc. v. Dukes*, 564 U.S. 338, 350 (2011) (“What matters to class certification . . . is not the raising of ‘common questions’—even in droves—but, rather the capacity of a classwide proceeding to generate common answers apt to drive the resolution of the litigation.”).

<sup>390</sup> *See Gen. Tel. Co. of Sw. v. Falcon*, 457 U.S. 147, 157 n.13 (1982).

<sup>391</sup> First Consolidated Class Action Complaint at 13, *Authors Guild v. OpenAI, Inc.*, Nos. 23-CV-08292, 23-CV-10211 (S.D.N.Y. Feb. 6, 2024) (quoting U.S. PATENT & TRADEMARK OFF., PUBLIC VIEWS ON ARTIFICIAL INTELLIGENCE AND INTELLECTUAL PROPERTY POLICY 29 (2020) for the proposition that AI training “almost by definition involve[s] the reproduction of entire works or substantial portions thereof”).

<sup>392</sup> *See Marisol A. v. Giuliani*, 126 F.3d 372, 376–77 (2d Cir. 1997) (approving district court's finding of commonality and typicality in class of children who suffered from different aspects of child welfare system).

<sup>393</sup> First Consolidated Class Action Complaint at 60–61, *Authors Guild v. OpenAI, Inc.*, Nos. 23-CV-08292, 23-CV-10211 (S.D.N.Y. Feb. 6, 2024).

Google's efforts and disagreed with the class claims, thus calling adequacy of representation into question. Although it decided the case on other grounds, the Second Circuit acknowledged that Google's argument "may carry some force."<sup>394</sup> As of now, however, there is no significant outcry by creators who favor giving their intellectual property to AI companies at no cost. To be sure, there are academics and policymakers who favor AI companies' free use of copyrighted material.<sup>395</sup> But there is as of yet no sign of a serious fissure among creators that would undermine adequacy of representation. In fact, the Library Copyright Alliance, which supports a finding of fair use for AI copying, submitted comments to the Copyright Office urging that office to defer to courts' resolution of these questions.<sup>396</sup> As to the second element of (a)(4) adequacy—the quality of the lawyering—there is no serious likelihood that the court or the defendants will argue that the renowned attorneys representing the class are in any way inadequate.<sup>397</sup>

At first glance, it may also appear that the fame and wealth of named plaintiffs like John Grisham and Jodi Picoult could undermine typicality and/or adequacy in a class composed largely of minor authors. After all, Grisham and other best-selling authors might argue that the defendants' actions resulted in vastly larger damages. But that should not prove to be a barrier. Copyright law provides for two possible forms of damages: actual and statutory.<sup>398</sup> It is often difficult to calculate actual damages. In lieu of that calculation, a plaintiff may elect at any time before final judgment to receive statutory damages for each act of infringement.<sup>399</sup> The

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<sup>394</sup> *Google Book Project*, 721 F.3d 132, 134 (2d Cir. 2013).

<sup>395</sup> See, e.g., Mark A. Lemley & Bryan Casey, *Fair Learning*, 99 TEX. L. REV. 743 (2021); Andrew W. Torrance & Bill Tomlinson, *Training Is Everything: Artificial Intelligence, Copyright, and "Fair Training,"* 128 DICK. L. REV. 233, 250 (2023) (proposing a "fair training exception" to copyright infringement).

<sup>396</sup> The Library Copyright Alliance and other groups submitted comments to the U.S. Copyright Office arguing that "remuneration for ingestion is neither appropriate nor feasible." LIBR. COPYRIGHT ALL., COMMENTS OF THE LIBRARY COPYRIGHT ALLIANCE ON THE INQUIRY CONCERNING ARTIFICIAL INTELLIGENCE AND COPYRIGHT 1 (2023), <https://www.librarycopyrightalliance.org/wp-content/uploads/2023/10/CO-AI-NOI-Final.pdf> [<https://perma.cc/GXH3-UYZH>]. However, those comments also urge the Copyright Office to defer making any policy given that the judiciary is "the most appropriate forum" for resolving creators' claims. *Id.* at 3.

<sup>397</sup> The plaintiff class is represented by Susman Godfrey LLP, Lief Cabraser Heimann & Bernstein LLP, and Cowan Debaets Abrahams & Sheppard LLP. Defendants did not oppose this. First Consolidated Class Action Complaint at 67–68, *Authors Guild v. OpenAI, Inc.*, Nos. 23-CV-08292, 23-CV-10211 (S.D.N.Y. Feb. 6, 2024).

<sup>398</sup> 17 U.S.C. § 504(a).

<sup>399</sup> 17 U.S.C. § 504(c)(1).

precise amount of a statutory damages award depends on a court's assessment of the seriousness of the infringement and the defendant's ability to pay; it does not depend on a showing of the damages suffered by the copyright owner.<sup>400</sup>

The *Authors Guild* Complaint notes that, should the class elect statutory damages, “the damages inquiry will likewise be common, if not identical,” among all members.<sup>401</sup> The simplicity of statutory damages bolsters the classes' claims of commonality, typicality, and adequacy. It also raises the specter of a massive damages award.

### 3. Authors Guild Satisfies Rule 23(b)

The *Authors Guild* complaint asserts that class certification would be appropriate under all of the Rule 23(b) categories.<sup>402</sup> In addition, it alleges that, as an alternative to certification of the entire dispute, the court could bifurcate the proceeding into liability and damages under its power to certify a class only as to certain issues.<sup>403</sup> This would entail first certifying a liability-only class under Rule 23(b)(2), for the purposes of resolving the common question of whether the defendants are liable for infringement for copying class members' works,<sup>404</sup> while leaving the question of damages to another process on another day.

Despite the class certification laundry list in the pleadings, however, the plaintiffs' most straightforward and effective option is to obtain certification under the most rigorous of the Rule 23(b) options, Rule 23(b)(3), and they are in a strong position to do that on their direct infringement claims. This form of certification had distinct advantages. First, it will allow any objecting authors to opt out of the class and either pursue claims elsewhere or drop any potential claim—thus minimizing the force of any arguments that the class members are not united. Second, unlike

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<sup>400</sup> Statutory damages awards may range from \$750 at the low end, to \$150,000 per infringement, if the infringer acted willfully. 17 U.S.C. § 504(c)(1)–(2).

<sup>401</sup> First Consolidated Class Action Complaint at 63, *Authors Guild v. OpenAI, Inc.*, Nos. 23-CV-08292, 23-CV-10211 (S.D.N.Y. Feb. 6, 2024).

<sup>402</sup> *Id.* at 60, 62–63.

<sup>403</sup> Rule 23(c)(4) allows courts to certify “a class action with respect to particular issues.” For a thoughtful analysis of this provision, see Myriam Gilles & Gary Friedman, *The Issue Class Revolution*, 101 B.U. L. REV. 133, 136 (2021).

<sup>404</sup> First Consolidated Class Action Complaint at 62–63, *Authors Guild v. OpenAI, Inc.*, Nos. 23-CV-08292, 23-CV-10211 (S.D.N.Y. Feb. 6, 2024).

(b)(2) classes, in which class members may only obtain declaratory or injunctive relief, (b)(3) classes may seek money damages.

As explained above, to obtain certification under Rule 23(b)(3), the *Authors Guild* class representatives will need to show what are referred to in shorthand as predominance and superiority. This they can do.

### 3.1. *Rule 23(b)(3) Predominance*

The predominance requirement requires plaintiffs to show that the common issues are at the heart of their case, and that any differences among plaintiffs are of only secondary importance. As discussed above, this provision is pragmatic rather than formalistic; courts have discretion as to how they interpret and apply it.<sup>405</sup>

But predominance should not be an insuperable barrier to certification of input copyright classes. As of now, the *Authors Guild* plaintiffs' strong arguments in favor of commonality and typicality carry over directly to this predominance argument: The plaintiffs are alleging identical conduct by the AI defendants, and they have invoked their right to seek statutory damages, which would minimize the need for thousands of fact-specific individual determinations.

### 3.2. *Rule 23(b)(3) Superiority*

The superiority requirement asks whether a class action is the best option for resolution of the claims at issue.<sup>406</sup> Rule 23(b)(3) lists five non-exclusive factors that courts should consider in evaluating superiority, including whether individual class members would have an interest in proceeding separately; the nature of any ongoing litigation in other courts; the appropriateness of the forum, and potential difficulties in managing a class suit.<sup>407</sup>

As one scholar has recently observed, courts apply this requirement in different and sometimes haphazard ways.<sup>408</sup> But the murkiness of superiority in class action doctrine writ large should not detract from its application to this case:

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<sup>405</sup> See *supra* Part IV (discussing Rule 23(b)(3)).

<sup>406</sup> FED. R. CIV. P. 23(b)(3)(A)–(D).

<sup>407</sup> *Id.*

<sup>408</sup> Christine P. Bartholemew, *The Failed Superiority Experiment*, 69 VAND. L. REV. 1295, 1297 (2016) (noting that courts “infuse superiority with a conflicting assortment of factors, stripping away any cohesive screening function”).

a class action is the superior way to resolve the case of thousands of identically situated creators and to give repose to AI defendants. The fiscal and logistical impossibility of individual small-time authors taking on AI companies makes it applicable.

Moreover, the district court in this case has already, albeit indirectly, analyzed some of the superiority factors. The west-coast plaintiffs in *Tremblay* moved to intervene in *Authors Guild* for the purpose of moving to dismiss, stay, or transfer the New York action to the Northern District of California.<sup>409</sup> In denying the motion, the district court stated its view that the *Authors Guild* classes had brought suit in an appropriate forum.<sup>410</sup> The court's order also makes clear its view that the "nature of any litigation concerning the controversy already commenced by or against members of the class is not a barrier to the New York proceedings."<sup>411</sup> This finding closely parallels the superiority finding required under Rule 23(b)(3)(B).<sup>412</sup>

*B. The Input Class: Andersen v. Stability AI, Ltd.*<sup>413</sup>

The *Authors Guild* case concerns AI models' training on text; *Anderson v. Stability AI* is about images. The named plaintiffs in this proposed class action—artists including Karla Ortiz, Gerald Brom and Jingna Zhang<sup>414</sup>—allege that defendants Runway, Stability AI, DeviantArt, and Midjourney downloaded billions of copyrighted images without permission for the purpose of creating and/or using an AI product called Stable Diffusion.<sup>415</sup>

Specifically, the plaintiffs claim that Runway worked with Stability to help train and then distribute Stable Diffusion, an AI image generator whose work

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<sup>409</sup> *Authors Guild v. OpenAI, Inc.*, 345 F.R.D. 585, 589 (S.D.N.Y. 2024), *appeal dismissed sub nom.* *Guild v. Tremblay*, No. 24-1007, 2024 WL 4564683 (2d Cir. Oct. 4, 2024), and *appeal dismissed sub nom.* *Basbanes v. Microsoft Corp.*, No. 24-1014, 2024 WL 4564684 (2d Cir. Oct. 4, 2024).

<sup>410</sup> *Id.* at 592 (denying motion to intervene by west-coast plaintiffs on the ground that it would prejudice the Authors Guild plaintiffs' right to proceed in their chosen forum, and that it would "disrupt the expedited timeline agreed to by the parties").

<sup>411</sup> FED. R. CIV. P. 23(b)(3)(B).

<sup>412</sup> *Id.* (requiring a court to evaluate "the extent and nature of any litigation concerning the controversy already begun by or against class members" prior to certifying a Rule 23(b)(3) class).

<sup>413</sup> *Andersen v. Stability AI, Ltd.*, No. 23-CV-00201 (N.D. Cal. filed Jan. 13, 2023).

<sup>414</sup> First Amended Complaint at 1, *Andersen v. Stability AI, Ltd.*, No. 23-CV-00201 (N.D. Cal. Nov. 29, 2023).

<sup>415</sup> *Id.* at 1.

products are “in the style of” the named plaintiffs and other artists.<sup>416</sup> The training images came from so-called LAION datasets.<sup>417</sup> Midjourney trained on Stable Diffusion, and DeviantArt used the model in its own image-generating product, DreamUp. In addition, plaintiffs allege that defendant Midjourney “has repeatedly promoted the use of artist names—including Plaintiffs’ names—within text prompts as a means of getting better results.”<sup>418</sup> These companies now market and sell AI image products; the plaintiffs allege that “what they’re really selling is copyright infringement as a service.”<sup>419</sup>

The named plaintiffs have alleged several causes of action against each defendant. In addition to their input claim—direct copyright infringement—they assert claims for induced copyright infringement, vicarious copyright infringement, violation of the DMCA and the Lanham Act, as well as common law claims for unjust enrichment.<sup>420</sup> They characterize defendants’ AI image-generating products as “copyright-laundering devices, promising customers the benefits of art without the costs of artists.”<sup>421</sup>

Unlike in *Authors Guild*, the parties in this suit did not stipulate to a non-traditional order of operations. Instead, the defendants moved to dismiss for failure to state a claim. Details aside, the plaintiffs’ claims largely survived this motion. The district court found that “the plausible inferences at this juncture are that Stable Diffusion by operation by end users creates copyright infringement and was created to facilitate that infringement by design.”<sup>422</sup>

With regard to the specific claims, none of the defendants moved to dismiss the direct copyright infringement claims based on scraping of and “training” with

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<sup>416</sup> *Id.* at 73.

<sup>417</sup> LAION stands for “Large-Scale Artificial Intelligence Open Network.” LAION is a German non-profit organization whose aim is “to make large-scale machine learning models, datasets and related code available to the general public.” *About*, LAION, <https://laion.ai/> [<https://perma.cc/5GEC-92WD>] (last visited Oct. 15, 2024). Note that in December 2023, LAION temporarily took down its datasets in response to reports that they contained child sex abuse materials. *Safety Review for LAION 5B*, LAION (Dec. 19, 2023), <https://laion.ai/notes/laion-maintenance/> [<https://perma.cc/6QKV-HLYK>].

<sup>418</sup> First Amended Complaint at 3, *Andersen v. Stability AI Ltd.*, No. 23-CV-00201 (N.D. Cal. Nov. 29, 2023).

<sup>419</sup> *Id.*

<sup>420</sup> *Id.* at 10.

<sup>421</sup> *Id.* at 4.

<sup>422</sup> *Andersen v. Stability AI Ltd.*, 744 F. Supp. 3d 956, 969 (N.D. Cal. 2024).

copyrighted images. The court rejected defendants' motion to dismiss plaintiffs' induced copyright infringement claims.<sup>423</sup> For all defendants, the court dismissed the plaintiffs' DMCA claims with prejudice, and their common law unjust enrichment claims with leave to amend.<sup>424</sup> The court ruled variously on the other claims against each defendant:

- Stability AI: the district court granted the defendants' motion to dismiss the plaintiffs' DMCA claims as well as their unjust enrichment claims.<sup>425</sup> The court declined to dismiss the plaintiffs' induced infringement claim.<sup>426</sup>
- Runway: the district court denied Runway's motion to dismiss direct infringement claims based on plaintiffs' argument that Stable Diffusion is itself an "infringing statutory copy" of plaintiffs' works, and/or that distributing Stable Diffusion is the equivalent of distributing plaintiffs' works.<sup>427</sup> It also denied Runway's motion to dismiss the induced infringement claims.<sup>428</sup>
- Midjourney: the district court denied Midjourney's motion to dismiss plaintiffs' copyright claims; Midjourney had contended that the plaintiffs' pleadings did not plausibly allege that the artists' work was covered by registered copyrights.<sup>429</sup> The court also denied Midjourney's motion to dismiss plaintiffs' Lanham Act trademark claims.<sup>430</sup>
- DeviantArt: the district court denied DeviantArt's motion to dismiss copyright claims.<sup>431</sup> It granted the motion to dismiss plaintiffs' breach of contract claims and unjust enrichment claims.<sup>432</sup>

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<sup>423</sup> *Id.* at 967–69, 975.

<sup>424</sup> *Id.* at 973 (Stability AI); *id.* at 975 (Runway).

<sup>425</sup> *Id.* at 969–71 (dismissing with prejudice claims under Sections 1202(a) and 1202(b)(1)); *id.* at 971–73 (dismissing state common law unjust enrichment claims but granting leave to amend).

<sup>426</sup> *Id.* at 967–69.

<sup>427</sup> *Id.* at 974–75.

<sup>428</sup> *Id.* at 975.

<sup>429</sup> *Id.* at 976–77.

<sup>430</sup> *Id.* at 981.

<sup>431</sup> *Id.* at 984.

<sup>432</sup> *Id.* at 985.

The named representatives in Andersen are seeking class certification under Rules 23(b)(2) and (b)(3).<sup>433</sup> They break their (b)(3) class into three sub-classes, based on from which database the copyrighted images were downloaded.<sup>434</sup> They also seek separate certification of a (b)(3) class composed of all artists whose names were invoked in prompts by the Midjourney Image Product.<sup>435</sup> These multiple class claims are more nuanced than those in *Authors Guild*. But the Rule 23 analysis for direct infringement is functionally the same.

Discovery is ongoing. Based on currently available information, however, the plaintiffs can satisfy Rule 23(a) and (b) for their direct copyright claims. As with *Authors Guild*, numerosity is not controversial: the plaintiffs allege that billions of copyrighted artistic works, paired with descriptive captions, were copied without permission.<sup>436</sup> And as with *Authors Guild*, the driving force of the litigation—defendants’ allegedly unlawful replication of plaintiffs’ copyrighted works—meets the commonality and typicality requirements.<sup>437</sup> The First Amended Complaint states the common question as “whether Defendants violated the copyrights of Plaintiffs and the Class when they downloaded and stored copies of [class members’] Works ... and ... used copies of the Works to train AI Image Products.”<sup>438</sup> This allegation of centralized and uniform conduct is the heartland of commonality and typicality. Finally, as of now there are no allegations that either the named representatives or the highly competent attorneys representing the class are inadequate to represent the rights of absent class members.

The logic of *Authors Guild* also supports certification of the Andersen plaintiffs’ (b)(2) and (b)(3) classes for direct copyright infringement. Again, the centerpiece of certification under both subprovisions is the uniform conduct of the defendants—conduct that affects the plaintiff visual artists in more or less identical

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<sup>433</sup> First Amended Complaint at 8, *Andersen v. Stability AI Ltd.*, No. 23-CV-00201 (N.D. Cal. Nov. 29, 2023).

<sup>434</sup> *Id.*

<sup>435</sup> *Id.* at 9.

<sup>436</sup> *Id.* at 1.

<sup>437</sup> See *supra* text accompanying note 290 (defining commonality and typicality).

<sup>438</sup> First Amended Complaint at 10, *Andersen v. Stability AI Ltd.*, No. 23-CV-00201 (N.D. Cal. Nov. 29, 2023).

ways. In fact, while analytically *Authors Guild* and *Andersen* are very similar, it is likely to be easier—more intuitive—to show copying of images than it is of texts.<sup>439</sup>

Of course, as with *Authors Guild*, the plaintiffs in *Andersen* will need to prevail against a fair use summary judgment motion. But, as explained below, we argue that fair use should not be extended to give enormous, for-profit technology companies free license to replicate copyrighted works.

## VI STEALING IS NOT FAIR USE

In the early days of computers, Steve Jobs was known for bragging, “Good companies copy, great companies steal,” while Bill Gates begged hobbyists to stop copying Microsoft software without paying. Ironically, Apple subsequently sued Microsoft for stealing the displays of Apple’s Macintosh computer user interface in Windows 2.0. Perhaps both companies are great, and stealing is at the heart of Big Tech, both then and now.

Fair use, however, was not at issue in that stealing case. Stealing is and should never be deemed fair, as both great companies understand the fundamentals of good business and corporate reputation. Wholesale stealing, in particular, like what gave rise to the AI input class actions, is never fair.<sup>440</sup>

The defendants in the AI input class actions are riding on their fair use defense to avoid infringement liability. In addition to *Oracle*, they will rely on *Field v. Google* and *Authors Guild v. Google* for support. Unlike Google in these three cases, the AI companies are not engaging in “caching” webpages, nor indexing snippets for users to search, nor using a miniscule amount of essential code; instead, they are brazenly stealing wholesale literary text and images to train their models. AI models need copyrighted content and without the creative works of authorship

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<sup>439</sup> See Elizabeth G. Porter, *Taking Images Seriously*, 114 COLUM. L. REV. 1687, 1753 (2014) (describing research showing that people perceive complex information more quickly and easily in images than in text).

<sup>440</sup> In addition to the “input” class cases, here are some illustrations of stealing in the “output” claims. For instance, the plots, stories, and characters in the Harry Potter books are copyrighted but any user can prompt Copilot/ChatGPT to generate multi-choice questions for the sorting hat to place someone into one of the four Hogwarts houses. By copying the entire contents of Harry Potter books, generative AI models learned about the unique characteristics of Gryffindor, Hufflepuff, Ravenclaw, and Slytherin, and generated the sorting questions. Moreover, generative AI models copied and learned about different magical creatures crafted by J.K. Rowling and produced sorting questions about Hogwarts houses and the corresponding magical creatures. See Appendix A.

input into the AI models, there will be no AI models. The stealing itself is not transformative. The act of copying or scraping creative works belonging to others is not transformative. The act at that moment does not create anything new to benefit anyone except AI models that have been valued at billions of dollars and enriched Big Tech and Big AI companies. Without acknowledging the existence of copyrights and without compensating creators, the stealing avoids payments to creators and disregards existing human creativity.

Furthermore, like the defendant in *American Geophysical Union v. Texaco, Inc.* who made copies of academic articles for their corporate use and faced the court's ruling that the act of copying the articles was not transformative, AI defendants copy the entirety of literary text and images for their own corporate use of building their AI models likewise is just plain copying without pay. Also, the stealing in the AI input class constitutes some exceptions under copyright law as seen in the *MAI* Trio cases, because the stealing is massive, permanent, and intentional to build powerful models of artificial intelligence for worldwide domination.

At the moment when the stealing occurs, the input claim of copyright infringement is established. That means the act at that moment of copying and scraping does not transform the literary text or images into something else except AI models, which are trained to commit the second type of copyright infringement by violating the right to prepare derivative works. AI companies will attempt to conflate the input and output claims, injecting end users as a shield for liability. At the input stage, however, there are no users to enter the prompts because the AI companies are busy stealing copyrighted works to complete the training of the AI models. Users enter the scheme only after AI companies debut their AI models long after the AI models have ingested and trained on all the copyrighted works.

The second factor of fair use is the nature of the copyrighted works. The creators will easily satisfy this factor against fair use because their literary text and nonfiction contain the level of creativity entitled to protection in fair use analysis as discussed in *Harper & Row v. Nation Enterprises*.<sup>441</sup> Likewise, on the third factor, the amount and substantiality of the portion used in relation to the copyrighted

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<sup>441</sup> *Harper & Row Publishers, Inc. v. Nation Enters.*, 471 U.S. 539, 569 (1985) (rejecting fair use defense raised by the Nation for summarizing and quoting from President Ford's forthcoming memoir of his decision to pardon Richard Nixon).

work as a whole favors the creators because the AI defendants steal the copyrights in their entirety. The last factor, the effect of the use on the potential market for the value of the copyrighted work, also favors against a finding of fair use. Indeed, as we saw in the discussion of the last factor by the court in *American Geophysical Union v. Texaco, Inc.*, the existence of a licensing model to establish royalty for creators makes stealing unfair. Also, AI defendants themselves openly admitted the licensing model for non-literary content as they paid Reddit millions for the license to use the platform's user content.

Stealing is never fair to victims, and society. Stealing is never fair when Big AI and Big Tech with enormous resources are teaming up to extract the heart and soul of the creativity class. Fair use defense is not available shielding AI defendants in the input claim. AI defendants must pay under a licensing model.

## VII FAIR LICENSING

The Framers enshrined the Intellectual Property Clause to “promote the Progress of Science and useful Arts” into the Constitution by securing “for limited Times” to authors “the exclusive Right” to their “Writings.”<sup>442</sup> At the time of the Framing, “promote the Progress of Science” referred to “the creation and spread of knowledge and learning” from works of authorship.<sup>443</sup> The young nation needed authors and new works of authorship as expressed and embodied in literature, music, theatre, journalism, fine arts, and architecture for development and growth.<sup>444</sup> The works of authorship, they believed—key contributors to

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<sup>442</sup> See generally Edward C. Walterscheid, *To Promote the Progress of Science and Useful Arts: The Background and Origin of the Intellectual Property Clause of the United States Constitution*, 2 J. INTELL. PROP. L. 1, 1 n.1 (1994) (“[Article I, section 8, clause 8] is frequently referred to as either the Patent Clause, the Copyright Clause, or the Intellectual Property Clause, depending on the context in which it is being discussed.”); Dotan Oliar, *Making Sense of the Intellectual Property Clause: Promotion of Progress as a Limitation on Congress's Intellectual Property Power*, 94 GEO. L.J. 1771, 1845 n.1 (2006).

<sup>443</sup> *ArtI.S8.C8.1 Overview of Congress's Power Over Intellectual Property*, CONG., [https://constitution.congress.gov/browse/essay/artI-S8-C8-1/ALDE\\_00013060/](https://constitution.congress.gov/browse/essay/artI-S8-C8-1/ALDE_00013060/) [<https://perma.cc/B2ZA-MZFK>] (last visited Mar. 23, 2025) (quoting *Golan v. Holder*, 565 U.S. 302, 324 (2012)).

<sup>444</sup> Works of authorship include eight categories:

- (1) literary works;
- (2) musical works, including any accompanying words;
- (3) dramatic works, including any accompanying music;
- (4) pantomimes and choreographic works;

humanity and to defining a new nation—must be cultivated and incentivized through uniform federal protection.<sup>445</sup> Without legal protection, others could freely copy authors' works, reducing the incentive to create works of authorship in the young nation and thereafter.<sup>446</sup> Executing this constitutional mandate without delay, the new Congress passed the first federal copyright law during its first session in 1790.<sup>447</sup>

Copyright law embraces human creativity, and the level of creativity necessary for a work of authorship qualified for protection is minimal. The modicum of creativity means new works of authorship are constantly in the stream of creation from the Founding time to the present. As long as the works possessing a modicum of creativity are independently created by the authors and fixed in a tangible medium of expression, the works enjoy the exclusive rights enshrined in the Constitution. An email, a tweet,<sup>448</sup> a poem, a song, a drawing, a painting, an essay, an investigative report, a photograph, a blueprint, a chevron design on a cheerleader uniform,<sup>449</sup> a musical score, a dance, a recording, a video, a game, a homemade movie, a pamphlet, and a compilation of data,<sup>450</sup> regardless of its aesthetic appeals, high or low culture, captivating or distasteful, are entitled to federal protection. Human creativity, in all forms, drives the nation's soul, as the Constitution's "for the progress of Science" recognizes.

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- (5) pictorial, graphic, and sculptural works;
  - (6) motion pictures and other audiovisual works;
  - (7) sound recordings; and
  - (8) architectural works.

17 U.S.C. § 102.

<sup>445</sup> *Bonito Boats, Inc. v. Thunder Craft Boats, Inc.*, 489 U.S. 141, 162 (1989) ("One of the fundamental purposes behind the [IP Clause] was to promote national uniformity in the realm of intellectual property."); *THE FEDERALIST* No. 43 (James Madison); *Goldstein v. California*, 412 U.S. 546, 556 (1973).

<sup>446</sup> See *supra* note 443.

<sup>447</sup> Copyright Act of 1790, ch. 15, 1 Stat. 124 (copyrights).

<sup>448</sup> *Are Tweets Protected by Copyright?*, COPYRIGHT ALL., <https://copyrightalliance.org/faqs/tweets-protected-copyright/> [<https://perma.cc/6MXX-8KEL>] (last visited Oct. 15, 2024).

<sup>449</sup> *Star Athletica, L.L.C. v. Varsity Brands, Inc.*, 580 U.S. 405, 417–18 (2017); Staci Zaretsky, *Supreme Court Says Decorative Fashion Design Elements Protected by Copyright Law*, ABOVE THE L. (Mar. 22, 2017), <https://abovethelaw.com/2017/03/supreme-court-says-decorative-fashion-design-elements-protected-by-copyright-law/> [<https://perma.cc/8UMB-DYXV>].

<sup>450</sup> *Feist Publ'ns, Inc. v. Rural Tel. Serv. Co.*, 499 U.S. 340 (1991).

AI companies and their Big Tech backers, as seen in the class action complaints, brazenly take works of authorship, from literary to nonfiction, photographs, and images to music works, to develop their dataset. They steal to build their models. They disregard the constitutionally mandated copyright protection for human creativity as expressed in eight categories of works of authorship.<sup>451</sup> Their AI foundation models generate output infringing on copyrighted works and populating the online content with synthetic commons where fakes are quickly replacing human-created text, images, and sounds. The theft of human creativity should be addressed by compensating the authors for their losses. Before we discuss “how,” a detour on copyright law on damages is illuminating.

Federal protection of works of authorship encompasses a robust enforcement system against infringers. Indeed, copyright law accords the copyright owner with the option to elect statutory damages in the amount of no less than \$750 and no more than \$30,000 per work being infringed.<sup>452</sup> If the infringer committed the act(s) willfully, the statutory damages per work can increase up to \$150,000.<sup>453</sup> Statutory damages are only available in copyrights, not other types of intellectual property infringements, because Congress recognized that actual damages and profits are difficult to establish by copyright owners, and desired to compensate the copyright owners for the losses to their creativity as expressed in works of authorship. Statutory damages also serve to prevent copyright infringements which are easy to accomplish by copyists. To obtain statutory damages, copyright owners must register their copyrights within three months of publication or before the infringement begins.

Returning to “the how,” we suggest fair licensing to compensate the creative working class who are the authors of copyrighted works of authorship being taken with neither permission nor compensation from AI companies and their Big Tech backers. What is licensing? What is fair?

Licensing is an old business model in the intellectual property field. Bill Gates sold licenses or the right to use Microsoft’s software which is protected

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<sup>451</sup> 17 U.S.C. § 102.

<sup>452</sup> 17 U.S.C. § 504(c)(1).

<sup>453</sup> 17 U.S.C. § 504(c)(2).

under copyright law to end-users who are individuals and business entities.<sup>454</sup> In demanding that people pay for his copyrighted software instead of using it without permission, Gates asked, “Who can afford to do professional work for nothing?” and sparked the licensing of software.<sup>455</sup> Microsoft dictates the prices of different licenses, and the individuals and business entities pay. The prices are fair market value because Microsoft, the seller, and the individuals and business entities, the buyers, are unrelated, and they agree to engage in the transactions without pressure.<sup>456</sup> In other words, Microsoft and other Big Tech companies know the licensing of copyrights well and their lawyers understand the clients’ licensing-centered business.

Moreover, the music industry is known for its savviness in licensing copyrights; their experience can shape licensing deals. Further, under the compulsory licenses for music, everyone can use others’ songs for programming, digital, and physical sound recording releases, without permission from the composition rightsholders but must pay the statutory mechanical rate for each copy sold on the song covered. The rate is 9.1 cents per song or 1.75 cents per minute of playing time, whichever is greater.<sup>457</sup> Spotify, Apple Music, and other digital streaming services pay blanket licenses for mechanical royalties, and parties on both sides of blanket licenses can furnish the licensing terms as samples to AI copyright class action cases.<sup>458</sup>

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<sup>454</sup> Irfan Mirza, *Bill Gates and Paul Allen’s Greatest Invention*, LINKEDIN (Apr. 8, 2015), <https://www.linkedin.com/pulse/bill-gates-paul-allens-greatest-invention-irfan-mirza/> [<https://perma.cc/BS3X-QYNA>] (“[O]n February 3, 1976, Bill wrote an open letter to computer hobbyists explaining that unless there is an equitable licensing model for computer software, it will ‘prevent good software from being written.’ Therein lies the magic of Bill and Paul’s greatest invention—the software licensing model.”).

<sup>455</sup> William Henry Gates III, *An Open Letter to Hobbyists*, N.Y. TIMES (Feb. 3, 1976), <https://archive.nytimes.com/www.nytimes.com/library/cyber/surf/072397mind-letter.html> [<https://perma.cc/58V7-XMEZ>].

<sup>456</sup> James Chen, *Fair Market Value (FMV): Definition and How to Calculate It?*, INVESTOPEDIA (June 15, 2024), <https://www.investopedia.com/terms/f/fairmarketvalue.asp> [<https://perma.cc/5BQZ-FDES>] (Fair market value (FMV) is the price of an asset when “buyer and seller are reasonably knowledgeable about the asset” and “are free of undue pressure.”).

<sup>457</sup> *What Is a Compulsory License?*, SONG TRUST, <https://help.songtrust.com/knowledge/what-is-a-compulsory-license> [<https://perma.cc/KP3W-DYUB>] (last visited Oct. 15, 2024).

<sup>458</sup> Virginie Chelles, *How Music Licensing Works for Music Streaming Services?*, TUNEDGLOBAL, <https://blog.tunedglobal.com/how-music-licensing-works-for-music-streaming-services> [<https://perma.cc/BP64-LNVS>] (last visited Oct. 15, 2024); Jason Koransky, *Digital Dilemmas: The Music Industry Confronts Licensing for On-Demand Streaming Services*, AM. BAR ASS’N (Jan. 1,

Likewise, the number of licensing deals AI companies have secured with various social media platforms, media entities, and publishing companies intimates the current pricing lists of different types of content for AI companies to train their models.<sup>459</sup> These deals demonstrate that AI companies know how to value and pay for the content types that they need. What constitutes fair market value is what the parties decide in the deals that they both have reasonable knowledge of the copyrighted works, the use of the copyrighted works, and their value, and they act under no undue pressure.

Regarding representation in negotiating for fair terms in licensing for the creative working class, the lawyers for the plaintiffs in the AI class action cases are sophisticated law firms. They are capable of negotiating with AI companies and their Big Tech backers for a fair market value of different licenses of copyrights. Using the statutory damages provisions as guideposts, \$750 to \$150,000 per work of authorship, the parties through their lawyers can reach sensible licensing terms to achieve the widely recognized fair market value concept.

Moreover, for the licensing to be fair to the creative class who typically possess neither resources nor sophistication for negotiation, we suggest three key terms for consideration. First, the scope of the license grant must satisfy four components: (i) the royalty setting must be fairly commensurate with the individual creator's works, (ii) the license grant must preserve the author's control over the use of their copyrights in subsequent technologies, unknown at the time of the license but later developed, (iii) the authors are entitled to receive notice of any proposed changes to the scope of the license grant, and (iv) and licensees' unilateral expansion of the scope of the license grant constitutes intentional copyright infringement. These components will help tilt the balance from AI defendants/licensees to the creators.

Second, the creators must also retain control over their copyrights in addition to the control relating to the scope of the license grant. Here, the authorship of the

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2016), [https://www.americanbar.org/groups/intellectual\\_property\\_law/publications/landslide/2015-16/january-february/digital-dilemmas-music-industry-confronts-licensing-on-demand-streaming-services/](https://www.americanbar.org/groups/intellectual_property_law/publications/landslide/2015-16/january-february/digital-dilemmas-music-industry-confronts-licensing-on-demand-streaming-services/) [https://perma.cc/68DV-WDSD].

<sup>459</sup> Spangler, *supra* note 17; Robertson, *supra* note 17; David, *supra* note 17; Christy et al., *supra* note 17; Ohlheiser, *supra* note 17; Morris, *supra* note 17.

creators' works must be acknowledged. This requires appropriate attribution to the original human creators who created the works before machines.

Lastly, creators' autonomy must be respected. That means creators have the right to opt-in or opt-out of the licensing scheme at any time during the duration of the licensing scheme.

Licensing, though not a perfect model, is the only viable option to righting the wrongs, the stealing by AI companies of works of authorship produced by the creative class. The massive stealing must end. With the three key terms outlined above, we believe that the lawyers of both sides can negotiate towards an agreement to conclude the AI input claims, the first in the two steps in the preservation of humanity.

### CONCLUSION

Upholding copyright law in the AI age will not stymie innovation; this is not about fiction authors barring technology from accurately diagnosing cancer. Nor is upholding copyright law against AI companies administratively impossible. In a world where AI can instantaneously accomplish so many tasks, it can also accomplish the task central to the constitutional concept of copyright: preserving and respecting the small, individual, and fundamentally human contributions of creators to national and international culture. The pending AI suits allow these individual creators to aggregate to take on AI defendants—the ultimate technological aggregators. We believe that courts can, and should, use long-existing copyright law to recognize and vindicate the copyrights of the creative working class.

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**APPENDIX A**

Conducted on October 1, 2024, 12:45 p.m.

**Sent by you:**

generate multiple choice questions for sorting Hogwarts houses

**Sent by Copilot:**

Sure! Here are some multiple-choice questions to help sort someone into a Hogwarts house:

**1. Which quality do you value most?**

- A) Bravery
- B) Loyalty
- C) Intelligence
- D) Ambition

**2. What would you do if you found a lost wallet?**

- A) Try to find the owner yourself
- B) Hand it over to the authorities
- C) Look for clues to find the owner
- D) Keep it for yourself

**3. Which magical creature do you find most fascinating?**

- A) Phoenix
- B) Hippogriff
- C) Thestral
- D) Basilisk

**4. How do you prefer to spend your free time?**

- A) Going on adventures
- B) Helping friends
- C) Reading books
- D) Planning your future

**5. What is your greatest fear?**

- A) Failure
- B) Betrayal
- C) Ignorance
- D) Weakness

**6. Which of these subjects would you excel in?**

- A) Defense Against the Dark Arts
- B) Herbology
- C) Charms
- D) Potions

**7. How do you handle conflict?**

- A) Face it head-on
- B) Seek a peaceful resolution
- C) Analyze the situation
- D) Use it to your advantage

**8. What is your ideal pet?**

- A) Lion
- B) Badger
- C) Eagle
- D) Snake

**9. Which of these quotes resonates with you the most?**

- A) "Courage is not the absence of fear."
- B) "Loyalty is the strongest bond."
- C) "Knowledge is power."
- D) "Ambition drives success."

**10. What is your approach to teamwork?**

- A) Lead the team
- B) Support the team
- C) Strategize for the team
- D) Ensure the team wins

These questions can help identify traits associated with Gryffindor, Hufflepuff, Ravenclaw, and Slytherin. Have fun sorting! 🧙 🧙

\*\*\*\*

**Sent by you:**

generate crypto-related questions sorting Hogwarts houses

**Sent by Copilot:**

Sure! Here are some crypto-related multiple-choice questions to help sort someone into a Hogwarts house:

**1. Which aspect of cryptocurrency excites you the most?**

- A) The potential for revolutionary change
- B) The sense of community and collaboration
- C) The innovative technology behind it
- D) The opportunities for financial gain

**2. How would you handle a sudden drop in the value of your crypto investments?**

- A) Stay calm and hold on
- B) Discuss strategies with fellow investors
- C) Analyze the market trends and data
- D) Look for ways to capitalize on the situation

**3. What type of blockchain project would you most likely support?**

- A) One that aims to disrupt traditional systems
- B) One that focuses on social good and inclusivity
- C) One that introduces groundbreaking technology
- D) One that promises high returns on investment

**4. How do you prefer to learn about new cryptocurrencies?**

- A) Through hands-on experience and experimentation
- B) By joining online forums and communities
- C) By reading whitepapers and technical documents
- D) By following market trends and expert advice

**5. What is your approach to securing your crypto assets?**

- A) Use a combination of methods to ensure safety
- B) Share tips and best practices with others
- C) Stay updated with the latest security technologies
- D) Invest in the most secure and profitable options

**6. Which of these crypto-related activities appeals to you the most?**

- A) Mining or staking
- B) Participating in airdrops and giveaways
- C) Developing or coding blockchain solutions
- D) Trading and investing

**7. How do you view the future of cryptocurrency?**

- A) As a tool for global change and empowerment
- B) As a way to build stronger communities
- C) As a field ripe for innovation and discovery
- D) As a lucrative investment opportunity

**8. What would you do if you discovered a new, promising cryptocurrency?**

- A) Invest immediately and take the risk
- B) Share the information with your network
- C) Research thoroughly before making a decision
- D) Evaluate its potential for high returns

**9. Which of these statements resonates with you the most?**

- A) “Fortune favors the bold.”
- B) “Together, we are stronger.”
- C) “Knowledge is the key to success.”
- D) “Ambition knows no bounds.”

**10. What is your strategy for staying informed about the crypto market?**

- A) Follow the latest news and trends
- B) Engage with the crypto community
- C) Study market analysis and reports
- D) Monitor investment opportunities closely

These questions can help identify traits associated with Gryffindor, Hufflepuff, Ravenclaw, and Slytherin in the context of cryptocurrency. Enjoy sorting!

\*\*\*\*\*

**Sent by you:**

Generate law school-related questions sorting Hogwarts houses

**Sent by Copilot:**

Sure! Here are some law school-related multiple-choice questions to help sort someone into a Hogwarts house:

**1. Which area of law interests you the most?**

- A) Criminal Law
- B) Family Law
- C) Intellectual Property Law

- D) Corporate Law

**2. How do you handle a challenging case?**

- A) Tackle it head-on with determination
- B) Collaborate with colleagues for the best outcome
- C) Research extensively to find the best solution
- D) Strategize to turn the case in your favor

**3. What motivates you to become a lawyer?**

- A) Fighting for justice
- B) Helping those in need
- C) The intellectual challenge
- D) Achieving success and recognition

**4. How do you prepare for a big exam?**

- A) Study diligently and practice under pressure
- B) Form study groups and support each other
- C) Create detailed outlines and review notes
- D) Focus on key areas to maximize your score

**5. What is your approach to legal ethics?**

- A) Uphold justice at all costs
- B) Ensure fairness and compassion
- C) Follow the rules and guidelines meticulously
- D) Navigate the system to benefit your client

**6. Which legal figure do you admire the most?**

- A) Ruth Bader Ginsburg
- B) Thurgood Marshall
- C) Oliver Wendell Holmes Jr.
- D) Clarence Darrow

**7. How do you handle courtroom pressure?**

- A) Stay calm and assertive
- B) Rely on teamwork and support
- C) Use logic and evidence to persuade
- D) Use your wit and charm to influence

**8. What is your ideal legal career path?**

- A) Public defender or prosecutor
- B) Legal aid or non-profit work
- C) Academic or legal scholar
- D) Corporate lawyer or partner at a firm

**9. Which of these quotes resonates with you the most?**

- A) “Justice delayed is justice denied.”
- B) “Injustice anywhere is a threat to justice everywhere.”
- C) “The law is reason, free from passion.”
- D) “The ends justify the means.”

**10. How do you approach legal writing?**

- A) Write with passion and conviction
- B) Ensure clarity and empathy
- C) Focus on precision and detail
- D) Make persuasive and compelling arguments

These questions can help identify traits associated with Gryffindor, Hufflepuff, Ravenclaw, and Slytherin in the context of law school. Good luck with your sorting!

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DUPES

ALEXANDRA J. ROBERTS\*

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I  
DUPE CULTURE

Dupe culture is having a moment. From major players like Walmart and Glade using the term to describe their products in online ads, to “dupe influencers” posting viral videos on TikTok, to savvy shoppers building dupe-focused communities on Reddit, dupes dominate sales and searches.<sup>1</sup> Seventy-one percent of Gen Z and sixty-seven percent of Millennials report that they sometimes or always buy

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<sup>1</sup> For examples of Walmart and Glade using the term “dupe” in their marketing, see *Shoulder Bag Baguette Bags Bottega Jodie Bag dupes Women Vintage Hobo Handbag Fashion Pleated Purse Shoulder Bag Underarm Small Tote - Light Blue*, WALMART, <https://www.walmart.com/ip/Shoulder-Bag-Baguette-Bags-Bottega-Jodie-Bag-dupes-Women-Vintage-Hobo-Handbag-Fashion-Pleated-Purse-Shoulder-Bag-Underarm-Small-Tote-light-blue/3428053645?classType=VARIANT&athbdg=L1700>

dupes.<sup>2</sup> Where older generations clandestinely purchased dupes hoping to pass them off as the real thing, young bargain-hunters eschew gatekeeping and proudly share their finds with friends and followers. But even as many advertisers and influencers embrace the term, Amazon has banned its use,<sup>3</sup> TikTok has blocked the hashtag #designerdupe,<sup>4</sup> and Target’s legal team forbids the company from saying

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[<https://perma.cc/9GN2-F2YN>] (last visited Mar. 22, 2025) (referring to the item as a dupe of a Bottega designer bag in the title and the description of the item for sale); *Glade Dupe Detector*, GLADE, <https://www.gladedupedetector.com/> [<https://perma.cc/ER9F-V49H>] (last visited Mar. 22, 2025) (Glade’s app that allows users to upload a picture of any candle in order to find the Glade dupe). For an example of a “dupe influencer,” see *The Dupes You Need* (@thedupesyouneed), TIKTOK, [https://www.tiktok.com/@thedupesyouneed\\_](https://www.tiktok.com/@thedupesyouneed_) [<https://perma.cc/TBR6-5EE7>] (last visited Mar. 22, 2025). For an example of a reddit community focused on dupes, see *r/findfashion*, REDDIT, <https://www.reddit.com/r/findfashion/> [<https://perma.cc/KV2Q-LEG2>] (last visited Mar. 22, 2025).

<sup>2</sup> Bruce Crumley, *Influencers Fuel Popularity of ‘Dupe’ Products – and Present Big Opportunities for Upstart Brands*, INC. (Dec. 18, 2023), <https://www.inc.com/bruce-crumley/influencers-fuel-popularity-of-dupe-products-and-present-big-opportunities-for-upstart-brands.html> [<https://perma.cc/J2PM-MNBX>] (citing Jennifer Ortakales Dawkins, *Gen Z is the ‘Dupe’ Generation*, BUS. INSIDER (Dec. 14, 2023), <https://www.businessinsider.com/gen-z-is-the-dupe-generation-2023-12> [<https://perma.cc/B63U-B2G5>]). Another poll by Morning Consult found that 49% of Gen Z and 44% of millennial respondents have intentionally purchased a dupe. See Ana Teresa Solá, *With Gen Z, Millennials now the Biggest ‘Dupe’ Shoppers, Online Culture has ‘Flipped the Script,’ Analyst says*, CNBC (Oct. 31, 2023, 8:38 AM), <https://www.cnn.com/2023/10/31/gen-z-millennials-are-shopping-for-dupes-the-most-report-finds.html> [<https://perma.cc/KD4Q-EELJ>].

<sup>3</sup> “Consistent with Amazon’s commitment to protecting intellectual property rights, Amazon does not allow the use of the terms ‘dupe,’ ‘fake,’ or ‘faux’ in connection with a brand name to describe an item.” *What is Amazon Associates Anti-Counterfeit Policy?*, AMAZON, <https://affiliate-program.amazon.com/help/node/topic/GER4LUCFFTZJ2FDC> [<https://perma.cc/YW5E-G7ED>] (last visited Mar. 6, 2025). See also Katherine Masters, *‘Dupes’ Clothing, Perfume Craze Lures Holiday Shoppers as Major Brands Fret*, REUTERS (Nov. 20, 2023, 11:54 AM), <https://www.reuters.com/business/retail-consumer/lululemon-birkenstock-duplicate-styles-lure-holiday-shoppers-2023-11-20/> [<https://perma.cc/G4NL-77P3>]. The American Apparel & Footwear Association urges other platforms to follow suit by banning #designerdupes and related hashtags. AM. APPAREL & FOOTWEAR ASS’N, *DUPES INFLUENCERS: THE CONCERNING TREND OF PROMOTING COUNTERFEIT APPAREL, FOOTWEAR, AND ACCESSORIES ON SOCIAL MEDIA* 17, 19 (2021).

<sup>4</sup> AM. APPAREL & FOOTWEAR ASS’N, *supra* note 3 3, at 19 (“TikTok recently blocked #designerdupe, explaining to those who search for the hashtag that it may be associated with content that violates the TikTok guidelines”); Ernesto Van der Sar, *TikTok Blocks Z-Library Hashtag Pending Piracy Investigation*, TORRENTFREAK (Oct. 31, 2022), <https://torrentfreak.com/tiktok-blocks-z-library-hashtag-pending-piracy-investigation-221031/> [<https://perma.cc/28DA-AYPJ>] (quoting a TikTok representative, who stated, “TikTok proactively blocks search results for terms that violate our Community Guidelines, including terms that relate to counterfeit goods such as #designerdupe and #designerrelicas.”).

the word.<sup>5</sup> This Article interrogates the multiple meanings of “dupe” and sets out to answer the question, is dupe advertising ever false advertising?

“Dupe” has no single definition because it’s used differently by different contingents.<sup>6</sup> As a shortened form of “duplicate,” meaning “a copy,” the noun has been in circulation since the early 1900s.<sup>7</sup> “Dupe” also has another denotation, one not irrelevant to this discussion—it refers to a person who has been misled, a “victim of deception.”<sup>8</sup> Use of the term has increased dramatically in the past five years:<sup>9</sup> Google searches for “dupe” rose 40% from 2021 to 2022;<sup>10</sup> the hashtag #dupe racked up 6.3 billion views on TikTok in 2023 alone.<sup>11</sup> Keyword searches for “dupe” combined with a brand or product name have skyrocketed across

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<sup>5</sup> Miller Kern & Haley Henschel, *Dupes Are the Biggest Shopping Trend of 2023. Here’s Why.*, MASHABLE (Apr. 26, 2023, 12:45 PM), <https://mashable.com/roundup/best-dupes> [<https://perma.cc/FU9S-FWU3>] (“[A] now-deleted comment from the Target account on TikTok says the company’s legal team forbids them from actually using the term ‘dupe.’”).

<sup>6</sup> In addition to the uses discussed here, gamers have long used “dupe” to refer to the “the practice of using bugs or exploits to clone in-game currency or rare items.” *See id.*

<sup>7</sup> *Dupe* (n.2), OXFORD ENG. DICTIONARY, [https://www.oed.com/dictionary/dupe\\_n2](https://www.oed.com/dictionary/dupe_n2) [<https://perma.cc/6AVP-D2H2>] (last visited Mar. 6, 2025).

<sup>8</sup> *Dupe* (n.1), OXFORD ENG. DICTIONARY, [https://www.oed.com/dictionary/dupe\\_n1](https://www.oed.com/dictionary/dupe_n1) [<https://perma.cc/8WVK-VVB4>] (last visited Mar. 23, 2025).

<sup>9</sup> Meme librarian Amanda Brennan traces the first appearance of the modern use of dupe, “as a stand-in for something pricey, sold out, or discontinued,” to a 2007 post in a craft forum. Kern & Henschel, *supra* note 5. According to The Guardian, “the first wave of beauty YouTubers were highlighting cheaper products as far back as 2010.” Amelia Hill, *Counterfeit Goes Cool: High-End Brands Urged to Embrace Rise of #Dupe*, THE GUARDIAN (May 20, 2024, 2:00 PM), <https://www.theguardian.com/media/article/2024/may/20/counterfeit-cool-high-end-brands-urged-embrace-dupe> [<https://perma.cc/5PNK-HSFE>]. *See also* Maura Judkis, *In Gen Z’s World of “Dupes,” Fake is Fabulous – Until You Try It On*, WASH. POST (Mar. 22, 2023), <https://www.washingtonpost.com/lifestyle/2023/03/22/dupes-shopping-trend-gen-z> [<https://perma.cc/R7CF-MEZ2>] (calling dupes “a Gen Z rebranding of fashion and beauty products that are cheaper versions of the real thing—duplicate, but also duplicity, since the wearer might trick someone into believing they bought designer”).

<sup>10</sup> Liz Flora, *Inflation is Raising Demand for Affordable Beauty Dupes*, GLOSSY (July 6, 2022), <https://www.glossy.co/beauty/inflation-is-raising-demand-for-affordable-beauty-dupes/> [<https://perma.cc/3VX9-JE9Y>].

<sup>11</sup> Rebecca Deczynski, *How to Use Dupes to Drive Sales*, INC. (Dec 21, 2023), <https://www.inc.com/rebecca-deczynski/how-to-use-dupes-to-drive-sales.html> [<https://perma.cc/THN7-QQBP>].

social media platforms<sup>12</sup> and retail sites like Amazon,<sup>13</sup> eBay,<sup>14</sup> and Temu.<sup>15</sup> The Oxford English Dictionary,<sup>16</sup> Google Ngram,<sup>17</sup> Google Trends,<sup>18</sup> and Law360<sup>19</sup> all confirm the word's speedy ascension.

In some circles of the Internet, a dupe is a more affordable version of an unattainably expensive product.<sup>20</sup> I'll call those "pure dupes." A dupe in the beauty industry might be a lipstick in the same shade as that of a luxury label, a serum that uses the same ingredients as a high-end one, an affordable version of an expensive haircare tool, or a discount-brand shampoo that positions itself as equivalent to a fancier one. "Dupe" is also used widely to describe a perfume that mimics the scent, but not the packaging, of a more expensive perfume.<sup>21</sup> In fashion, a dupe might be a shoe, dress, or handbag that fits the same description as the one from a prestige brand worn by celebrities or featured in magazines—and could even pass for the real deal if you squint—but the dupe only recreates the item's look, not

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<sup>12</sup> Masters, *supra* note 3 ("Hashtag searches for dupes of major brands - including Skims underwear and Deckers' Ugg boots - have been viewed millions of times on TikTok.").

<sup>13</sup> *For Some Brands, Searches for Dupes Top Those for the "Real Thing"*, THE FASHION L. (Nov. 28, 2023), <https://www.thefashionlaw.com/men-are-twice-as-likely-as-women-to-buy-counterfeits-per-uk-study/> [<https://perma.cc/5STB-U8SK>] ("Recent Amazon search trend data provided to TFL by Marketplace Pulse shows that in some cases, searches for Skims dupes have grown to overtake searches for authentic Skims products.").

<sup>14</sup> *Id.* ("[Consumers] are also actively seeking out product replicas on e-commerce platforms like Amazon, Etsy, and eBay.").

<sup>15</sup> Second Amended Complaint at ¶¶ 182-183, 313, Roadget Bus. Ltd. v. PDD Holdings Inc., No. 1:22-cv-07119 (N.D. Ill. June 14, 2023) (alleging Temu auto-completes searches that include "dupe").

<sup>16</sup> OXFORD ENG. DICTIONARY, *supra* note 7.

<sup>17</sup> Google Ngram also shows an increase in use of "dupe" between 2010–2019, with a marked rise for "dupe" (noun) and only a minimal rise for "dupe" (verb). GOOGLE BOOK NGRAM VIEWER, <https://books.google.com/ngrams/> (set the time range from 2010 to 2019; then search for "dupe\_NOUN,dupe\_VERB") (last searched July 28, 2024).

<sup>18</sup> GOOGLE TRENDS, <https://trends.google.com> (follow "Explore" hyperlink; enter "Dupe" as the search term; set the geographic range to the United States; set the range as 2004 to present) (accessed July 29, 2024).

<sup>19</sup> The author found only one search result for "dupe" in Law360 articles published in 2004, one in 2005, four in 2006, and one in 2007, compared to twenty-four in 2022 and twenty-three in 2023.

<sup>20</sup> Lucy Maguire, *Gen Z Loves Dupes. Is This Bad News for Luxury Fashion Brands?*, VOGUE BUS. (Apr. 10, 2023), <https://www.voguebusiness.com/fashion/gen-z-loves-dupes-is-this-bad-news-for-luxury-fashion-brands> [<https://perma.cc/ATS7-ZH2P>].

<sup>21</sup> See, e.g., Angela Tricarico, *Bath and Body Works Has Affordable Dupes of All Your Favorite Perfumes*, N.Y. POST (Feb. 4, 2025, 1:24 PM), <https://nypost.com/shopping/bath-and-body-works-perfume-dupes/> [<https://perma.cc/BH86-37C9>] (listing less-expensive "dupes" of expensive perfumes).

its logo or insignia.<sup>22</sup> Fast fashion retailers like Asos, Zara, and Shein diligently feed consumers' appetite for dupes, churning out lower-priced copies of high-end brands' products at remarkable speed.<sup>23</sup> Some discount chain stores, such as Walmart and Aldi, engage in similar practices.<sup>24</sup>

But dupes aren't limited to makeup and beauty, though those categories receive the most attention. "Dupe" is versatile. Over-the-counter drugs have been characterized as dupes, as have generic or compounded versions of prescription drugs and devices.<sup>25</sup> In electronics and home goods, shoppers seek out dupes for brand-name speakers, blenders, and couches. Dupes regularly go viral; demand for specific dupes can even overtake demand for the original.<sup>26</sup> And while some decry dupes' existence even when they're perfectly legal, others argue that copying

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<sup>22</sup> Maguire, *supra* note 20.

<sup>23</sup> For discussion of a lawsuit filed against Shein for copying, see Anna Saber, Neda Shaheen & Suzanne Giammalva, *6 AI Cases and What They Mean For Copyright Law*, LAW360 (Jan. 3, 2024, 3:57 PM), <https://www.law360.co.uk/articles/1780344/6-ai-cases-and-what-they-mean-for-copyright-law> [<https://perma.cc/7F9C-GR67>] (discussing *Perry v. Shein Distribution Corp.*, stating that the plaintiffs "allege that Shein's network of related entities employs an algorithm intended to cull and copy the most commercially valuable designs."). See also Sharon Pruitt-Young, *Why Indie Brands Are At War With Shein And Other Fast-Fashion Companies*, NPR (July 20, 2021 2:25 PM), <https://www.npr.org/2021/07/20/1018381462/why-indie-brands-are-at-war-with-shein-and-other-fast-fashion-companies> [<https://perma.cc/AUH3-DNHQ>]; Chavie Lieber, *Fashion brands steal design ideas all the time. And it's completely legal.*, Vox (Apr. 27, 2018, 7:30 AM), <https://www.vox.com/2018/4/27/17281022/fashion-brands-knockoffs-copyright-stolen-designs-old-navy-zara-h-and-m> [<https://perma.cc/T2E3-9DW3>].

<sup>24</sup> See Hill, *supra* note 9 ("In some cases, dupes are openly produced by retailers looking to undercut rivals – discount supermarket chains Aldi and Lidl are well known for their imitations of private-label products."). American Eagle called Walmart "a repeat offender" in a recent infringement suit, citing multiple other lawsuits against it. Plaintiffs' (Redacted) Brief In Support of Motion for Summary Judgment, *American Eagle Outfitters, Inc. v. Walmart, Inc.*, No. 2:20-cv-00412-MJH, 2022 WL 2194592 (W.D. Pa. Jan. 28, 2022).

<sup>25</sup> E.g., Saleen Martin, *Weight-Loss Patients Warned of Counterfeit Ozempic as Dupes of Popular Drug Proliferate*, USA TODAY (June 27, 2024, 11:04 AM), <https://www.usatoday.com/story/news/health/2024/06/27/ozempic-dupe-counterfeit-warning-who/74231137007/> [<https://perma.cc/J6Y6-D3CJ>]; Kate Knibbs, *It's Shockingly Easy to Buy Off-Brand Ozempic Online, Even if You Don't Need It*, WIRED (July 12, 2024, 10:41 AM), <https://www.wired.com/story/glp1-ozempic-wegovy-semaglutide-compounding-pharmacies-hims-reflexmd-alan-meds-henry-ro-getthinmd/> [<https://perma.cc/ALJ6-C7SN>] (referring to compounded versions of prescription drugs as "dupes").

<sup>26</sup> Sangeeta Singh-Kurtz, *Drowning in Dupes: Shoppers Will Buy Anything — Except the Real Thing*, THE CUT (May 30, 2023), <https://www.thecut.com/article/peak-dupe.html> [<https://perma.cc/4P5M-JR7S?type=standard>] ("Today, the dupe itself is more valuable than the original, and the quality alternatives have been eclipsed by a tsunami of trash."); *For Some Brands, Searches for Dupes Top Those for the "Real Thing"*, *supra* note 13.

spurs competition<sup>27</sup> and that interest in a dupe increases the allure of the real thing, benefiting the “duped” brand by leading consumers to perceive it as even more elite and desirable.<sup>28</sup>

A dupe isn’t always a legitimate, lower-priced substitute. For another set of users, a dupe is quite simply a counterfeit.<sup>29</sup> Counterfeits replicate well-known brands’ registered trademarks or logos, as when someone other than Chanel sells a handbag featuring the brand’s famous interlocking “C’s.”<sup>30</sup> Reports have noted a rise in the use of the term, related hashtags, and assorted intentional misspellings to help shoppers find counterfeits and work around filters; on some sites, “dupe” picked up where similar code words like “knockoff,” “AAA,” “mirror quality,” and “reps” left off.<sup>31</sup> Some consider this use of “dupe” a co-opting of the term:<sup>32</sup> a well-known fashion law blog explains that “dupe” was “traditionally used to refer to legally above-board products that take inspiration from other, existing (and often much more expensive) products,” but “the new use of ‘dupe’ refers to

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<sup>27</sup> See generally Kal Raustiala & Christopher Jon Sprigman, *THE KNOCKOFF ECONOMY* 7 (2012) (describing “the piracy paradox,” in which copying spurs, rather than harms, innovation in fashion and other industries); Jaclyn Peiser, *Viral ‘Dupes’ Make E.L.F. the Makeup Brand of the Moment*, WASH. POST (Dec. 17, 2023), <https://www.washingtonpost.com/business/2023/12/17/elf-makeup-dupes/> [<https://perma.cc/8CEW-4FZ4?type=standard>] (“Counterintuitively, prestige brands are generally unbothered by dupes. . . . ‘A lot [of them] have called out the dupes as a positive because they push innovation . . . and keep bringing newness to the market.’”) (quoting analyst Korinne Wolfmeyer).

<sup>28</sup> *The Impact of Beauty Dupes on Cosmetics Category Sales*, NIELSEN IQ (Nov. 17, 2023), <https://nielseniq.com/global/en/insights/analysis/2023/the-impact-of-beauty-dupes-on-cosmetics-category-sales/> [<https://perma.cc/5EBC-972U>] (“In an analysis of both affordable cosmetics brands (duper) and higher priced brands that tend to attract imitators (duped) [both] experienced a surge in both dollar sales and buyers between July 2022 and July 2023, indicating that both types of brands can coexist in the category.”); Singh-Kurtz, *supra* note 26 (“when a dupe goes viral, both it and the original product often sell out.”).

<sup>29</sup> The Lanham Act defines “counterfeit” as a “spurious mark which is identical with, or substantially indistinguishable from, a registered trademark” and prohibits trafficking in goods or services and knowingly using a counterfeit mark in connection with them. 18 U.S.C. § 2320.

<sup>30</sup> *Id.* For discussion of a lawsuit concerning Chanel counterfeits, see Julie Zerbo, *Chanel Wins Final Judgment in What Goes Around Comes Around Resale Case*, THE FASHION L. (Mar. 3, 2025), <https://www.thefashionlaw.com/chanel-wins-final-judgment-in-what-goes-around-comes-around-case/> [<https://perma.cc/2FQE-CPBD>].

<sup>31</sup> AM. APPAREL & FOOTWEAR ASS’N, *supra* note 3, at 6.

<sup>32</sup> E.g., Nicolette Shamsian, *Fashion Victims: Dupes Are A Serious Problem*, ABOVE THE LAW (Dec. 7, 2023, 11:17 AM) <https://abovethelaw.com/2023/12/fashion-victims-dupes-are-a-serious-problem/> [<https://perma.cc/VKX3-86P6>] (“Semantically, the definition of a dupe does not encompass products that violate the intellectual property rights of the original company. However, influencers are also promoting counterfeits under the guise of dupes.”).

products that make unauthorized use of brands' names and other legally-protected trademarks, meaning that they are not [true dupes] but trademark infringing and/or counterfeit goods.”<sup>33</sup> The American Apparel and Footwear Association has taken an emphatic stand against dupe influencers, accusing them of “facilitating the sale of unauthorized and counterfeit goods ... partak[ing] in illicit activity and potentially becom[ing] accessories in the trafficking of illegal counterfeits.”<sup>34</sup> And two recent law review articles treat “dupe” as synonymous with “counterfeit.”<sup>35</sup> Dupe influencers who sell counterfeits have become increasingly creative, shipping out lookalikes with separate logo stickers or patches for buyers to attach at home or using hidden links to advertise products on one platform and route followers to another to purchase them.<sup>36</sup> “Infringing dupes,” dupes that knowingly infringe design patents, utility patents, copyright, trademark, trade dress, or trade secret protection, fall into an adjacent and overlapping category.<sup>37</sup>

Of course, there is plenty of gray area between “dupes” as counterfeit or infringing goods and “dupes” as affordable alternatives to high-end products. Some dupe producers aspire to get as close as they can not only to the product, but also to its name, appearance, and packaging, without actually infringing. I’ll call those “risky dupes.” Australian cosmetics company MCoBeauty, for example, is known for “openly pushing legal boundaries to duplicate trending, higher-end cosmetics,

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<sup>33</sup> Searches for “Replicas” Are Down Thanks to the Rise of the Dupe, THE FASHION L. (July 27, 2021), <https://www.thefashionlaw.com/searches-for-replica-may-be-down-but-fashion-and-luxury-brands-are-still-being-targeted/> [https://perma.cc/3QTJ-U5ZY?type=image].

<sup>34</sup> AM. APPAREL & FOOTWEAR ASS’N, *supra* note 3, at 8, 13.

<sup>35</sup> Gina Boone, *Designing Dupes: A Legislative Proposal for Holding Online Marketplaces Contributorily Liable for Counterfeit Goods*, 31 FORDHAM INTELL. PROP. MEDIA & ENT. L.J. 1302, 1352 (2021) (advocating legislation to hold online marketplaces contributorily liable for counterfeit sales); Albert Aini, *Contributory Infringement and Dupe Influencers*, CARDOZO ARTS & ENT. L.J.: BLOG (Feb. 21, 2022), <https://cardozoaelj.com/2022/02/21/contributory-infringement-and-dupe-influencers/> [https://perma.cc/B3QS-5UUT] (arguing dupe influencers might be liable as contributory infringers).

<sup>36</sup> Complaint at ¶ 3, Amazon.com, Inc. v. Fitzpatrick et al, No. 2:20-cv-01662 (W.D. Wash. Nov. 12, 2020) (“As Fitzpatrick explains to her followers, a ‘hidden link’ means ‘[y]ou order a certain product that looks nothing like the designer dupe in order to hide the item from getting taken down [by Amazon] and orders being cancelled.’”).

<sup>37</sup> While “counterfeit” is often used colloquially to refer to infringing products, or “as a synonym for ‘fake,’” Professor Sarah Fackrell cautions against importing the concept of counterfeits into other areas like design patent, noting that counterfeit is a legal term of art and conflating it with infringement is a rhetorical device that some have used to manipulate lawmakers and courts. Sarah Fackrell, *The Counterfeit Sham*, 138 HARVARD L. REV. 472, 473 (2024).

selling them at major retail outlets for a much lower price.”<sup>38</sup> The company publicly embraces duping as a “pillar” of its marketing strategy.<sup>39</sup> While its stated goal is to stay on the non-infringing side of the line, MCoBeauty has been sued several times for infringement and opted to settle those suits.<sup>40</sup> Arguably, though, its strategy is similar to the less risky “store brand” approach with which American consumers are already quite familiar.<sup>41</sup> A grocery chain might offer shampoo in a bottle designed to mimic that of Herbal Essences, position the shampoo next to Herbal Essences on its shelves, and include text like “compare to ingredients in Herbal Essences”; they might even name their version something similar yet distinguishable, like “Organic Essence.” United States courts have typically treated such comparative marketing—positioning a product as a house brand alternative to another and using packaging cues to make the reference obvious—as acceptable if it doesn’t create a likelihood of consumer confusion.<sup>42</sup>

Risky dupes are risky, therefore, precisely because it’s difficult to predict with certainty that they will not be found infringing. While counterfeits that copy the brand name and logo of luxury goods tend to be recognizable as counterfeits to sellers and buyers alike, infringing products may be less readily identifiable as infringing.<sup>43</sup> In the fashion industry in particular, some forms of intellectual property protection can be hard to come by or take too long to obtain to be practically useful,<sup>44</sup> so copyists may assume brands lack enforceable rights in the

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<sup>38</sup> Kate Ainsworth & Emilia Terzon, *After Being Sued Twice, MCoBeauty Has Become a Multi-Million-Dollar Empire Built on Beauty Dupes*, ABC NEWS (July 1, 2024, 2:52 PM), <https://www.abc.net.au/news/2024-07-02/mcobeauty-charlotte-tilbury-beauty-dupes-trademarks-lawsuits/104019774> [https://perma.cc/YM9S-5THR].

<sup>39</sup> *Id.*

<sup>40</sup> Kate Ainsworth, *MCoBeauty Follows a Rigorous Process When it Dupes Cosmetics. Here’s What It Looks Like*, ABC NEWS (July 3, 2024, 3:05 PM), <https://www.abc.net.au/news/2024-07-04/mcobeauty-explains-beauty-dupe-process-product-development/104052268> [https://perma.cc/U77A-T6YY] (referencing lawsuits by American brand Tarte and Australian company Chemcorp; both lawsuits settled out of court).

<sup>41</sup> *Conopco, Inc. v. May Dep’t Stores Co.*, 46 F.3d 1556, 1565 (Fed. Cir. 1994) (“this form of competition has become commonplace and well-known in the marketplace”).

<sup>42</sup> *Id.* at 1557; *G.D. Searle & Co. v. Hudson Pharm. Corp.*, 715 F.2d 837, 838 (3d Cir. 1983).

<sup>43</sup> It’s certainly possible for counterfeit products to deceive consumers, especially depending on the price of the goods, how they’re described by the seller, and the context of the purchase. But more often, because of their lower price point and the way they’re sold, counterfeit plaintiffs can only plausibly allege post-sale, rather than point of sale, confusion.

<sup>44</sup> Raustiala & Sprigman, *supra* note 27, at 28–30.

products they dupe. Where a fabric print is protected under copyright, the shape of a sneaker under design patent, the formula for a face serum under utility patent or trade secret, or the overall appearance of a hairspray bottle under trade dress, the duper may be unaware of that protection. Whether or not protection exists can be difficult for dupe producers and dupe advertisers to ascertain, especially when it comes to trade dress, which is less likely to be registered than word marks or logos—meaning competitors are not on notice of trade dress owners’ real or perceived rights. And whether a court would find infringement of any form of intellectual property is notoriously difficult to predict.<sup>45</sup> Intent may play a role in assessing infringement in some jurisdictions,<sup>46</sup> but it’s not the only element that matters, and courts differ on how they interpret the role of intent when a brand tried to copy a product but was not trying to pass their copy off as authorized or confuse consumers. (Meanwhile, when it comes to false advertising—discussed further below—several circuits have rejected the idea of intent to deceive having any role to play at all.)<sup>47</sup>

Lastly, in this continuum of dupes, we have “scam dupes.” According to one study, nearly half of consumers consider themselves to have been “scammed” when they purchased a viral dupe product on social media.<sup>48</sup> Of those, 38% said the item wasn’t of the quality shown or described; 26% reported that the item arrived

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<sup>45</sup> Design patent may provide an exception to some of these rules, as it tends to be both easier to obtain than trade dress or utility patent protection and easier to predict infringement outcomes for than copyright, trade secret, utility patent, or trademark infringement. *See* Sarah Burstein, *Is Design Patent Examination Too Lax?*, 33 *BERKELEY TECH. L.J.* 607, 611 (2018); Sarah Burstein & Saurabh Vishnubhakat, *The Truth About Design Patents*, 71 *AM. U. L. REV.* 1221, 1223 (2022). Countries differ on not only protectability of designs, but also willingness to find unfair competition in the absence of protectability. *See* Mary LaFrance, *Passing Off and Unfair Competition: Conflict and Convergence in Competition Law*, 102 *TRADEMARK REP.* 1096, 1105–06 (2012).

<sup>46</sup> *See* Jake Linford, *An Information Theory of Intentional Trademark Infringement*, 62 *HOUS. L. REV.* 275, 280 (2024); Alfred C. Yen, *Intent and Trademark Infringement*, 57 *ARIZ. L. REV.* 713, 714, 722–23 (2015); Mark Bartholomew, *Trademark Morality*, 55 *WM. & MARY L. REV.* 85, 105 (2013).

<sup>47</sup> *See* *Johnson & Johnson-Merck Consumer Pharms. Co. v. Rhone-Poulenc Rorer Pharms., Inc.*, 19 F.3d 125, 131 (3d Cir. 1994); *Pizza Hut, Inc. v. Papa John’s Intern., Inc.*, 227 F.3d 489, 497 (5th Cir. 2000).

<sup>48</sup> 49% of American Gen Z and Millennial Social Media Users Have Been Scammed Purchasing a Viral ‘Dupe’ Product, *TRUSTPILOT* (Nov. 8, 2023), <https://press.trustpilot.com/49-of-american-gen-z-and-millennial-social-media-users-have-been-scammed> [https://perma.cc/TJ45-ETA3]; Alexandra Pastore, *Almost Half of Young Consumers Have Been Tricked by ‘Dupe’ Products on Social Media*, *WWD* (Nov. 21, 2023, 9:47 AM), <https://wwd.com/business-news/business-features/young-consumers-tricked-dupe-products-social-media-1235944171/> [https://perma.cc/KGY6-ZBYL].

damaged; 24% said it never arrived at all; 14% reported an allergic reaction to it; and 9% said they had to seek medical treatment after they used it.<sup>49</sup> Some accounts report sellers using photos or videos of someone else's product to market their own.<sup>50</sup> Whether or not a dupe is infringing or counterfeit, it may simply be so low quality as to constitute a scam; in some cases, it may not even exist.

So “dupe” contradicts itself; it is large, it contains multitudes.<sup>51</sup> The spectrum of dupes includes a) “pure” dupes: lower-priced, distinctively-branded and non-infringing alternatives to luxury or high-priced goods; b) “risky” dupes: lower-priced alternatives that aren't as clearly non-infringing; c) “infringing” dupes: products that infringe another producer's intellectual property; d) “counterfeit” dupes, products that use other producers' registered trademarks or logos; and e) “scam” dupes: egregiously poor-quality goods, goods that don't come close to matching their advertised description, or goods that never actually ship to purchasers. The categories overlap, of course, and a dupe can fall into more than one category at the same time—a dupe might be counterfeit and a scam, for example, or counterfeit and infringing. An apparently pure dupe might also be risky.

The consequences of advertising and selling counterfeit, infringing, and risky dupes are fairly straightforward: producers and in some cases advertisers should be aware that IP owners may enforce their rights against those sellers by suing, sending cease and desist letters, or availing themselves of platform-specific takedown procedures. Law enforcement might pursue criminal counterfeiting charges;<sup>52</sup> FTC or state attorneys general might attempt to shut down a business for defrauding

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<sup>49</sup> Pastore, *supra* note 48.

<sup>50</sup> See, e.g., Rosey Bowling, *Is It a Dupe, or Is It Just a Scam?*, BROWSER MEDIA (Jan. 31, 2024), <https://browsermedia.agency/blog/is-it-a-dupe-or-is-it-just-a-scam/> [<https://perma.cc/2H6A-8YCZ>]; see also Francois Maingret, *The Difference Between Counterfeits and Dupes—And How These Products Impact Brands*, FRANCOIS MAINGRET: BUS. STRATEGY BLOG (May 19, 2024), <https://fmaingret.com/2024/05/the-difference-between-counterfeits-and-dupes-and-how-these-products-impact-brands/> [<https://perma.cc/BL2U-F686>] (“Sellers of counterfeits will often use fake or stolen images from genuine products . . . to make them look legitimate.”).

<sup>51</sup> Walt Whitman, *Song of Myself*, 51 (1855) (“Do I contradict myself?/ Very well then I contradict myself,/ (I am large, I contain multitudes.)”).

<sup>52</sup> See 18 U.S.C. § 2320 (providing criminal penalties for trafficking counterfeit goods).

consumers.<sup>53</sup> For scam dupes, the appropriate cause of action might be breach of contract, breach of express or implied warranty, or false advertising independent of the use of the term “dupe.”

This Article mostly sets aside issues of infringement and counterfeiting to focus on one specific question: is the simple fact that something is marketed as a “dupe” ever, in itself, enough to constitute false or deceptive advertising? While it may be uncontroversial to claim that marketing counterfeit, infringing, risky, and scam dupes as “dupes” for well-known products can be deceptive, I argue that even sellers of pure dupes might be vulnerable to false advertising claims if the products are simply too different to merit the label “dupe.”

## II DUPE USERS

Who actually uses the term “dupe”? It isn’t just influencers, though their use of the term has surged in recent years, especially on platforms like TikTok, Instagram, Facebook, and YouTube.<sup>54</sup> Consumers use the term and hashtag to seek out alternatives for products they can’t afford or for which they simply prefer to pay less, building entire communities around various categories of dupes. Reddit, which saw a 50% rise in the creation of dupe-focused communities on its site from 2022 to 2023,<sup>55</sup> is rife with examples, but so are specialty sites like What to Expect (a platform for expecting parents)<sup>56</sup> and dupe.com (a search engine for furniture dupes).<sup>57</sup> Google search data from the trend forecaster Spate found online

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<sup>53</sup> See, e.g., Katherine Skiba, *FTC Goes After 25 ‘Counterfeit’ Websites Claiming to Sell Lysol, Clorox, AARP* (Nov. 6, 2020), <https://www.aarp.org/money/scams-fraud/ftc-fake-websites-disinfectants-2020/> [<https://perma.cc/TTD2-TEF9>].

<sup>54</sup> Pastore, *supra* note 48 (“[P]latforms to find the ‘best dupes’ were revealed as TikTok (50 percent), Facebook (48 percent), Instagram (42 percent) and YouTube (42 percent). At the same time, common sales of ‘dupes’ are reported as found most often from Amazon (44 percent), Facebook (31 percent), TikTok (39 percent), Instagram (23 percent), eBay (13 percent), Shein (13 percent) and Target (12 percent).”).

<sup>55</sup> *New Data Shows that “Dupes” Mania is Not Cooling*, THE FASHION L. (July 3, 2024), <https://www.thefashionlaw.com/new-data-shows-that-dupes-mania-is-not-cooling/> [<https://perma.cc/3T5N-DTEN>]. This statistic includes Reddit communities not limited to those that use the specific term “dupe.”

<sup>56</sup> See, e.g., Jenn Sinrich, *These Pregnancy-Friendly Leggings Are the Lululemon Dupes You’ve Been Waiting For*, WHAT TO EXPECT (Oct. 28, 2021), <https://www.whattoexpect.com/baby-products/trends/lululemon-dupes-amazon> [<https://perma.cc/VQ3T-ANAX>].

<sup>57</sup> DUPE, <https://dupe.com/> [<https://perma.cc/J7FC-9XD7>]; see also Fred Nicolaus, *What a New Dupe-Hunting Site Says About the Industry’s Relationship With Knockoffs*, BUS. OF HOME (Apr. 3,

searches for “dupe + skin care” increased 123.5 percent in a single year.<sup>58</sup> Traffic on Dupeshop, a platform that compares beauty dupes against their more expensive counterparts, has increased more than 100 percent year over year and boasts more than a million users.<sup>59</sup> Journalists and bloggers write reviews, rankings, and recommendations for dupes, with headlines like “35 Cheap Product Dupes That Are Just As Good As The Real Thing,”<sup>60</sup> “The Best Designer Dupes of 2023 and Where to Buy Them: Gucci, Cartier,”<sup>61</sup> and “Splurge or Save? Sephora Collection Dupes for High-End Favorites.”<sup>62</sup> Fashion and entertainment magazines like *Us Weekly*<sup>63</sup> and *InStyle*<sup>64</sup> also recommend products as “dupes” for others, as they have long done by other names before the term “dupe” came into vogue. And speaking of vogue, *Teen Vogue* uses the tag “dupes” to collect its copious dupe coverage in one place.<sup>65</sup>

In addition to all those third-party uses, major companies have turned to “purposeful duping,” making dupe claims in their marketing materials.<sup>66</sup> Whole

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2024), <https://businessofhome.com/articles/furniture-dupes-kim-kardashian-donald-judd-knockoffs> [https://perma.cc/84GV-ULMC].

<sup>58</sup> NIELSEN IQ, *supra* note 28.

<sup>59</sup> Perdita Nouril, *For Every High End Beauty Product You Can Now Find a Carbon Copy for Half the Price, but as Dupe Culture Gains Ground, WH Asks Who's Really Profiting?*, *WOMEN'S HEALTH* (Jan. 3, 2024), <https://www.womenshealthmag.com/uk/beauty/skin/a46265674/beauty-dupes/> [https://perma.cc/U6MM-XJZR]. See also DUPESHOP, <https://dupeshopbeauty.com/> [https://perma.cc/4MVM-7C44].

<sup>60</sup> Allison Hart, *35 Cheap Product Dupes That Are Just as Good as the Real Thing*, *22 WORDS* (Dec. 19, 2022), [https://twentytwowords.com/35-cheap-product-dupes-that-are-just-as-good-as-the-real-thing/?utm\\_source=googlesearch](https://twentytwowords.com/35-cheap-product-dupes-that-are-just-as-good-as-the-real-thing/?utm_source=googlesearch) [https://perma.cc/J4QW-SSJN].

<sup>61</sup> Sophie Cannon, *The Best Designer Dupes of 2023 and Where to Buy Them: Gucci, Cartier*, *N.Y. POST* (Mar. 9, 2024, 10:09 AM), <https://nypost.com/article/best-designer-dupes/> [https://perma.cc/7BT4-PJHT].

<sup>62</sup> Malika Wichner, *Splurge or Save? Sephora Collection Dupes for High-End Favorites*, *GROUPON*, <https://www.groupon.com/coupons/blog/best-sephora-makeup-dupes-guide> [https://perma.cc/9UPB-QQ86] (last visited Mar. 22, 2025).

<sup>63</sup> Hannah Kahn, *No One Will Believe You Got This Luxury-Looking Lounge Set on Amazon*, *US WEEKLY* (Aug. 5, 2023), <https://www.usmagazine.com/shop-with-us/news/luxury-looking-lounge-sweater-set-new-release-amazon/> [https://perma.cc/5DA4-86HF].

<sup>64</sup> Emily Kelleher, *12 Dupes for the Iconic Yellow Dress from 'How to Lose a Guy in 10 Days'*, *INSTYLE* (Feb. 27, 2025, 7:09 AM), <https://www.instyle.com/how-to-lose-a-guy-in-10-days-dress-dupes-8646215> [https://perma.cc/G5FN-YHDJ].

<sup>65</sup> *Dupes*, *TEEN VOGUE*, <https://www.teenvogue.com/tag/dupes> [https://perma.cc/MP8C-5E2U].

<sup>66</sup> *Beauty Dupes: Friend or Foe?*, NIELSEN IQ (Nov. 2, 2023), <https://nielseniq.com/global/en/insights/infographic/2023/beauty-dupes-friend-or-foe-beauty-inner-circle/> [https://perma.cc/GH6L-X9FX].

Foods<sup>67</sup> and Walmart<sup>68</sup> have used “dupe” in advertisements, whether sincerely or tongue in cheek.<sup>69</sup> Some companies are not shy about plastering their websites with the word—like perfume brand Aromapassions, whose second-level domain names include “dupe” and whose homepage proclaims in large font that visitors to the site can “buy perfume dupes online.”<sup>70</sup> Makeup brand Lottie London seeks out and reposts influencers’ dupe videos that feature its products and use hashtags like #dupe and #fentydupe.<sup>71</sup> And air freshener brand Glade launched its own “dupe detector,” where users are invited to upload a photo of a candle they like so the app can recommend a Glade product with a similar scent as a substitute.<sup>72</sup>

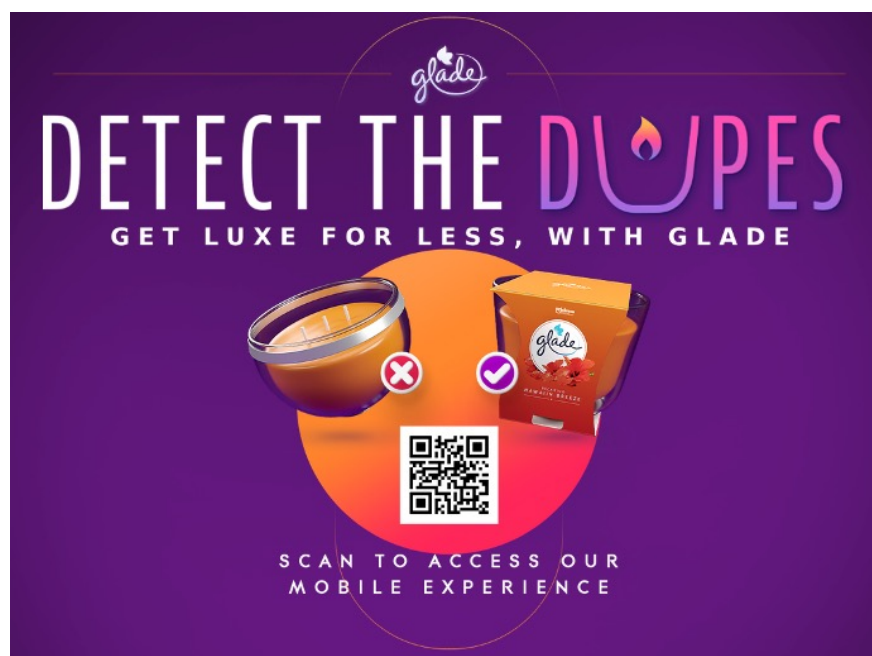


Figure 1: Glade Advertises its dupe detector app on its website

<sup>67</sup> Whole Foods (@wholefoodsmarket), TikTok (Jan. 27, 2023), <https://www.tiktok.com/@wholefoodsmarket/video/7193472779335798062> [<https://perma.cc/57VM-RSHL>].

<sup>68</sup> Complaint, Vans, Inc. v. Walmart, Inc., No. 8:21-cv-01876-DOC-KES, 2022 WL 1601530 (C.D. Cal. Mar. 31, 2022).

<sup>69</sup> The Whole Foods TikTok meets this description. See Whole Foods, *supra* note 67 (playfully referring to products as dupes).

<sup>70</sup> AROMAPASSIONS, <https://aromapassions.com/> [<https://perma.cc/UV8X-Z3MA>] (last visited July 20, 2024). The brand describes its mission as “bring[ing] luxury perfumery to the world at a decent price that anyone can afford.” *About AromaPassions*, AROMAPASSIONS, <https://aromapassions.com/pages/about-best-perfume-dupe-company> [<https://perma.cc/UV4P-JA3B>] (last visited July 20, 2024).

<sup>71</sup> Flora, *supra* note 10.

<sup>72</sup> *Glade Dupe Detector*, GLADE, <https://www.gladedupedetector.com/> [<https://perma.cc/ER9F-V49H>].

Some companies, though, eschew the term even when they've built their business model around the concept. Dossier, which sells dupes of designer perfumes and boasted 10,342% growth in just three years, avoids saying "dupe" altogether, instead relying heavily on the term "impressions" to describe their smell-alike fragrances. A spokesperson explains that it's "[n]ot because we're embarrassed about what we're doing. Not at all. We're very proud of it . . . It's more that we were fearing that it might have a negative connotation and more importantly, we wanted to be known for high quality."<sup>73</sup>

But most of all, it is influencers who are consistently credited with, or alternately blamed for, the meteoric rise of dupe culture. Some have built their personal brand as dupe experts and accrued hundreds of thousands of followers by shilling dupe recommendations across product categories. Influencers are "social media personalities paid to leverage their popularity to market products and shape consumer preferences."<sup>74</sup> Anyone who promotes a product online in exchange for something—whether that thing is money, commission, free stuff, or any other benefit that might affect the weight consumers give their endorsement—is engaged in influencer marketing.<sup>75</sup> Researchers have found that influencers have a "profound impact" on consumers' purchasing intentions and stimulate demand for the products they endorse.<sup>76</sup> In the more traditional version of this model, a brand might connect with an established social media influencer and negotiate a deal in which the influencer promotes the brand's products on one or more social media platforms, such as a flat payment for a set of posts or a pay scale that rewards posts on different platforms at different rates. Some brands might send a product to a group of influencers and ask them all to post about it in the same week. Many brands supply the influencer with guidance, such as keywords to use and product attributes to highlight.<sup>77</sup>

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<sup>73</sup> Deczynski, *supra* note 11.

<sup>74</sup> Alexandra J. Roberts, *False Influencing*, 109 GEO. L.J. 81, 89 (2020).

<sup>75</sup> *Id.* at 89–90.

<sup>76</sup> *Men Are Twice as Likely as Women to Buy Counterfeits, Per UK Study*, THE FASHION L. (Feb. 23, 2024), <https://www.thefashionlaw.com/men-are-twice-as-likely-as-women-to-buy-counterfeits-per-uk-study/> [<https://perma.cc/5STB-U8SK>].

<sup>77</sup> Roberts, *supra* note 74, at 94–96.

But influencer marketing takes many forms. Influencers, especially dupe influencers, increasingly engage in affiliate marketing rather than contracting directly with brands. In affiliate marketing, an influencer receives a cut of the profit when the content they post results in a sale,<sup>78</sup> with sales typically tracked through affiliate links that consumers click to purchase the product or codes that shoppers enter at checkout. In some cases, the influencer is posting at the behest of the brand and may have negotiated their rate. But platforms like LIKEtoKNOW.it (often abbreviated LTKit) and programs like TikTok Shop, Instagram Shopping, and Amazon Storefront have cut out the middleman, making it possible for influencers to endorse products and earn income without being specifically selected by brands as ambassadors.<sup>79</sup> While traditional fashion and beauty influencers may occasionally post about dupes, dupe influencers are likely to design their entire persona around informing followers about dupe products—whatever that term means to them—with account names like @thedupesyouneed<sup>80</sup> and @dupethat.<sup>81</sup> Given the range of referents for “dupe,” that means some dupe influencers are operating entirely above-board in recommending alternative, lower-cost products in a niche like fashion or beauty, while others deal primarily in counterfeits.

It also means some influencers are unknowingly endorsing infringing products or making deceptive claims, which may be riskier than they realize given that it’s possible—if unlikely—for them to be liable for false or misleading

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<sup>78</sup> See *Casper Sleep, Inc. v. Mitcham*, 204 F. Supp. 3d 632, 635 n.1 (S.D.N.Y. 2016) (“When a customer arrives at the retailer’s website by clicking on the [affiliate]’s URL link, any resulting purchases are tracked and the affiliate receives a commission on each purchase.”).

<sup>79</sup> Roberts, *supra* note 74, at 124 n.292 (“[I]nfluencers approved by LTK.it do not require brands’ permission to promote products and receive commission on sales, although some do use the app in conjunction with paid collaborations. . . . The same is true for Amazon’s affiliate program.”) (citing *What Is RewardStyle?*, ONE ROOF SOC. (June 11, 2018), <https://www.oneroofsocial.com/articles/rewardstyle> [<https://perma.cc/ANE4-W4QU>]); Meg Prater, *Everything You Need to Know About the Amazon Affiliate Program*, HUBSPOT (May 29, 2020), <https://blog.hubspot.com/sales/amazon-affiliate> [<https://perma.cc/H9LP-WAMS>]; *What is TikTok Shop Affiliate Marketing?*, TIKTOK SHOP (May 3, 2023), <https://business.tiktokshop.com/uk/blog/detail/10018122> [<https://perma.cc/UH9N-ZQSL>]).

<sup>80</sup> The Dupes You Need (@thedupesyouneed), TIKTOK, [https://www.tiktok.com/@thedupesyouneed\\_](https://www.tiktok.com/@thedupesyouneed_) [<https://perma.cc/TBR6-5EE7>] (last visited Mar. 22, 2025).

<sup>81</sup> DUPETHAT (@dupethat), INSTAGRAM, <https://www.instagram.com/dupethat> (last visited Mar. 22, 2025).

advertising<sup>82</sup> as well as direct or contributory infringement.<sup>83</sup> Whether an influencer is hired directly by a brand, uses affiliate links independently, or does not earn money at all when they post about dupes has implications for liability, as does any guidance they receive from the brand they're endorsing. An influencer who posts about dupes for fun, not profit, or monetizes their account with an embedded advertising model like the one YouTube uses for successful channels rather than tying profits to specific endorsements or sales, is less likely to be liable for deceptive claims or infringement. An influencer who uses an affiliate model or sells their own goods or services is engaging in advertising and may be liable under state or federal law;<sup>84</sup> the nature of their posts may also bring them under a separate set of platform-specific rules for advertisers that don't apply to users sharing finds for free.

And when an influencer contracts with a brand to endorse their products, both the influencer and the brand may be liable if the influencer violates the law. For example, haircare brand L'Oréal hired twin influencers Makenzie and Malia to post on TikTok about the brand's Olaplex dupe,<sup>85</sup> a relationship the twins disclosed in compliance with FTC guidance using the hashtag #LorealParisPartner. If aspects

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<sup>82</sup> "Any party who makes a false or misleading advertising statement can theoretically be liable under the Lanham Act. Most false advertising claims are brought against the seller of goods, which is often the party that directly disseminated the false or misleading claim. But other parties, including the agency who authored a campaign and the individual endorsers who played a role in disseminating its claims, may also be liable." Roberts, *supra* note 74, at 129 (citing Bruce P. Keller, "It Keeps Going and Going and Going": The Expansion of False Advertising Litigation Under the Lanham Act, 59 L. & CONTEMP. PROBS. 131, 139–40 (1996)); *Tria Beauty, Inc. v. Radiance, Inc.*, No. C 10-5030 RS, 2012 WL 12919483, at \*3 (N.D. Cal. June 12, 2012) (declining to dismiss false advertising claim against endorser under California law); *see also* FTC Guides Concerning Use of Endorsements and Testimonials in Advertising, 16 C.F.R. § 255.1(d)–(e) (2023) ("The [endorser] is subject to liability for misleading or unsubstantiated representations made in the course of her endorsement. . . . Endorsers may be liable for statements made in the course of their endorsements . . .").

<sup>83</sup> *See, e.g.,* *Petunia Prods., Inc. v. Rodan & Fields LLC*, No. 8:21-cv-00630, 2022 U.S. Dist. LEXIS 135324, at \*6 (C.D. Cal. Aug. 6, 2021). Actress and influencer Molly Sims was sued for direct trademark infringement along with multi-level marketing company Rodan + Fields, whose brow product she endorsed on her blog. The court refused to dismiss Petunia's trademark infringement and unfair competition claims in the lawsuit against Sims in an August 2021 order, reasoning that her blog post was a paid advertisement and crossed the line "from protected consumer commentary to commercial use."

<sup>84</sup> *See, e.g.,* Order Denying Defendant's Motion to Dismiss and Motion to Strike at 4–5, *Travelers v. Expedition 196, LLC*, No. 2022-CA-003089-B (D.C. Super. Ct. Sept. 13, 2023) (holding that an influencer can qualify as a merchant under the DC consumer protection statute's definition and be liable under advertising laws that govern merchants).

<sup>85</sup> Singh-Kurtz, *supra* note 26.

of their message, which includes “Dupe alert” and “I’m talkin’ \$33 versus \$90,”<sup>86</sup> were deemed deceptive, both L’Oréal and the twins could be held accountable.<sup>87</sup>

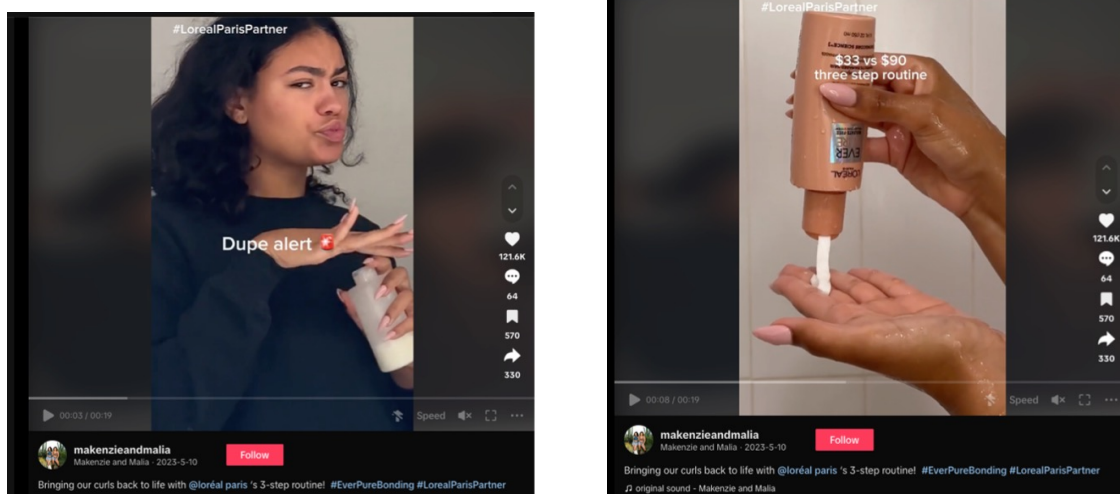


Figure 2: @Makenzieandmalia display an Olaplex product for which they claim the L’Oreal product is a dupe, with on-screen text “Dupe alert” and the hashtag #LorealParisPartner.

### III DUPE ADVERTISING LAW

False advertising is prohibited by a number of different laws, including the federal Lanham Act, the Federal Trade Commission (FTC) Act, and state consumer protection or deceptive practices statutes and common law prohibitions.<sup>88</sup> False advertising also violates the terms of service of most social media platforms.<sup>89</sup> Section 43(a)(1)(B) of the Lanham Act prohibits false or misleading statements about a company’s own goods or services or those of another party that are likely to deceive consumers, affect their purchasing decision, and harm the complaining party in some way, such as through reduced sales or reputational damage.<sup>90</sup>

<sup>86</sup> Makenzie and Malia (@makenzieandmalia), TIKTOK, <https://www.tiktok.com/@makenzieandmalia/video/7231657344751422766> [<https://perma.cc/4TU9-T7XE>].

<sup>87</sup> 16 C.F.R. § 255.1(d) (“Advertisers are subject to liability for misleading or unsubstantiated statements made through endorsements or for failing to disclose unexpected material connections between themselves and their endorsers.”).

<sup>88</sup> For more extensive discussion of false advertising prohibitions under state, federal, and agency laws, see Alexandra J. Roberts, *Multi-Level Lies* at III, U.C. DAVIS L. REV. (forthcoming 2025) (manuscript at 7).

<sup>89</sup> *Id.* at 16–18 (discussing advertising-related terms of service on Facebook, Instagram, TikTok, LinkedIn, and Twitch).

<sup>90</sup> 15 U.S.C. § 1125(a)(1)(B).

Companies have standing to sue under the Lanham Act; consumers do not.<sup>91</sup> The FTC Act, meanwhile, prohibits unfair or deceptive acts or practices in commerce as part of FTC's consumer protection mandate.<sup>92</sup> The Commission can bring administrative complaints or federal lawsuits, issue cease and desist orders, enjoin deceptive practices, mandate corrective advertising or disclosures, and impose penalties such as disgorgement and restitution.<sup>93</sup> And consumer protection laws in every state prohibit deceptive commercial practices; in most states both consumers and attorneys general or other state agencies are empowered to sue violators to enforce those prohibitions.<sup>94</sup>

FTC also issues additional guidance construing the FTC Act, including guidance specific to individuals and brands engaging in influencer marketing, a form of endorsement.<sup>95</sup> According to its "Guides Concerning the Use of Endorsements and Testimonials," endorsements must be truthful and nonmisleading and reflect the honest opinions of the endorser,<sup>96</sup> and an endorser must have been a bona fide user of the product advertised when an ad represents them to be.<sup>97</sup> Endorsers' claims also require substantiation, just as an advertiser's own claims do.<sup>98</sup> And individuals who receive a material benefit for endorsing a product or brand that might affect the weight or credibility of their endorsement must clearly disclose that fact.<sup>99</sup> A material benefit can include getting paid to post

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<sup>91</sup> See *Lexmark Int'l, Inc. v. Static Control Components, Inc.*, 572 U.S. 118, 131–32 (2014) ("[A] plaintiff must allege an injury to a commercial interest in reputation or sales. A consumer who is hoodwinked into purchasing a disappointing product may well have an injury-in-fact cognizable under Article III, but he cannot invoke the protection of the Lanham Act . . .").

<sup>92</sup> 15 U.S.C. § 45(a)(1).

<sup>93</sup> 15 U.S.C. §§ 45(l)–(m).

<sup>94</sup> See generally CAROLYN CARTER, NAT'L CONSUMER L. CTR., CONSUMER PROTECTION IN THE STATES: A 50-STATE EVALUATION OF UNFAIR AND DECEPTIVE PRACTICES LAWS 9 (Mar. 2018), <https://www.nclc.org/resources/how-well-do-states-protect-consumers/> [<https://perma.cc/R9VS-5Z48>]; Roberts, *supra* note 88 (manuscript at 18–19).

<sup>95</sup> 16 C.F.R. § 255.1(a); see also *FTC's Endorsement Guides: What People Are Asking*, FTC (June 2023), <https://www.ftc.gov/tips-advice/business-center/guidance/ftcs-endorsement-guides-what-people-are-asking> [<https://perma.cc/JX9S-6EMZ>].

<sup>96</sup> 16 C.F.R. § 255.1(a).

<sup>97</sup> 16 C.F.R. § 255.1(c).

<sup>98</sup> 16 C.F.R. § 255.1(a); FTC Policy Statement Regarding Advertising Substantiation, 104 F.T.C. 839 (1984).

<sup>99</sup> 16 C.F.R. § 255.5; FTC Enforcement Policy Statement on Deceptively Formatted Advertisements, 81 Fed. Reg. 22596, 22599 (Apr. 18, 2016).

about a product, receiving a percentage of sales through an affiliate agreement, owning a stake in the business whose products the influencer endorses, or receiving free products or services.<sup>100</sup> Both advertisers and endorsers are liable for false or unsubstantiated statements made by endorsers, as well as for endorsers' failure to disclose that content is sponsored.<sup>101</sup> So while some advertisers seem to view influencer marketing as a loophole that enables them to disseminate false claims or disguise advertisements as organic content, FTC guidance and other advertising regulations belie that view. While dupe influencers are more likely to engage in affiliate marketing directly through a platform like LTK.it or Amazon storefront, as discussed above, they are still included as endorsers under FTC's definitions and bound by the same guidance.<sup>102</sup> Influencer marketing can be particularly insidious because it filters advertising claims through individuals whose followers feel they know and trust them, and whose recommendations those followers view as authentic and sincere.<sup>103</sup> Those features make application of false advertising laws in the influencer marketing context crucial to avoid deception.

Comparative advertising—comparing one's products or services to those of another—is legal as long as it isn't false or deceptive.<sup>104</sup> In fact, according to one practical guide, about a third of all advertising in the US is comparative, and studies show that comparative ad claims “produce[] greater attention and message recall” than noncomparative claims.”<sup>105</sup> FTC has defined comparative advertising as “advertising that compares alternative brands on objectively measurable attributes or price, and identifies the alternative brand by name, illustration or other

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<sup>100</sup> The same is true in Europe. *See* Case C-371/20, *Peek & Cloppenburg KG v. Peek & Cloppenburg KG*, ECLI:EU:C:2021:674 (CJEU 2021) (clarifying the concept of payment in the Unfair Commercial Practices Directive).

<sup>101</sup> 16 C.F.R. § 255.1(d).

<sup>102</sup> *See* 16 C.F.R. § 255.5 (example 11); Guides Concerning Use of Endorsements and Testimonials in Advertising, 88 Fed. Reg. 48092, 48102 (Jul. 26, 2023).

<sup>103</sup> Roberts, *supra* note 74, at 84–85.

<sup>104</sup> *See* 4 CALLMANN ON UNFAIR COMP., TR. & MONO. § 22:45 n.17 (4th ed. 2024) (citing federal and state cases); *Sykes Lab'y, Inc. v. Calvin*, 610 F. Supp. 849, 854-55 (C.D. Cal. 1985) (“The sole limitation on this freedom [to copy another's product and reference their mark] is that the copyist cannot use another's trademark in a manner that would confuse the public as to the copy's source and he cannot make false claims about the similarity or respective quality of the products involved.”).

<sup>105</sup> Jenna D. Beller, *The Law of Comparative Advertising in the United States and Around the World: A Practical Guide for U.S. Lawyers and Their Clients*, 29 INT'L LAW. 917, 920 (1995).

distinctive information.”<sup>106</sup> Comparative claims can include superiority claims, which assert a product is better than those of competitors, and parity claims, which assert that a product is at least equal to those of competitors.<sup>107</sup> And advertisers are entitled to use competitors’ trademarks in advertising, calling the products or brands out by name, as long as they satisfy the principles of nominative fair use.<sup>108</sup> Under nominative fair use doctrine, advertisers are free to compare their products to those of competitors—including calling out those competitors by name—and explain why consumers should choose theirs, with slogans like “produce as fresh as Whole Foods, at half the price” or “if you like Ray-Ban, you’ll LOVE Rayex.”

Those references to others’ products do not just benefit the advertisers—they benefit consumers too, providing information and benchmarks that shoppers often find useful in making a purchasing decision. Comparative advertising may be particularly crucial to sellers of products like eyeshadow, perfume, and food; as one treatise author points out, “colors, scents, and flavors . . . cannot be described verbally; they can only be compared to something the consumer already knows.”<sup>109</sup> FTC has officially come out in support of comparative advertising, which it deems “a source of important information to consumers [that] assists them in making rational purchase decisions, . . . encourages product improvement and innovation, and can lead to lower prices in the marketplace.”<sup>110</sup> The Commission is therefore committed to “scrutinize carefully” attempts to restrain the use of comparative advertising given its benefits.<sup>111</sup>

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<sup>106</sup> FTC, Statement of Policy Regarding Comparative Advertising (Aug. 13, 1979), <http://www.ftc.gov/bcp/policystmt/ad-compare.htm> [<https://perma.cc/6JFZ-Q647>].

<sup>107</sup> Leonard K. Samuels & Jeffrey S. Wertman, *Is Your Competitor Making False Comparative Advertising Claims?*, BERGER SINGERMANN LLP (Nov. 30, 2016), <https://www.bergersingerman.com/news-insights/is-your-competitor-making-false-comparative-advertising> [<https://perma.cc/XXW7-V39D>].

<sup>108</sup> The nominative fair use doctrine varies somewhat by jurisdiction, but the most commonly-used test requires that 1) the product or service in question is not readily identifiable without use of the trademark; 2) only so much of the mark as is reasonably necessary to identify the product or service is used; and 3) the user has done nothing that would suggest sponsorship or endorsement by the trademark holder. *New Kids on the Block v. News Am. Publ’g, Inc.*, 971 F.2d 302, 304, 308 (9th Cir. 1992).

<sup>109</sup> 4 CALLMAN ON UNFAIR COMP., TR. & MONO. § 22:45 n.5 (4th ed.)

<sup>110</sup> FTC, *supra* note 106.

<sup>111</sup> *Id.*

But that commitment comes with caveats.<sup>112</sup> FTC supports brand comparisons where the advertiser identifies the basis of comparison, such as price or performance. Comparative claims, like all advertising claims, must be truthful and non-deceptive, and comparative advertising in particular “requires clarity.”<sup>113</sup> The McCarthy treatise reminds, “[e]ven if a seller uses a competitor’s mark in comparative advertising so as not to cause a likelihood of confusion of affiliation, but the claims of comparison with other goods are not true, there can be liability for false advertising or trade disparagement.”<sup>114</sup> Professors Tushnet and Goldman, in their advertising law casebook, note that parity claims can only be proven false by showing that the comparator is superior,<sup>115</sup> i.e. that the advertised product is not as good as, as effective as, or as liked as the product to which the ad compares it. “Nonetheless,” they continue, “products need not be identical to be compared. If the basis of comparison is sensible in light of consumer uses of a product or service, then comparison is legitimate even though other types of comparisons are also possible.”<sup>116</sup>

When assessing whether an advertising claim is false or misleading, factfinders place claims into one of several categories. A claim can only be a statement of fact if it’s capable of being proven true or false.<sup>117</sup> Claims that are too general, vague, subjective, or exaggerated to be understood as factual are known as “puffery.” A slogan like “Better ingredients. Better pizza” for a restaurant chain falls into this category: whether one set of ingredients or brand of pizza is better or worse is a subjective assertion, and different consumers are likely to reach different conclusions.<sup>118</sup> Likewise, a claim that a brand of pasta is “America’s Favorite Pasta” constitutes mere opinion, rather than a statement

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<sup>112</sup> See, e.g., *SATA GmbH & Co. KG v. Cent. Purchasing LLC*, No. CV2002131DDPJPRX, 2021 WL 949598, at \*4 (C.D. Cal. Mar. 12, 2021) (“Notably, the [FTC] regulation does not preclude prohibitions on comparative advertising, or even suggest that all comparative advertising is pro-competitive. Rather, the regulation emphasizes the value of truthful, non-deceptive comparative advertising.”).

<sup>113</sup> FTC, *supra* note 106.

<sup>114</sup> 3 MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 25:52 (5th ed.).

<sup>115</sup> REBECCA TUSHNET & ERIC GOLDMAN, *ADVERTISING & MARKETING LAW: CASES AND MATERIALS* 244 (5th ed. 2020).

<sup>116</sup> *Id.* at 246.

<sup>117</sup> *Pizza Hut, Inc. v. Papa John’s*, 227 F.3d 489, 496 (5th Cir. 2000) (“[A] statement of fact is one that (1) admits of being adjudged true or false in a way that (2) admits of empirical verification.”).

<sup>118</sup> *Id.*

of fact that could be adjudged true or false.<sup>119</sup> And when a cable company ran ads showing pixelated images to represent the clarity of a competitor's picture, the court ruled those images puffery rather than false visual claims because they were so exaggerated that no reasonable consumer would take them seriously.<sup>120</sup> Advertising law is centered on consumer perception. So if we surveyed consumers, we might find that any reasonable shopper who saw a post touting a \$12 Shein boot as a dupe for a \$2,000.00 Chanel boot would consider the comparison mere puffery, too exaggerated and unlikely a proposition to convey any real or measurable equivalence between the shoes besides the basic fact that both are, well, shoes. But if every claim calling something a dupe is mere puffery, how do we end up with nearly half of the consumers surveyed reporting they felt scammed or disappointed by a dupe?<sup>121</sup>

If an advertising claim is not puffery, it might be deemed literally false, false by necessary implication, or misleading. Claims communicated through visual representations, including photographs, images, and videos, can qualify as false or misleading claims.<sup>122</sup> Most jurisdictions and FTC divide literally false claims into two categories: efficacy claims, which are general claims that a product is effective or does what it's supposed to do, and establishment claims, which reference data or studies in support of their veracity. Courts typically interpret a *prima facie* Section 43(a)(1)(B) case to require that an actionable claim be 1) false or misleading; 2) affecting interstate commerce; 3) in advertising or promotion; 4) deceptive; 5) material, i.e. affecting the purchasing decision; and 6) injurious.<sup>123</sup> Most courts presume deceptiveness when a claim is literally false, and some also presume materiality; otherwise, or when a claim is deemed merely misleading, deceptiveness and materiality can be proved using consumer surveys. FTC takes a similar approach; it also considers not only what the claim affirmatively communicates but also whether it fails by omission to reveal any

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<sup>119</sup> *Am. Italian Pasta Co. v. New World Pasta Co.*, 371 F.3d 387, 391 (8th Cir. 2004).

<sup>120</sup> *Time Warner Cable, Inc. v. DirecTV, Inc.*, 497 F.3d 144, 148 (2d Cir. 2007).

<sup>121</sup> TRUSTPILOT, I note 48.

<sup>122</sup> Roberts, *supra* note 74, at 112–13; *see generally* Malla Pollack, *Suing Your Cut-Rate Competitor: Store Brands and “Compare To” Packaging*, 113 AM. JUR. TRIALS 279 (2009).

<sup>123</sup> TUSHNET & GOLDMAN, *supra* note 115. These factors are derived from the landmark false advertising case *Skil Corp. v. Rockwell Int'l Corp.*, 375 F. Supp. 777, 782–83 (N.D. Ill. 1974).

material facts.<sup>124</sup> State laws vary, with some defining false advertising explicitly and others incorporating FTC's definitions.<sup>125</sup>

Of course, heterogeneity in meaning will always exist—the same claim in the same advertisement will be interpreted differently by different consumers based on their experience, expectations, trust in the source, and other factors. For survey evidence to be useful, courts need to establish some benchmarks to determine how many deceived consumers is enough to enjoin a claim. Courts have grappled with the same question in trademark law: how many consumers must find a mark famous, generic, inherently distinctive, or confusingly similar to another mark for an owner to earn or lose protection or succeed in enforcing their rights against another party? While there are no concrete answers to that question, courts considering survey evidence in a likelihood of confusion analysis generally agree that “a competent survey showing that the number of deceived consumers is ‘not insignificant’ will be sufficient proof of confusion.”<sup>126</sup> Some consider 15% the key threshold for a survey to weigh toward infringement.<sup>127</sup>

In Section 43(a)(1)(B) cases, when courts presume a literally false claim is deceptive and material, actual consumer perception is less likely to influence the outcome. Where a claim is impliedly false or merely misleading, though, courts rely heavily on surveys, and tend to apply a similar “not insignificant” or “not insubstantial” standard to the one they use in infringement cases.<sup>128</sup> Survey

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<sup>124</sup> 15 U.S.C.A. § 55 (West) (defining “false advertisement”); *FTC and FDA Send Warning Letters to Companies Selling Flavored E-liquids About Social Media Endorsements Without Health Warnings*, FTC (June 7, 2019), <https://www.ftc.gov/news-events/news/press-releases/2019/06/ftc-fda-send-warning-letters-companies-selling-flavored-e-liquids-about-social-media-endorsements> [<https://perma.cc/RA5Z-E783>] (“The FTC stated [in warning letters] that the FTC Act’s prohibition on unfair or deceptive practices includes the failure to disclose material health or safety risks in advertising.”).

<sup>125</sup> Roberts, *supra* note 88 (manuscript at 15–16).

<sup>126</sup> Thomas W. Edman, *Lies, Damn Lies, and Misleading Advertising: The Role of Consumer Surveys in the Wake of Mead Johnson v. Abbott Labs*, 43 WM. & MARY L. REV. 417, 430–31 (2001).

<sup>127</sup> See, e.g., Camilla Hrdy, *Likelihood of Confusion: Is 15% The Magic Number?*, WRITTEN DESCRIPTION BLOG (May 17, 2019, 5:49 PM), <https://writtendescription.blogspot.com/2019/05/likelihood-of-confusion-is-15-magic.html> [<https://perma.cc/D2LV-GBVQ>] (recounting a talk by attorney David Bernstein about the “fifteen percent benchmark” in trademark likelihood of confusion analyses).

<sup>128</sup> TUSHNET & GOLDMAN, *supra* note 115, at 178 (surveying case law and summarizing that “a good rule of thumb is that a good, well-controlled survey that shows net 20% or greater deception will be highly persuasive for the plaintiff, and that one that shows 10% or less will be persuasive for the defendant.”). FTC also applies a “substantial number” standard when considering how many consumers must be likely to be deceived. *Id.*

evidence is usually not necessary in FTC and Better Business Bureau's National Advertising Division (NAD) cases—both agencies consider themselves sufficiently expert to judge how a claim will be perceived—but it may still be helpful.<sup>129</sup> Courts construing both the FTC Act and the Lanham Act have held that where the false claim is likely to cause very serious harm or involve human safety, smaller percentages of deceived consumers may suffice to support the claim.<sup>130</sup>

As an alternative to courts, some companies take their false advertising complaints to NAD. NAD applies federal false advertising law as well as some principles derived from FTC guidance<sup>131</sup> in its non-binding dispute resolution process. Companies with gripes against competitors' advertising find the NAD appealing because its process is streamlined, efficient, and far less expensive than federal litigation, and most companies whose ad claims are challenged voluntarily comply with NAD's recommendations—perhaps because if they decline, NAD refers the dispute to FTC. NAD also conducts its own monitoring of advertising claims and independently initiates about a quarter of the cases it hears.<sup>132</sup>

In determining whether an advertising claim is false, factfinders must first construe the meaning of the claim.<sup>133</sup> Few courts have taken up the question of how to interpret a claim that one product is a dupe of another.<sup>134</sup> But dupe advertising is a form of comparative advertising, which is a genre courts have certainly seen before. Claims like “compare [product being advertised] to [other leading product]” or “if you like [competitor brand], you'll love [advertiser's brand]” are far from

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<sup>129</sup> *Id.* at 164.

<sup>130</sup> *Id.*

<sup>131</sup> Roberts, *supra* note 74, at 113 (citing Terri Seligman & Hannah Taylor, *Navigating the National Advertising Division*, LANDSLIDE MAG. (Mar.–Apr. 2019), [https://www.americanbar.org/groups/intellectual\\_property\\_law/publications/landslide/2018-19/march-april/navigating-national-advertising-division/#7](https://www.americanbar.org/groups/intellectual_property_law/publications/landslide/2018-19/march-april/navigating-national-advertising-division/#7) [<https://perma.cc/46ZT-PDJ2>]; John E. Villafranco & Katherine E. Riley, *ABA, So You Want to Self-Regulate? The National Advertising Division as Standard Bearer*, 27 ANTITRUST 79, 79–80 (2013)).

<sup>132</sup> *National Advertising Division (NAD)*, BBB NAT'L PROGAMS, <https://bbbprograms.org/programs/all-programs/national-advertising-division#> [<https://perma.cc/X8P2-ANLL>].

<sup>133</sup> *Sherrell Perfumers, Inc. v. Revlon, Inc.*, 483 F. Supp. 188, 191 (S.D.N.Y. 1980) (citing *Am. Home Prods. Corp. v. Johnson & Johnson*, 577 F.2d 160, 164–67 (2d Cir. 1978)).

<sup>134</sup> *But see Bausch & Lomb Inc. v. Nevitt Sales Corp.*, 810 F. Supp. 466, 469 (W.D.N.Y. 1993) (granting preliminary injunction where defendant “envisioned” its sunglasses as “less expensive ‘duplicates’” of Ray-Ban's and “referred to some ... as duplicates of Wayfarers® or Clubmasters®, or as Cat® style sunglasses”).

new.<sup>135</sup> The Eighth Circuit in one such like/love case held that an advertiser “does not commit unfair competition merely because it refers to another’s product by name in order to win over customers interested in a lower cost copy of that product if the reference is truthful” and non-confusing.<sup>136</sup> A federal court applying state law reached the same conclusion where an advertiser used the phrase “If You Like Estee Lauder ... You’ll Love Beauty USA.”<sup>137</sup> Likewise, the Second Circuit had no problem with hang tags that described the garments they hung from as copies of Dior originals, holding that the law “does not prohibit a commercial rival’s truthfully denominating his goods a copy of a design in the public domain, though he uses the name of the designer to do so.”<sup>138</sup>

But the details matter. Courts have held that while comparative claims communicate a mere invitation to compare in some cases, in others they may convey, “depending on their wording and context, ... a specific assertion of measurable fact, such as the same ingredients or efficacy.”<sup>139</sup> Factfinders in some cases have therefore deemed “like/love,”<sup>140</sup> “alternative to,”<sup>141</sup> “compare to,” or “our version of” advertising claims to communicate a factual representation of equivalence or a claim requiring substantiation. In one case, perfume brand Shalimar contended that another brand’s claims that its product was “like” or

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<sup>135</sup> See Pollack, *supra* note 122, at § 55 (“Courts officially approve of truthful comparative advertising. However, not all ‘like, love’ or ‘compare to’ cases rule for the defendant.”).

<sup>136</sup> Calvin Klein Cosmetics Corp. v. Parfums de Coeur, Ltd., 824 F.2d 665, 668 (8th Cir. 1987).

<sup>137</sup> Diversified Mktg., Inc. v. Estee Lauder, Inc., 705 F. Supp. 128, 137 (S.D.N.Y. 1988).

<sup>138</sup> Societe Comptoir De L’Industrie Cotonniere Etablissements Boussac v. Alexander’s Dept. Stores, Inc., 299 F.2d 33, 36 (2d Cir. 1962).

<sup>139</sup> Rexall Sundown, Inc. v. Perrigo Co., 651 F. Supp. 2d 9, 21 (E.D.N.Y. 2009) (citing Axcan Scandipharm Inc. v. Ethex Corp., 585 F. Supp. 2d 1067, 1083 (D. Minn. 2007) (plaintiff could succeed on its claims that its product was an alternative to defendant’s product “if it can prove that the Defendants’ advertising suggests that [the products] contain the same ingredients, in the same quantities ... when in fact they do not”)) (denying summary judgment and finding “Rexall has raised a genuine disputed issue of material fact as to whether any alleged implied assertion of equivalence, in terms of ingredient formulation and/or efficacy in defendant’s Compare To Statements, is false”).

<sup>140</sup> Charles of the Ritz Grp. Ltd. v. Quality King Distribs., Inc., 636 F. Supp. 433, 438 (S.D.N.Y. 1986) (enjoined based on likelihood of confusion, not falsity of comparative claim).

<sup>141</sup> See *Axcan*, 585 F. Supp. 2d at 1083 (citing *Healthpoint, Ltd. v. Ethex Corp.*, Civil No. SA-01-CA-646, 2004 WL 2359420, at \*16 (W.D. Tex. July 14, 2004) (holding that advertising “wound-debridement ointment as an alternative to the plaintiff’s competing ointment was actionable because it could suggest that the two products had the ‘same active ingredients in the same quantities’”)) (“Courts have...held that advertising one product as an ‘alternative to’ another may violate the Lanham Act”); see also *Solvay Pharms. v. Ethex Corp.*, Civil No. 03-2836(JRT/FLN), 2006 WL 738095, at \*3 (D. Minn. Aug. 7, 2006).

“similar to” Shalimar and that “if you like [Shalimar] then you’ll love [Fragrance S]” were false. The district court had granted summary judgment to the advertiser, relying only on the court’s own sniff test in determining that the fragrances were indeed similar, but made clear that if they had not been, it would be possible to find the comparison “false, misleading, or fraudulent.”<sup>142</sup> The Ninth Circuit, pointing to expert affidavits concluding that the products differed in chemical composition, fragrance, and longevity,<sup>143</sup> reversed the district court, finding a genuine issue of material fact remained on the similarity question and therefore on whether the advertiser’s comparative claims constituted false representations.<sup>144</sup> In a different perfume case, the court deemed packaging that called copycat perfumes “our version of” better-known scents deceptive because that language “impl[ied] that the products are similar, if not equivalent,” when they were actually neither.<sup>145</sup>

Meanwhile, in a district court case, a manufacturer of dietary and nutritional supplements called Body Solutions sued a competitor, alleging that its use of the phrase “Compare to Body Solutions” on labels constituted a false or misleading claim because it suggested that the two products were identical, substantially similar, or equally effective.<sup>146</sup> While the advertiser tried to paint its comparative claim as puffery, the court disagreed, stating that the “invitation to ‘compare’ does not qualify as a vague claim of superiority. Unlike more subjective terms often used in advertising, ‘compare’ suggests that a product’s performance has in fact been tested and verified.”<sup>147</sup> And in another case, a district court considered sunglasses sold with a label inviting consumers to compare its prices to another brand and concluded that the label was misleading in that it either suggested that the products were similar in quality or that they were affiliated.<sup>148</sup> Because the lens quality was totally dissimilar and the companies were not affiliated, the court deemed the comparison misleading.<sup>149</sup> In other words, the court held that an invitation

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<sup>142</sup> Saxony Prod., Inc. v. Guerlain, Inc., 513 F.2d 716, 721 (9th Cir. 1975).

<sup>143</sup> *Id.* at 722.

<sup>144</sup> *Id.* at 723.

<sup>145</sup> Coty Inc. v. Excell Brands, LLC, 277 F. Supp. 3d 425, 461 (S.D.N.Y. 2017).

<sup>146</sup> Nutrition & Fitness, Inc. v. Mark Nutritionals, Inc., 202 F. Supp. 2d 431, 434 (M.D.N.C. 2002).

<sup>147</sup> *Id.* at 435–36 (denying motion to dismiss and holding that “at this stage, Defendant has adequately alleged that Plaintiff’s labels contain a false or misleading statement”).

<sup>148</sup> Cartier, Inc. v. Deziner Wholesale, LLC, No. 98 Civ. 4947(RLC), 2000 WL 347171, at \*4 (S.D.N.Y. 2000).

<sup>149</sup> *Id.* at \*4–5.

to compare a low-end copycat with the high-end product it copied communicated more than simply “both brands sell sunglasses, and Deziner’s sunglasses cost less.” Instead, it conveyed some equivalence between the products—one the court found did not exist.<sup>150</sup> In the Dior hangtag case mentioned above, the court only declined to enjoin the comparison to the luxury brand because it was “apparently truthful,” clarifying “[w]e do not understand plaintiffs to claim that the garments were so poorly made or executed as not to constitute copies.” Some dupes, as we know, *are* so poorly made as not to constitute copies<sup>151</sup>—so to the extent that the line of cases allowing comparative claims rests on truthful comparison, it will not always apply if dupe claims are challenged.

It bears noting, though, that many of the Lanham Act cases that have explored the possible deceptiveness of comparative advertising claims are at heart trademark or trade dress infringement cases that also allege unfair competition, free-riding, or false advertising; their likelihood of confusion and false advertising analyses can be difficult to disentangle completely.<sup>152</sup> The NAD considers only advertising claims, so its assessments are not intertwined with trademark ones. According to NAD, “the determination as to whether a ‘compare to’ claim is a comparative performance claim or merely an ‘invitation’ to compare the products in question depends on the context in which the ‘compare to’ claim appears in the challenged advertising.”<sup>153</sup> That context can include factors like the product’s positioning as a house brand offering<sup>154</sup> or the proximity of the “compare to” claim to more objective efficacy claims like, in the case of shoe inserts billed as similar to

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<sup>150</sup> Note that comparative claims about prescription drugs or devices fall under FDA jurisdiction and require a much higher level of substantiation if deemed to be claims of bioequivalence.

<sup>151</sup> See, e.g., Rosey Bowing, *Is It a Dupe, or Is It Just a Scam?*, BROWSER MEDIA (Jan. 31, 2024), <https://browsermedia.agency/blog/is-it-a-dupe-or-is-it-just-a-scam/> [<https://perma.cc/NG5W-DFX4>] (recounting how one creator noticed thirty-two different companies advertising a dupe of a specific corset-backed dress, so she ordered several to compare; all of the dupes she received were poor quality and lacking basic features: “none of the dresses matched the pattern of the one shown in the ads, and every single one was made out of cheap, flimsy fabric, with little shape or support. And of course, no corset back on any of them.”).

<sup>152</sup> The claim “if you love Ray-Ban®, you’ll LOVE Rayex®,” for example, was held to exacerbate the likelihood of confusion that already existed. *Bausch & Lomb Inc. v. Nevitt Sales Corp.*, 810 F. Supp. 466, 477 (W.D.N.Y. 1993).

<sup>153</sup> *Bausch & Lomb Inc. v. Wal-Mart Stores, Inc.*, NAD/CARU Case No. 5808 (Feb. 4, 2015), at 1.

<sup>154</sup> *Id.* at 13–14 (“NAD noted that consumers who shop at Wal-Mart are familiar with the Equate brand as being a Wal-Mart brand and, hence, a less expensive alternative to competing name brands . . . In these contexts, NAD determined that the challenged ‘Compare to’ claims invite consumers to try Equate’s less expensive or ‘value’ products and compare it with their brand-name counterparts”).

Dr. Scholl's, "Superior Comfort" and "Helps Reduce Impact Forces." In several cases, NAD has deemed "compare to" claims simply invitations to compare two products without making parity or comparative performance claims that require substantiation.<sup>155</sup> But in one of those cases, NAD rested its conclusion in part on the fact that a real basis for comparison did exist, "unlike an advertiser that seeks to deceptively 'upgrade' its product by comparing it to a completely dissimilar and superior product."<sup>156</sup> And in a handful of other decisions, NAD recommended that advertisers discontinue use of "compare to" claims, finding they could leave reasonable consumers under the impression that the brands being compared "are similar in type, composition and efficacy"<sup>157</sup> when no substantiation for those claims had been provided.

FTC does not appear thus far to have taken specific action against dupe influencers or issued guidance about the use of the term "dupe." But it seems inevitable that some dupe influencers violate its Guides. First, a study found that most influencers engaged in affiliate marketing on YouTube and Pinterest fail to disclose that they derive a material benefit from those posts.<sup>158</sup> That failure may be even more deceptive than it is when traditional influencers do it, because it's more difficult for followers to spot that an influencer's posts are advertisements when they are not shilling for a well-known brand. Second, influencers can be liable under the FTC Act for false or misleading claims, just like traditional advertisers can; if comparative claims can be construed as making representations about quality, materials, or product features, which Lanham Act and NAD precedent indicates

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<sup>155</sup> *Id.*; Energizer Holdings, Inc. v. Spectrum Brands, Inc., NAD/CARU Case No. 5132 (Jan. 5, 2010); Merz Pharmaceuticals LLC vs: Target Corp., NAD/CARU Case No. 4688 (June 29, 2007); see also Diversified Marketing, Inc. v. Estee Lauder, Inc., 705 F. Supp. 128, 132 (S.D.N.Y. 1988) ("Plaintiff's advertising may invite comparative shopping ...").

<sup>156</sup> *Energizer Holdings*, NAD/CARU Case No. 5132 at 10.

<sup>157</sup> *Lifes2Good, Inc. v. Lang Pharma Nutrition, Inc.*, NAD/CARU Case No. 5881 (Sept. 2, 2015) at 13; see also *Schering-Plough Healthcare Products, Inc. v. Implus Corp.*, NAD/CARU Case No. 3563 (July 1, 1999) ("NAD concluded that although the claim 'compare [Foot Cradle] to DynaStep' is not an explicit, comparative claim, in the context of the challenged advertising it could be reasonably interpreted to mean that Foot Cradle is the functional equivalent of DynaStep").

<sup>158</sup> Arunesh Mathur, Arvind Narayanan & Marshini Chetty, *Endorsements on Social Media: An Empirical Study of Affiliate Marketing Disclosures on YouTube and Pinterest*, 2 PROC. OF THE ACM ON HUM.-COMPUT. INTERACTION 1, 2 (empirical research analyzing 3,472 YouTube videos and 18,237 Pinterest pins with affiliate links and finding only 7 to 10% contained any written disclosure, and the vast majority of those disclosures did not satisfy FTC disclosure guidelines).

they can, then claims that one product is a dupe for another may well be deemed false. And finally, an endorser must be a bona fide user sharing their true opinion. Some dupe influencers have explained that they use features like reverse image searching to locate dupes to share with their followers.<sup>159</sup> Whether the dupe is a couch or a lipstick, an influencer who doesn't own and use it or hasn't at least tried it out violates this aspect of FTC guidance.

While this discussion focuses primarily on US advertising law and US cases, dupe advertising takes place—and reaches consumers—worldwide. As in other aspects of advertising regulation, some countries have more restrictive laws about comparative advertising than does the US.<sup>160</sup> A number of civil law regimes prohibit or previously prohibited comparative advertising completely, some on the view that even non-confusing comparative advertising necessarily involves one brand free-riding on the goodwill of another.<sup>161</sup> In the European Union, the Misleading and Comparative Advertising Directive lists the conditions under which comparative advertising is permitted, including where “it does not present goods or services as imitations or replicas of goods or services bearing a protected trade mark or trade name.”<sup>162</sup> That means that even in the absence of confusion or deception, an advertiser can face liability for advertising something as an imitation or replica of a branded good. In one case applying that provision, a company advertised smell-alike perfumes, using similar packaging to the branded version and providing retailers with a comparison list matching the branded perfumes with the advertiser's own version.<sup>163</sup> The UK court that initially heard the case concluded that the advertiser's use of the other perfume trademarks violated the law by taking unfair advantage of the reputation of the brands it copied, even though

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<sup>159</sup> See Singh-Kurtz, *supra* note 26 (quoting interior design influencer Emily Wainwright, who uses Google Shopping and reads reviews to find dupes to post, and finance influencer Sarah Adekola, who uses reverse image searching on a number of platforms to locate dupes to share); Maguire, *supra* note 20 (describing influencer Vivian Tu's process of finding a “dupe” Bottega Veneta bag using reverse image searching on Amazon and then adding it to her Amazon storefront).

<sup>160</sup> See Roberts, *supra* note 74, at 114 n.223.

<sup>161</sup> LaFrance, *supra* note 45, at 1108.

<sup>162</sup> Directive 2006/114/EC Article 4(g) of the European Parliament and of the Council of 12 December 2006 Concerning Misleading and Comparative Advertising and Repealing Council Directive 84/450/EEC, 2006 O.J. (L 376) 23 (“Comparative advertising shall, as far as the comparison is concerned, be permitted when . . . it does not present goods or services as imitations or replicas of goods or services bearing a protected trade mark or trade name.”)

<sup>163</sup> L'Oréal SA v. Bellure NV [2007] EWCA (Civ) 968 (Eng.).

neither retailers nor consumers were deceived.<sup>164</sup> The Court of Appeal of England and Wales referred several questions to the European Court of Justice (ECJ).<sup>165</sup> The ECJ agreed with the lower court and further construed the Directive to say that goods or services fall within the meaning of the provision whether presented as imitations or replicas explicitly or implicitly.<sup>166</sup> The ECJ's decision suggests that a term like "dupe" that indicates a product is a duplicate of or substitute for another likely also exceeds the bounds of acceptable comparative advertising in the EU. Nonetheless, the case has its critics;<sup>167</sup> several scholars read the "imitations or replicas" directive as essentially banning comparative advertising.<sup>168</sup>

While a few brands are engaging directly in dupe culture, as discussed above, many are watching from the sidelines, scrutinizing references to their brands to determine whether the term signals an infringing product or deceptive claim or merely acceptable comparative advertising or puffery. A number of lawsuits have mentioned or included evidence of use of the term "dupe." Some cite a defendant's products being described as a dupe as evidence of actual confusion, as when American Eagle sued Walmart over jeans that it claimed infringed its distinctive trade dress.<sup>169</sup> Others cite the "dupe" label as proof of intentional copying, as when handbag brand Cult Gaia sought to enjoin Steve Madden's production and sale of a bag it deemed an unauthorized copy of its Ark Bag.<sup>170</sup> One company included

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<sup>164</sup> *Id.*; Gencs Valters, *Comparative Advertising in Europe*, GENCS VALTERS LAW FIRM (June 9, 2015), <http://www.gencs.eu/news/view/2411> [<https://perma.cc/57DC-CQAQ>].

<sup>165</sup> *L'Oréal SA v. Bellure NV* [2007] EWCA (Civ) 968 (Eng.).

<sup>166</sup> Case C-487/07, *L'Oréal SA v. Bellure NV*, 2009 E.C.R. 1-05185.

<sup>167</sup> *E.g.*, Dev Gangjee & Robert Burrell, *Because You're Worth It: L'Oréal and the Prohibition on Free Riding*, 73 MOD. L. REV. 282, 283 (2010) (criticizing the case as "theoretically unsound" and "run[ning] counter to the thrust of the European trade mark law").

<sup>168</sup> *See, e.g.*, Darren Meale & Joel Smith, *Enforcing a Trade Mark When Nobody's Confused: Where the Law Stands after L'Oréal and Intel*, 5 J. INTELL. PROP. L. & PRAC. 96, 100 (2010) ("The authors struggle to think of a comparative advert that is now lawful, and this cannot have been the ECJ's intention."); *see also* Rebecca Tushnet, *Towards Symmetry in the Law of Branding*, 21 FORDHAM INTELL. PROP. MEDIA & ENT. L.J. 971, 973 n.11 (2011) (noting that in Europe, comparative advertising is considered "wrongful behavior").

<sup>169</sup> Plaintiffs' (Redacted) Brief In Support of Motion for Summary Judgment at 7, 16, *Am. Eagle Outfitters, Inc. v. Walmart, Inc.*, No. 2:20-cv-00412-MJH, 2023 WL 1778786 (W.D. Pa. Jan. 28, 2022) ("As reflected in the ... comments from fashion influencers, their followers on social media, and even from shoppers at Walmart.com, consumers have recognized Walmart's jeans with the infringing BPS logo as 'AE dupes' ... actual confusion is reflected in the many comments by consumers and influencers about the similarity of Walmart's Accused BPS logo to AE's BPS logo").

<sup>170</sup> *Steven Madden, Ltd. v. Jasmin Larian, LLC*, No. 18 CIV. 2043, 2019 WL 294767, at \*2 (S.D.N.Y. Jan. 22, 2019) (dismissing defendant's counterclaims). The parties settled.

the detail in its utility patent infringement complaint, noting “Beauty writers, influencers, and customers refer to KISS’s copycat Falscara as a ‘dupe’ of Lashify’s system.”<sup>171</sup> Another included use of the label in its copyright infringement complaint, suggesting that “consumers and commentators” calling Old Navy items “dupes” of Lilly Pulitzer items was proof of their “striking” similarity.<sup>172</sup> And others, perhaps unsurprisingly, cite the use of “dupe” in reference to products that resemble theirs in general support of their trade dress or trademark infringement claims.<sup>173</sup>

Finally, and most relevant to this discussion, several brands have included evidence of the use of “dupe” or “duplicate” in connection with false advertising claims. Vans, in its suit against Primark alleging trademark infringement and federal false advertising, notes that “Primark’s influencers compare the Infringing Products to Vans authentic products and refer to and promote the Infringing

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Cult Gaia and Steve Madden Settle Suit, But Cult Gaia and Madden’s Supplier Are Still Locked in Theirs, *THE FASHION L.* (Aug. 2, 2019), <https://www.thefashionlaw.com/cult-gaia-and-steve-madden-settle-one-suit-cult-gaia-and-maddens-supplier-are-still-locked-in-fight/> [https://perma.cc/PZR6-PD2Z].

<sup>171</sup> Complaint at 12, *Lashify, Inc. v. Kiss Nail Prods., Inc.*, No. 2:20-cv-10023 (D.N.J. Aug. 5, 2020). Lashify also used the term in a statement to Law360 celebrating an ITC investigation that included imports of eyelash extension systems, with CEO and founder Sahara Lotti expressing she was “pleased that the ITC instituted the investigation as we need to end the normalization of improper dupes in the beauty industry.” Adam Lidgett, *ITC Launches Fake Eyelash, Computer Gear, OLED Probes*, *Law360* (Oct. 26, 2020), <https://www.law360.com/articles/1322492/itc-launches-fake-eyelash-computer-gear-oled-probes> [https://perma.cc/M3QV-YRJG].

<sup>172</sup> Complaint at 13, *Sugartown Worldwide LLC v. Old Navy, LLC*, No. 1:15-cv-02633-ELR (N.D. Ga. July 24, 2015). *See also* James Charles Calls Foul on Wet n Wild’s Dupe, *Here’s the Legality of the Situation*, *THE FASHION L.* (Sept. 10, 2019), <https://www.thefashionlaw.com/james-charles-calls-foul-of-wet-n-wilds-dupe-heres-the-legality-of-the-situation/> [https://perma.cc/N7Y3-83DB] (discussing Charles’ assertion that Wet ‘n Wild infringed his copyright by copying his eyeshadow palette); *Charlotte Tilbury Prevails in Copyright Case Over Beauty “Dupes”*, *THE FASHION L.* (Aug. 21, 2019), <https://www.thefashionlaw.com/charlotte-tilbury-prevails-in-case-over-beauty-dupes/> [https://perma.cc/2YXN-NDLQ] (discussing Tilbury’s win in UK copyright infringement case over Aldi makeup case and powder).

<sup>173</sup> *See* Complaint at 71–72, *Vans, Inc. v. Walmart, Inc.*, No. 8:21-cv-01876 (C.D. Cal. Nov. 15, 2021) (“Walmart is well aware that many of its affiliates promote and endorse Walmart’s Infringing Footwear by (1) openly referring to Vans while promoting them, (2) explicitly selling them as ‘Van dupes’ or ‘Vans knockoffs,’ and/or (3) intentionally trying to divert potential customers away from Vans by suggesting that the prestige of Vans’ shoes can be acquired without paying Vans’ normal prices.”); *see also* Complaint at 2, *Amazon.com v. Fitzpatrick et al*, No. 2:20-cv-01662 (W.D. Wash. Nov. 12, 2020) (“Fitzpatrick and Kelly-Krejci refer to the products they promote as ‘dupes’ ... these so-called ‘dupes’ are obviously counterfeit goods that blatantly copy the registered trademarks of luxury brands.”).

Products as ... ‘duplicate’ Vans.”<sup>174</sup> Haircare brand It’s a 10, in a suit against a manufacturer of lookalike products alleging trade dress infringement, federal false advertising, and violation of Florida’s Deceptive Practices Act, highlights consumer reviews on Amazon calling defendant’s product a “drugstore dupe for It’s a 10 Miracle Leave-In” and “a total dupe” for its product.<sup>175</sup> Amazon accused two popular influencer accounts of federal false advertising and violation of Washington’s consumer protection law when they promoted their products as “dupes” as part of a “sophisticated campaign of false advertising for the purpose of evading Amazon’s counterfeit detection tools.”<sup>176</sup> And while Lashify has sued one competitor for allegedly marketing dupes, a second competitor, Urban Dollz, has sued Lashify for false advertising based on claims by the company and its agents that Urban Dollz’ DIY lash system “is a ‘dupe’ of [Lashify’s] system.”<sup>177</sup> In the suit, Urban Dollz seeks an order prohibiting Lashify from “engaging in false advertising under the Lanham Act, including by making false statements ... accusing [Urban Dollz] of being a ... dupe.”<sup>178</sup>

Most recently, Williams-Sonoma Inc. (WSI), whose portfolio includes furniture brands Pottery Barn and West Elm as well as Williams-Sonoma, sued dupe.com, a website and browser extension that enables consumers to use reverse image searching to find alternatives to high-end furniture, which the defendant labels “dupes.”<sup>179</sup> WSI alleges numerous kinds of false claims by the defendant, including accusing West Elm of “scam[ming]” consumers by selling for “over \$2,000.00” a chair when the defendant claims “the same chair” is available for 80–90% less from other sellers. In reality, according to the complaint, the West

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<sup>174</sup> Complaint at 22, *Vans, Inc. v. Primark Stores Ltd.*, No. 1:18-cv-07214 (E.D.N.Y. Dec. 18, 2018).

<sup>175</sup> Complaint at 6, *It’s a 10, Inc. v. Key Brands Intl., Ltd.*, No. 0:15-cv-61291-WJZ (S.D. Fla. June 17, 2015).

<sup>176</sup> Complaint at 2, *Amazon.com*, No. 2:20-cv-01662. The parties later reached a settlement that prohibits the influencers from advertising, linking to, or selling products on Amazon. Annie Palmer, *Amazon settles with influencers who allegedly peddled counterfeits on Instagram and TikTok*, CNBC (Sept. 30, 2021), <https://www.cnbc.com/2021/09/30/amazon-settles-with-influencers-who-allegedly-ran-counterfeit-scheme.html> [<https://perma.cc/42A2-KRQ4>]

<sup>177</sup> First Amended Complaint at 35, *Urban Dollz LLC v. Lashify, Inc.*, No. 2:23-cv-01427 (C.D. Cal. Nov. 7, 2023) (“Defendants’ claims in advertisements that they are the only real brand selling DIY lashes, that they are the first DIY lash system, and that any other brand is a ‘dupe’ of their system constitute false advertisement.”).

<sup>178</sup> *Id.* at 44.

<sup>179</sup> Complaint at ¶ 7, *Williams-Sonoma Inc. v. Carrot Cart Inc.*, Case 1:24-cv-06597 (SDNY Aug. 30, 2024).

Elm chair costs significantly less; most importantly, “the same chair” cannot be available from other retailers because it is exclusively designed and manufactured for WSI.<sup>180</sup> According to the complaint, while the website purports to help consumers find dupes, i.e. it “claims that its search tool returns [products] that are ‘the same’ or very similar to the products that users query, Dupe.com searches routinely return results that are materially different from the original product in appearance, material, size, dimensions, and/or quality.”<sup>181</sup> By owning and operating a website named for dupes, with which it claims users can locate dupes for their desired furniture items and through which it advertises, showcases, and receives commissions on the sale of those so-called dupes, defendant allegedly engages in false advertising and unfair competition under the Lanham Act and state law.<sup>182</sup>

#### IV DUPED BY DUPES

A recent study found 49% of consumers surveyed considered themselves to have been “scammed” when they purchased a viral dupe product on social media.<sup>183</sup> Is that simply the consequence that purchasers risk when they choose to buy a dupe to save money, rather than splurge on the desired item from the well-known brand—play stupid games, win stupid prizes? In fact, doesn’t this consumer experience demonstrate exactly why big brands invest so heavily in their trademarks and reputations: so consumers know a product is high quality and its producer stands behind it? And if a product arrives damaged, doesn’t arrive at all, or harms the buyer, isn’t that simply a breach of warranty, and perhaps deceptive advertising by the seller unrelated to their use of the term “dupe”? Maybe. But maybe there’s more to explore here. With as many as half of consumers feeling swindled, it’s worth asking what the use of the term “dupe” actually conveys in an advertisement and whether and when it might constitute false advertising.

Take, for example, the \$600 Dyson Airwrap, a hair multistyler that comes with six attachments and promises to dry, curl, straighten, smooth, volumize,

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<sup>180</sup> *Id.*

<sup>181</sup> *Id.* at ¶ 8, 23.

<sup>182</sup> The complaint also alleges copyright infringement based on the use, downloading, display, and embedding of WSI photos.

<sup>183</sup> TRUSTPILOT, *supra* note 48; Pastore, *supra* note 48; Masters, *supra* note 3 (describing the 30-49% as “disappointed” by dupes).

and more—reportedly one of the products consumers most frequently search for in combination with the term “dupe.”<sup>184</sup> Websites from Business Insider to TechRadar have reviewed and ranked Airwrap dupes.<sup>185</sup> If a competitor or paid influencer advertises a “Dyson Airwrap dupe” that’s only equipped with half as many features as the real thing, is billing the product as a dupe a false claim? What if the dupe is known to cause burns because it reaches a much higher temperature than the Airwrap does? What if the dupe is simply poor quality—not fit to replace anyone’s standard hair dryer, curler, or flatiron, so not worth even its meager price? Does the comparison to the Airwrap inherent in calling it a “dupe” convey some equivalence, or is it just a way to grab attention without making any factual claims?

Or consider a pair of Vans, sought after as skate shoes due in part to a thick and sticky rubber sole that provides maximum grip on a skateboard and makes the shoes more durable. Now imagine Walmart’s “Van dupes” have a plastic sole that makes them ill-equipped for skateboarding. The image below shows a post on TikTok from a Walmart store advertising Vans lookalike sneakers with the hashtag #vansdupe. Has Walmart misled consumers by characterizing their shoes as dupes for the skate shoes if they don’t share those basic features with real Vans?

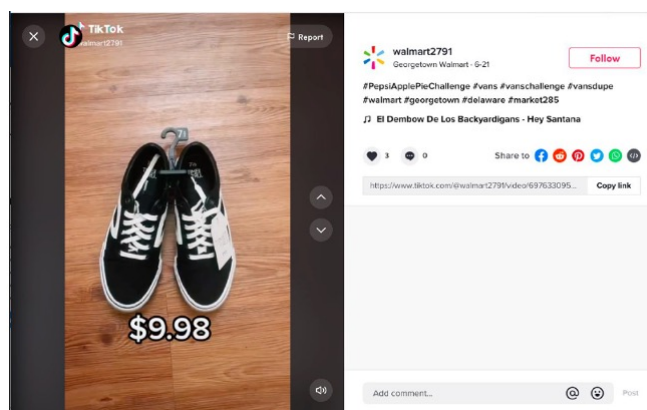


Figure 3: Still from a video post by TikTok user “@walmart2791” features a pair of non-Vans shoes available at Walmart for \$9.96 along with hashtags including #vans, #vanschallenge, and #vansdupe

<sup>184</sup> Flora, *supra* note 10 (citing data from Google).

<sup>185</sup> See Kristin Magaldi, *The 12 Best Dyson Airwrap Dupes for Salon-Worthy Hair*, BUS. INSIDER (Feb. 4, 2025, 1:48 PM), <https://www.businessinsider.com/guides/beauty/best-dyson-airwrap-dupes> [https://perma.cc/7Y8G-MXRZ]; Jennifer Oksien, *The Best Dyson Airwrap Dupes 2025: Cheaper Airwrap Alternatives to Buy Today*, TECHRADAR (Dec. 13, 2024), <https://www.techradar.com/best/the-best-dyson-airwrap-dupes-2022-our-top-tested-airwrap-alternative-hot-air-stylers> [https://perma.cc/56R7-MQCK].

Now think of a beauty product like Eve Hansen Hydrating Hyaluronic Acid Serum, which sells for one-seventeenth the price of a \$220 cult favorite from SkinMedica. If the Eve Hansen product is advertised as a dupe, but turns out to contain different ingredients than the SkinMedica product and as a result irritates users with sensitive skin, should the advertiser bear some responsibility for positioning the products as equivalents? Dupes have also taken off in the perfume market, as the advent of gas chromatography analysis enables producers to reverse-engineer a fragrance by identifying and quantifying its ingredients.<sup>186</sup> Does that ability increase the likelihood that a consumer will assume they can trust a product marketed as a dupe for their desired perfume? If a seller uses the term “dupe” for a fragrance with different ingredients in different quantities, does that context render their characterization deceptive?

Answering these questions requires drilling down on not only what kinds of representations courts have construed to constitute false or deceptive comparative advertising, but also what “dupe” means to consumers. And as discussed in Section I, “dupe” doesn’t mean just one thing—from counterfeit dupes to risky dupes to pure dupes, it can mean different things to different people, sometimes at the same time. Just as with other categories of comparative advertising, such as “like/love” claims, “compare to \_\_” claims, and the use of similar trade dress to convey equivalence, context is crucial. Consumer surveys will be needed to ascertain what consumers take away from a dupe claim, and perception will be shaped by how the claim is framed, what products are being compared, and who the relevant purchasers are.<sup>187</sup>

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<sup>186</sup> Susie Ruiz-Lichter, *Sniffing Out Perfume IP Protections In Changing Landscape*, LAW360 (Aug. 21, 2023), <https://www.law360.com/articles/1710821/sniffing-out-perfume-ip-protections-in-changing-landscape> [<https://perma.cc/367C-5UDY>]. For more on intellectual property rights in perfume, see generally Amanda Levendowski, *Open Source Perfume*, 45 CARDOZO L. REV. 1055 (2024).

<sup>187</sup> Of course, heterogeneity in meaning will always exist—the same claim in the same advertisement will be interpreted differently by different consumers based on their experience, expectations, trust in the source, and other factors. Courts have grappled with questions of percentages in trademark law—how many consumers must find a mark famous, generic, inherently distinctive, or confusingly similar to another mark for a court to agree and an owner to earn or lose protection or enforce rights against another party? *See, e.g.,* Camilla Hrdy, *Likelihood of Confusion: Is 15% The Magic Number?*, WRITTEN DESCRIPTION (May 17, 2019), <https://writtendescripton.blogspot.com/2019/05/likelihood-of-confusion-is-15-magic.html> [<https://perma.cc/D2LV-GBVQ>] (recounting a talk by attorney David Bernstein about the “fifteen percent benchmark” in trademark likelihood of confusion analyses); *see also* Edman, *supra* note 126 (“While there are no specific

## CONCLUSION

The public has a compelling interest in the information function of advertising and in producers communicating to consumers the existence of alternatives to dominant brands. This principle underlies both nominative fair use doctrine and FTC's policy in favor of comparative advertising. As the Ninth Circuit articulated in *Smith v. Chanel* back in 1968, "[t]he presence of irrational consumer allegiances may constitute an effective barrier to entry. Consumer allegiances built over the years with intensive advertising ... extend substantial protection to firms already in the market."<sup>188</sup> Comparative advertising is the best way to challenge those firmly entrenched allegiances.

What's more, copying existing products in ways that do not infringe intellectual property rights is in the public interest;<sup>189</sup> muzzling producers from advertising with reference to the brands they copied would undermine the ability to communicate those options to consumers, "bar[ring] effective communication of claims of equivalence"<sup>190</sup> and inhibiting the free flow of commerce.<sup>191</sup> Comparative marketing, and in particular dupe marketing, offers brands that are newer, smaller, or simply less famous the ability to cut through the noise and

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answers to [the question of what percent of consumers must be confused to find a likelihood of confusion], there is general agreement that a competent survey showing that the number of deceived consumers is 'not insignificant' will be sufficient proof of confusion."). In Lanham Act false advertising litigation, courts presume without survey evidence that a literally false claim is also deceptive, and many courts will also presume materiality; even if consumer perception varies in those cases, it's unlikely to influence the outcome. Where a claim is impliedly false or merely misleading, though, courts rely heavily on surveys, and tend to apply the same "not insubstantial number" standard in Lanham Act false advertising cases as they do in infringement ones. *See TUSHNET & GOLDMAN, supra* note 115 (surveying case law and summarizing that "a good rule of thumb is that a good, well-controlled survey that shows net 20% or greater deception will be highly persuasive for the plaintiff, and that one that shows 10% or less will be persuasive for the defendant."). Survey evidence is usually not necessary in FTC and NAD cases, though it may still be helpful—both agencies consider themselves sufficiently expert to judge how a claim will be perceived. *Id.* at 167. FTC applies a "substantial number" standard when considering how many consumers must be likely to be deceived. *Id.* at 187. Both FTC and Lanham Act courts, though, have held that where the false claim is likely to cause very serious harm or involve human safety, smaller percentages of deceived consumers may suffice to support the claim. *Id.* at 187.

<sup>188</sup> *Smith v. Chanel, Inc.*, 402 F.2d 562, 567 (9th Cir. 1968) (internal quotations and citations omitted).

<sup>189</sup> *Meale & Smith, supra* note 168, at 99.

<sup>190</sup> *Chanel*, 402 F.2d at 567–68.

<sup>191</sup> *See Roho, Inc. v. Marquis*, 902 F.2d 356, 360 (5th Cir. 1990) ("Although copyists undoubtedly incur the enmity of the product's creator, they serve the public interest by promoting competition and price reductions.").

reach consumers (directly or through intermediaries) with their messages about affordable alternatives.<sup>192</sup> Seeking out dupes using search features on social media and shopping sites and following dupe influencers grants savvy shoppers access to products and services that better fit their budget and serve their goals and that they might not otherwise discover. And dupe influencers have incentive to avoid deceiving their followers, given their value derives from their reputation, reliability, and recommendations.

Maybe all's fair in love, war, and dupe marketing. How can someone be surprised when their \$11 dupe AirPods from Temu lack many of the features of their \$250 Apple ones,<sup>193</sup> or their \$12 Gucci loafer dupes from an Amazon shop with an unpronounceable name aren't made of real leather?<sup>194</sup> Calling something a dupe is a form of comparative advertising. Comparative advertising, as the case law illustrates, is all fine and good—until it's not. Amazon has outlawed dupe marketing for a reason, and consumers' widespread disappointment indicates that in some cases, characterizing something as a dupe is over-promising. While many ads calling a product a dupe of another are non-deceptive and noninfringing, there are likely some that don't bear scrutiny. When a product infringes, use of the term “dupe” can exacerbate the confusion and qualify as unfair competition or false advertising. And even when a product itself does not violate any laws, promoting it as a dupe might be false or misleading if consumers understand the term as a

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<sup>192</sup> See generally Ann Bartow, *Counterfeits, Copying and Class*, 48 Hous. L. Rev. 707, 707–08 (2011) (“Repressing or illegalizing knockoffs illegitimately prevents lower income people from procuring and enjoying goods with aesthetic attributes that are not properly monopolized through trademark law”); Marra M. Clay, *Copycat Cosmetics: The Beauty Industry and the Bounds of the American Intellectual Property System*, 106 Minn. L. Rev. 425, 465–66 (2021) (arguing non-infringing beauty dupes occupy intellectual property’s negative space and are good for innovation and competition); Samantha Primeaux, *Makeup Dupes and Fair Use*, 67 Am. U. L. Rev. 891, 922, 924 (2018) (arguing good-faith makeup dupes are permissible under the Lanham Act’s fair use doctrines).

<sup>193</sup> Jessica Fiero & Connie Reichert, *I Saved \$1,260 Buying Tech Dupes on Temu. The Shoddy Gear Wasn’t Worth the Discount*, CNET (July 21, 2024, 9:47 AM), <https://www.cnet.com/tech/features/i-bought-tech-dupes-on-temu-the-shoddy-gear-wasnt-worth-the-1260-in-savings/> [https://perma.cc/9GGZ-H9L7].

<sup>194</sup> For more on Amazon and its trademark registration system, see Jeanne Fromer & Mark P. McKenna, *Amazon’s Quiet Overhaul of the Trademark System*, 113 Cal. L. Rev. (forthcoming 2025) (arguing Amazon created its Brand Registry in part to address concerns about counterfeits, but it has profound effects on trademark law). For more on unpronounceable trademarks on Amazon, see Grace McLaughlin, *Fanciful Failures: Keeping Nonsense Marks off the Trademark Register*, 134 Harv. L. Rev. 1804 (2021).

representation that the item possesses certain qualities or features or is comparable in quality to the original.

Litigation citing use of the term “dupe” is already pending<sup>195</sup> and more will likely follow. Courts should seek to understand what consumers perceive the term to mean in the specific context of the ad in question. Brands, influencers, and consumers should also proceed with caution and awareness of the risks of dupe marketing and dupe purchasing. Given the desirability and utility of characterizing products as dupes, the European approach—holding that explicitly advertising something as an imitation is inherently unfair—goes too far. But expecting consumers to sort through dupe advertising claims to parse what “dupe” conveys in every new situation may be unduly burdensome. Future litigation will have to reckon with the question of what consumers perceive the term to convey in a particular context from a particular speaker. For now, even sophisticated consumers may be made dupes by dupes.

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<sup>195</sup> See Section III, *supra*.

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CATEGORIZATION OF WORD-MARK DISTINCTIVENESS:  
POOR REASONING IN UNITED STATES FEDERAL COURTS

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*United States federal judges have long recognized the importance of word mark distinctiveness in resolving disputes over a word mark's validity. Nonetheless, questions remain as to how rigorously the judges categorize distinctiveness in these cases. To examine this matter, I collected 713 United States federal word mark cases dating from January 1, 2002 to December 31, 2022 and hand-coded related data from external sources such as dictionaries and the United States Patent and Trademark Office (USPTO) trademark search system. I then trained three decision trees with varying subsamples of 19 independent variables in order to interpret the descriptive data above. The results of the decision-tree analyses suggest that federal judges were indeed reasoning poorly when adjudicating word-mark cases. This poor reasoning took four often overlapping forms: (1) a narrow focus on differentiating suggestive distinctiveness from descriptive distinctiveness, (2) an excessive reliance on the linguistic traits of a word mark, such as the dictionary test, as well as on the imagination test and competitor-need test to the exclusion of other critical tests, (3) a fundamental misunderstanding of inherent distinctiveness versus acquired distinctiveness, and (4) inadequate consideration of consumer perception. To counter this poor reasoning, the USPTO should establish practical, clearly defined rules and guidelines with which federal judges can more rigorously assess (1) all categories of distinctiveness, (2) non-linguistic evidence (particularly consumer perception), and (3) inherent distinctiveness.*

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## I

### INTRODUCTION

My central aim in this study is twofold: first, explore the possibility that US federal judges engage in poor reasoning when they are tasked with clarifying word-mark distinctiveness; and second, propose clear, practical solutions where they are

needed. Distinctiveness of a word mark is important in trademark law because this trait helps determine whether a word or other signals, such as color, function as a trademark and therefore merit trademark protection.<sup>1</sup> In 1976, the Second Circuit famously reasoned a standard for determining the level of distinctiveness of a word mark in *Abercrombie & Fitch Co. v. Hunting World, Inc.*<sup>2</sup> In *Abercrombie*, the Second Circuit declared that there are four categories of word marks: (1) fanciful and arbitrary marks (which we group together as one category, but are sometimes discussed separately), (2) suggestive marks, (3) descriptive marks, and (4) generic marks.<sup>3</sup> These four types of marks are listed from most distinctive to least distinctive: the arbitrary mark possesses the highest level of distinctiveness while the generic mark has no distinctiveness and thus merits no protection under trademark law.<sup>4</sup> The opinion further reasoned that arbitrary and suggestive marks possess inherent distinctiveness, which sometimes is presumed.<sup>5</sup>

But what about descriptive marks? Descriptive marks cannot be protected as a trademark unless evidence demonstrates that they possess distinctiveness in the form of secondary meaning.<sup>6</sup> We refer to descriptive marks with secondary meaning as “descriptive-acquired marks,” and descriptive marks without secondary meaning, and which are therefore unprotectable, as “purely descriptive marks.” For example, the owner may have to present proof of ownership

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<sup>1</sup> 15 U.S.C. § 1052(f) (“[N]othing in this chapter shall prevent the registration of a mark used by the applicant which has become distinctive of the applicant’s goods in commerce.”); *see also* Wal-Mart Stores, Inc. v. Samara Bros., 529 U.S. 205, 207 (2000) (considering whether a product’s design “is distinctive, and therefore protectible”). Distinctiveness refers to how quickly and clearly the mark identifies the source of the good or service. *See Strong Trademarks*, U.S. PAT. & TRADEMARK OFF., <https://www.uspto.gov/trademarks/basics/strong-trademarks> [<https://perma.cc/Z5AW-YJF7>] (last visited Feb. 28, 2025).

<sup>2</sup> *Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4, 9 (2d Cir. 1976).

<sup>3</sup> *Id.*

<sup>4</sup> *Id.* at 9, 14.

<sup>5</sup> *Id.* at 11. *See also* Two Pesos, Inc. v. Taco Cabana, Inc., 505 U.S. 763, 768 (1992) (describing arbitrary and suggestive marks as “inherently distinctive”). The United States Patent and Trademark Office (USPTO) and, more specifically, the Trademark Trial and Appeal Board (TTAB) tend to focus on inherent distinctiveness in determining whether a mark that lacks secondary meaning may be registered on the Principal Register. Federal courts typically consider inherent distinctiveness in the context of infringement litigation, where proof of distinctiveness can have a substantial effect on the outcome of a “likelihood of confusion” analysis. *See* Edward J. Heath & John M. Tanski, *Drawing the Line Between Descriptive and Suggestive Trademarks*, 12 COM. & BUS. LIT. 11, 13 (2010).

<sup>6</sup> *Abercrombie*, 537 F.2d at 9 (citing 15 U.S.C. § 1052(f)); *Two Pesos*, 505 U.S. at 769 (“Marks which are merely descriptive of a product are not inherently distinctive . . . However, descriptive marks may acquire the distinctiveness which will allow them to be protected under the [Lanham] Act.”).

of prior registrations of the said mark.<sup>7</sup> Furthermore, the trademark owner may have to prove that there has been substantially exclusive and continuous use of the mark in commerce for at least five years.<sup>8</sup> Other evidence demonstrating the existence of secondary meaning might pertain to sales, length of time used, unsolicited media coverage, advertising expenditures, the results of consumer surveys, or even the declarations or affidavits of consumers.<sup>9</sup> A finding that third-party use of the mark was widespread during those minimum five years of use would undermine a claim for secondary meaning.<sup>10</sup>

#### A. *Tests Used to Determine Distinctiveness*

Because the arbitrary, suggestive, and descriptive categories each involve unique levels of distinctiveness, it is understandable that federal courts would develop tests to clarify a word mark's distinctiveness. This is particularly true for the differentiation of descriptive-acquired and purely-descriptive marks, since the protectability of the mark turns on its level of distinctiveness.<sup>11</sup> For example, federal courts have developed several tests for differentiating between suggestive and descriptive marks. The most common of these tests are the imagination test, the competitor-need test, and the dictionary test.<sup>12</sup>

The imagination test serves to “measure the relationship between the actual words of a mark and the product to which they are applied.”<sup>13</sup> If a mark requires that an observer employ a measurable degree of perception, imagination, or other thought to identify the nature of the product, the mark is considered suggestive.<sup>14</sup> Alternatively, if standing alone, a term conveys information about the

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<sup>7</sup> See TMEP §§ 1212.04–04(e).

<sup>8</sup> 15 U.S.C. §§ 1052(f), 1065, 1127; *Abercrombie*, 537 F.2d at 10; TMEP §§ 1212.05–1212.05(e).

<sup>9</sup> *Abercrombie*, 537 F.2d at 7; TMEP §§ 1212.06–1212.06(e)(iv).

<sup>10</sup> The issue of widespread third-party use applies only to marks categorized as descriptive-acquired or purely descriptive, not to those classified as suggestive or arbitrary, though there might be considerable reason why a third party would use such marks to describe goods or services, particularly given the odd categorization schemes employed by various courts. See Joseph Scott Miller, *Abercrombie 2.0—Can We Get There from Here? Thoughts on “Suggestive Fair Use”*, 77 OHIO ST. L.J. FURTHERMORE 1, 9–14 (2016).

<sup>11</sup> 15 U.S.C. § 1052(f); *Abercrombie*, 537 F.2d at 10.

<sup>12</sup> See *Zatarains, Inc. v. Oak Grove Smokehouse, Inc.*, 698 F.2d 786, 792–93 (5th Cir. 1983), *abrogated* by *KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc.*, 543 U.S. 111 (2004) (outlining the three tests for identifying and differentiating the distinctiveness of marks).

<sup>13</sup> *Id.* at 792.

<sup>14</sup> *Id.*

characteristics of the goods or service, then it is descriptive.<sup>15</sup> Some federal courts and legal scholars have argued that the imagination test specifically investigates whether or not a mark metaphorically connotes a trait inhering in or associated with the product in question.<sup>16</sup> Other federal courts have even used the imagination test as the “primary criterion” in determining whether a given trademark is suggestive or descriptive.<sup>17</sup>

The competitive-need test measures the extent to which competitors would require a term for the purpose of describing their own product.<sup>18</sup> In other words, is a mark so generally descriptive of a product widely offered by multiple businesses that they would reasonably depend on or at least have natural recourse to the mark when describing their respective products? If the answer is yes, the mark

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<sup>15</sup> *Id.*

<sup>16</sup> See, e.g., *Synergistic Int'l, Inc. v. Windshield Doctor, Inc.*, No. CV 03-579 FMC (CWx), 2003 U.S. Dist. LEXIS 12660, at \*14 (C.D. Cal. Apr. 28, 2003) (finding the mark GLASS DOCTOR for glass installation and repair services to be suggestive given the “creative metaphorical combination of the terms ‘Doctor’ and ‘Glass’”); *BigStar Ent., Inc. v. Next Big Star, Inc.*, 105 F. Supp. 2d 185, 196 (S.D.N.Y. 2000) (“When choosing what to call the article, the creator of the suggestive name meaningfully fixes upon associational terms that will identify the product figuratively and will appeal to the consumer by allusion and metaphor.”); Barton Beebe, *The Semiotic Analysis of Trademark Law*, 51 UCLA L. REV. 621, 671 (2004) (“Suggestive marks, such as ATLAS for moving services or ROACH MOTEL for insect traps, are textbook metaphors and are described as such by the doctrine.”); Laura A. Heymann, *A Name I Call Myself: Creativity and Naming*, 2 U.C. IRVINE L. REV. 585, 603 (2012) (“[T]he inherent strength of a mark (and therefore whether it gets protection ab initio or requires additional evidence) depends on how creative the mark is. The mark might be a commonplace and dull description of the good’s qualities or characteristics (and therefore might need to be used by others), or use metaphor to suggest a good’s characteristics, or create a new meaning for an existing word.”); Laura A. Heymann, *The Grammar of Trademarks*, 14 LEWIS & CLARK L. REV. 1313, 1330–31 (2010) (“[T]he concept of metaphor is fundamental to how most trademarks work. Except for words invented to serve as trademarks—such as ‘Kodak’ and ‘Xerox’—all trademarks, being words in the English language, operate on a level other than a literal one in that they require consumers to use a familiar word or expression in a new and initially unfamiliar context.”); Jake Linford, *The False Dichotomy Between Suggestive and Descriptive Marks*, 76 OHIO ST. L.J. 1367, 1372 n.29 (2015) (“Suggestive marks are ... metaphorically related to the good or service sold, like using GLEEM to sell toothpaste indirectly invokes the bright, shiny quality one could expect from thoroughly cleaned teeth.”); cf. Alexandra J. Roberts, *How To Do Things with Word Marks: A Speech Act Theory of Distinctiveness*, 65 ALA. L. REV. 1035, 1048 (2014) (arguing that “fact finders often focus unduly on mark selection, fixing on the employment of double entendre, incongruity, rhyme, metaphor, alliteration, or other rhetorical device as evidence that a mark is distinctive”).

<sup>17</sup> *Zobmondo Ent., LLC v. Falls Media, LLC*, 602 F.3d 1108, 1116 (9th Cir. 2010) (citing *Self-Realization Fellowship Church v. Ananda Church of Self-Realization*, 59 F.3d 902, 903 (9th Cir. 1995)).

<sup>18</sup> *Zatarains, Inc. v. Oak Grove Smokehouse, Inc.*, 698 F.2d 786, 793 (5th Cir. 1983) (citing *Union Carbide Corp. v. Ever-Ready, Inc.*, 531 F.2d 366, 379 (7th Cir. 1976)).

is descriptive.<sup>19</sup> By contrast, a suggestive mark possesses little semantic content that could be deemed necessary for descriptions of a type of product peddled by competitors.

Finally, as its name implies, the dictionary test is rooted in the tendency of some federal courts to start their analysis of a contested mark by consulting a dictionary. After all, dictionaries are the go-to source for people seeking to understand the everyday meaning of words, which is key to determining whether a mark is descriptive.<sup>20</sup> As I will show, the dictionary test and its emphasis on the linguistic traits of disputed word marks have developed into a crutch that federal judges have relied on at the expense of sound reasoning in word-mark cases.

### 1. *The Imagination Test*

Examples of these three tests can be found in several federal cases. In *Jackpocket v. Lottomatrix*, two companies, which operated online gaming services, were at odds with each other regarding whether Jackpocket's JACKPOCKET trademark was being infringed upon by Lottomatrix Operations, which owned the domain name JACKPOT.COM.<sup>21</sup> In assessing the JACKPOCKET mark, the court specifically explained that "the difference between descriptive and suggestive marks lies in the immediacy of association—how quickly and easily consumers grasp the nature of the product from the information conveyed."<sup>22</sup> Next, the court categorized the JACKPOCKET mark as a suggestive one because "the JACKPOCKET Marks do not immediately describe Plaintiff's products."<sup>23</sup> The judge went on to explain,

Formed by the juxtaposition of 'jackpot' and 'pocket', 'Jackpocket' suggests the nature of Plaintiff's product, the ability to play the lottery (and win a jackpot) from one's phone (or pocket). ... By virtue of the addition of the 'cke' and the connotation of a pocket, it takes some

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<sup>19</sup> *Id.*

<sup>20</sup> See, e.g., *Vision Center v. Opticks, Inc.*, 596 F.2d 111, 116 (5th Cir. 1980) (using the dictionary definition of the word "center" to support their finding that the term "Vision Center" is descriptive); *Am. Heritage Life Ins. Co. v. Heritage Life Ins. Co.*, 494 F.2d 3, 11 (5th Cir. 1974) (noting that the district court used the dictionary definition of the word "heritage" in support of finding that the term is descriptive).

<sup>21</sup> *Jackpocket, Inc. v. Lottomatrix NY LLC*, 645 F. Supp. 3d 185, 200–01, 203, 213 (S.D.N.Y. 2022), *aff'd*, No. 23-12-CV, 2024 WL 1152520 (2d Cir. Mar. 18, 2024).

<sup>22</sup> *Id.* at 239.

<sup>23</sup> *Id.* at 240.

“imagination, thought and perception to reach a conclusion as to the nature of” Jackpocket’s product.<sup>24</sup>

In his reasoning above, the court seems to have applied the imagination test insofar as he analyzed the “structure” of the JACKPOCKET mark. Nonetheless, if we assume that the imagination test requires federal judges to analyze the “structure” of a mark, future trademark applicants who own some variation of a mark beginning with the letters JACKPO may find it immensely difficult to predict whether their mark is descriptive or suggestive. The imagination test essentially has one basic function: to help trademark applicants and federal judges *roughly differentiate* between descriptive and suggestive marks. The imagination test, however, cannot *precisely differentiate* between any of the five categories of marks. That is, even when armed with the imagination test, trademark applicants and federal judges alike can only take wild “guesses” and can do so only on a case-by-case basis. Thus, I argue that, in all likelihood, the imagination test is of limited use for both trademark applicants and federal judges struggling to determine the distinctiveness of a word mark.

## 2. *The Competitor-Need Test*

In *Zobmondo Entertainment v. Falls Media*, the Court applied the competitor-need test, as well as the imagination test, to decide whether the descriptive mark WOULD YOU RATHER ... ? had acquired secondary meaning, or if it was purely descriptive.<sup>25</sup> With respect to the competitor-need test, the Ninth Circuit first explained that:

If competitors have a great need to use a mark, the mark is probably descriptive; on the other hand, if “the suggestion made by the mark is so remote and subtle that it is really not likely to be needed by competitive sellers to describe their goods or services[,] this tends to indicate that the mark is merely suggestive.”<sup>26</sup>

Interestingly, the Ninth Circuit “indirectly” cited the district court’s opinion related to the case and, partly on the basis of that opinion, concluded that the competitor-

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<sup>24</sup> *Id.*

<sup>25</sup> *Zobmondo Ent., LLC v. Falls Media, LLC*, 602 F.3d 1108, 1116–17 (9th Cir. 2010).

<sup>26</sup> *Id.* at 1117 (alteration in original) (quoting *Rodeo Collection, Ltd. v. W. Seventh*, 812 F.2d 1215, 1218 (9th Cir. 1987)).

need test would not be sufficiently helpful in drawing any final conclusions on the case:

The district court concluded that the competitors' needs test was "difficult to apply in this case" and declined to consider it because these tests "are merely factors to consider" and other tests favored Zobmondo. Falls Media argues that this was error, and in this case we agree.<sup>27</sup>

In drawing this conclusion about the competitor-need test, the Ninth Circuit seems to have been in agreement with the district court's opinion about the "difficulty" of applying the competitor-need test to analyses of word-mark distinctiveness. Still, the competitor-need test has proven to be an attractive tool used by federal judges in their efforts to analyze distinctiveness.<sup>28</sup>

### 3. *The Dictionary Test*

The dictionary test was applied in *TotalCare Healthcare Services v. TotalMD*.<sup>29</sup> At issue was a conflict between TotalCare Healthcare Services, which had long used the unregistered word mark TOTALCARE, and TotalMD, which had subsequently opened a business called TotalCare Urgent Care.<sup>30</sup> Owing to the companies' identical use of TOTALCARE in different lexical contexts, TotalCare Healthcare Services sought an injunction barring TotalMD and other entities from using the term.<sup>31</sup> Because the issuance of a trademark injunction for a word mark requires that the plaintiff establish a compelling need for special legal protections, TotalCare Healthcare Services needed to prove that the distinctiveness of TOTALCARE was so substantial as to merit such protections.<sup>32</sup> In attempting to do so, the plaintiff contended that the TOTALCARE mark was suggestive, and, somewhat predictably, the defendant argued that the mark was purely descriptive.<sup>33</sup> Considering the two sets of arguments, the court concluded that TOTALCARE

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<sup>27</sup> *Id.* at 1117.

<sup>28</sup> *See, e.g.,* Firefly Digit. Inc. v. Google Inc., 817 F. Supp. 2d 846, 861–62 (W.D. La. 2011) (finding that the mark WEBSITE GADGET is purely descriptive in part because the district court deemed the component terms virtually indispensable to the vocabulary of the website industry).

<sup>29</sup> *TotalCare Healthcare Servs. v. TotalMD, LLC*, 643 F. Supp. 3d 636, 643 (N.D. Tex. 2022).

<sup>30</sup> *Id.* at 640–41.

<sup>31</sup> *Id.* at 640.

<sup>32</sup> *Id.* at 641–42.

<sup>33</sup> *Id.* at 642.

was suggestive, not descriptive, and grounded this conclusion in the following justification:

TOTALCARE does not describe any product, business, industry, or characteristic. Though it may evoke a nebulous quality of service, it is not a word that has a dictionary definition like ‘speedy’, ‘reliable’, ‘green’, or ‘menthol’. This mark is different from marks like ‘Urgent Care’, ‘Vision Center,’ or ‘Bank of Texas’ in that what it describes is left up to the imagination and not plain on its face.<sup>34</sup>

In formulating this conclusion, the court seems to have combined the imagination test with the dictionary test, using definitions that would apparently prove whether or not a particular “imagination” would take hold in a person’s mind. Specifically, the court compared several dictionary terms analogously with TOTALCARE. The comparison, however, failed to clarify how one can rigorously identify what category a word mark falls under and what level of distinctiveness the word mark possesses. Specific defining characteristics of arbitrary, suggestive, descriptive-acquired, purely descriptive, and generic word marks would remain unknown. Therefore, similar to the cases cited above in reference to the imagination test and the competitor-need test, the case of TOTALCARE teaches us that the dictionary test, though useful, cannot satisfactorily predict categories and levels of distinctiveness in all circumstances.

Yet another case can shed further light on this matter. In *UMG Recordings v. OpenDeal*, the court needed to analyze the distinctiveness of UMG’s registered trademark REPUBLIC RECORDS.<sup>35</sup> Ultimately, the judge decided that two-word phrase was an arbitrary mark:

Here, it is undisputed that UMG owns a valid trademark registration in the ‘Republic Records’ mark and its stylized flag logo, which cover various music-related goods and services. And, the word ‘Republic’ has a specific, well-known meaning, but it has no intrinsic relationship to records or music-related goods or services. The ‘Republic Records’ mark

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<sup>34</sup> *Id.* at 644.

<sup>35</sup> *UMG Recordings, Inc. v. OpenDeal Inc.*, No. 21 CIV. 9358 (AT), 2022 WL 2441045, at \*3 (S.D.N.Y. July 5, 2022).

is, therefore, entitled to protection both as an arbitrary mark, and based on its valid registration.<sup>36</sup>

By exploring the meaning of ‘republic’, the court seems to have been relying on the dictionary test to analyze the arbitrary distinctiveness of the mark, as well as, though perhaps to a lesser extent, on the imagination test, insofar as the analysis of a possible intrinsic relationship between the word ‘republic’ and the registered good or service. Nonetheless, the conclusion rested on problematic reasoning and on unconvincing evidence because she overlooked to consider the concept of consumer perception into the analysis of the distinctiveness.

These cases may suggest that federal judges, when analyzing word mark distinctiveness, frequently rely on either one or a combination of the three abovementioned tests—the imagination test, competitor-need test, and dictionary test. However, the apparent prevalence of these three tests in federal courts suggests that judges, rather than establishing clear standards determining categories and levels of distinctiveness, focus chiefly—and perhaps quite arbitrarily—on distinctions between suggestive and descriptive marks. This rests on the premise that when assessing distinctiveness, federal judges may be engaging in poor reasoning—a topic that has seldom been explored in the literature.<sup>37</sup>

To explore the degree to which federal judges have engaged in poor reasoning when adjudicating word-mark disputes, I have divided the remainder of this study into four parts followed by the conclusion. Part II addresses the research on word-mark distinctiveness. Part III addresses the methods, variables, and data for this study’s descriptive and decision-tree analyses. Part IV presents the results of the analyses. My focus will be on the three decision trees’ various periods and outputs and on the importance of independent variables for accurate categorization. Most importantly, I will discuss how my comparative analysis of the decision trees enabled me to uncover two critical patterns: first, linguistic attributes consistently played key roles in federal judges’ categorization of word-mark distinctiveness;

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<sup>36</sup> *Id.* at \*4 (citation omitted).

<sup>37</sup> See Linford, *supra* note 16, at 1409 (finding that trademark law exaggeratedly differentiates between suggestive and descriptive marks); Christopher Buccafusco, Jonathan S. Masur & Mark P. McKenna, *Competition and Congestion in Trademark Law*, 102 TEX. L. REV. 437, 494 (2024) (arguing that, although boundary problems are an inescapable facet of all categorization methods, courts cannot rigorously make the factual distinctions necessary for the legal distinctions in trademark law).

second, only the decision-tree results for suggestive distinctiveness and descriptive-acquired distinctiveness had relatively high correspondence rates with the actual case data. With these results in hand, I discuss in Part V their roots and implications. Also in Part V, I discuss practical, executable mechanisms by which we can substantially diminish federal judges' tendency to resort to poor reasoning in trademark-distinctiveness cases. In Part VI, the conclusion, I summarize the study's findings and discuss its limitations.

## II LITERATURE REVIEW

The research about trademark distinctiveness has been widely discussed from the doctrinal perspective. However, only a few scholars have used empirical methods to identify and flesh out the characteristics of each category of distinctiveness. More importantly, to my knowledge, no study has explored the possibility that federal judges engage in poor reasoning when they adjudicate cases involving the distinctiveness of disputed word marks.

In his early research about distinctiveness, Graeme Dinwoodie discussed how a product's geometrically designed shape can take on the role of trademark status, an issue that came to the fore in the Supreme Court decision in *Two Pesos v. Taco Cabana* in 1992.<sup>38</sup> Furthermore, Dinwoodie suggested that the *Abercrombie* taxonomy may be helpful in determining word mark distinctiveness but not helpful in determining a geometric product's distinctiveness.<sup>39</sup> Thus, Dinwoodie reformulated the concept of distinctiveness by developing a concept referred to as "predictive inquiry": its purpose is to help researchers investigate, among other things, the scope of protections available for a product's trade dress (i.e., the product's appearance).<sup>40</sup> Although Dinwoodie's research in the mid-1990s filled an important research gap regarding the distinctiveness of non-linguistic and non-pictorial marks, his presentation of the *Abercrombie* taxonomy was purely

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<sup>38</sup> Graeme B. Dinwoodie, *Reconceptualizing the Inherent Distinctiveness of Product Design Trade Dress*, 75 N.C. L. REV. 471, 581 (1997) (exploring the possibility of a separate category of trademark distinctiveness called "service dress" for relatively intangible services as opposed to physical products).

<sup>39</sup> *Id.* at 475 (suggesting how courts might expand the concept of distinctiveness so that it accounts for spatial products as well as for linguistic or pictorial marks).

<sup>40</sup> *Id.* at 515 (arguing that inherent-distinctiveness analyses are predictive inquiries insofar as they involve speculation about future events).

introductory, so that the issue of word mark distinctiveness remained a markedly confused and confusing issue.

To tackle these ongoing issues besetting word-mark distinctiveness, some scholars have turned to non-legal theory. In the early 2000s, Barton Beebe used the theory of semiotic sensibility to analytically reconceptualize trademark distinctiveness into two forms: source distinctiveness and differential distinctiveness.<sup>41</sup> Source distinctiveness is the extent to which a trademarked symbol is somehow a literal representation of the thing being offered.<sup>42</sup> Differential distinctiveness refers to the differences between a trademarked symbol and other symbols constituting a trademark network.<sup>43</sup> These two forms of distinctiveness (the former referring to the semiotic concept of signification, the latter to the semiotic concept of value) have noticeably distinct functions. In the context of U.S. federal courts, source distinctiveness encourages them to decide whether a particular subject matter merits anti-infringement protection, whereas differential distinctiveness encourages them to investigate the proper scope of anti-infringement protection that should be accorded to a subject matter deserving of protection.<sup>44</sup>

Though passionate about both source distinctiveness and differential distinctiveness, Beebe singled out the latter and links it to a pair of consumer-oriented concepts: consumers' search sophistication (i.e., their ability to distinguish between similar trademarks) and consumers' persuasion sophistication (i.e., their ability to resist commercial inducements).<sup>45</sup> Beebe argued that differential distinctiveness may sometimes form a negative relationship with consumers' search sophistication and a positive relationship with consumers' persuasion

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<sup>41</sup> See Beebe, *supra* note 16, at 625 (noting that there is more confusion than clarity in conventional conceptions of inherent and acquired distinctiveness).

<sup>42</sup> *Id.*

<sup>43</sup> See *id.* ("Corresponding to the semiotic relation of value, differential distinctiveness describes the extent to which a trademark's signifier is distinctive from other signifiers in the trademark system.").

<sup>44</sup> *Id.* at 676 ("While trademark infringement involves the infringement of source distinctiveness, trademark dilution involves the dilution of differential distinctiveness.").

<sup>45</sup> Barton Beebe, *Search and Persuasion in Trademark Law*, 103 MICH. L. REV. 2020, 2039 (2005) ("Populations with a relatively low degree of search sophistication require the ceding of a relatively broad scope of protection to plaintiff's trademark.").

sophistication, with each of the two relationships ultimately taking the shape of a bell curve.<sup>46</sup>

Jake Linford similarly analyzed distinctiveness from the perspective of a non-legal theory: the theory of semantic shift.<sup>47</sup> Semantic shift, as explained by Linford, is a process whereby a generic term acquires enough source significance to become a trademark.<sup>48</sup> In this process, trademark owners (“speakers”) successfully alter the meaning of terms so that the public (“listeners”) develop an altered perception of the terms.<sup>49</sup> Linford argued that, to determine whether or not semantic shift has occurred, we must consider two factors: consumer perception and search costs.<sup>50</sup> These two factors, Linford noted, have been neglected by U.S. federal courts tasked with applying to trademark-confusion cases the doctrine of trademark incapacity (i.e., the view that a term, despite having undergone semantic shift, should not qualify as a trademark).<sup>51</sup> Therefore, he claimed that, to counter this neglect, federal courts should adopt and refine the primary-significance test, which is a measure of a once-generic mark’s distinctiveness—that is, the extent to which the mark has come to be associated with a product or service.<sup>52</sup>

Linford’s subsequent research concerns a specific extreme of distinctiveness: using the theory of linguistic arbitrariness and sound symbolism, he explored fanciful marks: they are marks that have no apparent significance outside their

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<sup>46</sup> *Id.* at 2049 (“[Trademark] law has operated according to the assumption that, as in search sophistication, the distribution of persuasion sophistication across the general consumer population forms a bell curve.”).

<sup>47</sup> See Jake Linford, *A Linguistic Justification for Protecting “Generic” Trademarks*, 17 YALE J.L. & TECH 110, 140 (2015).

<sup>48</sup> *Id.* at 112 (“The study of semantic shift in historical and cognitive semantic literatures is the study of how a given word changes over time—first by entering the public lexicon, and then by gaining or losing meanings.”). See also STEPHEN ULLMANN, *SEMANTICS: AN INTRODUCTION TO THE SCIENCE OF MEANING* 209–10 (Barnes & Noble, 1979) (“Whenever a new name is required to denote a new object or idea, we can do one of three things: form a new word from existing elements; borrow a term from a foreign language or some other source; lastly, alter the meaning of an old word.”).

<sup>49</sup> Linford, *supra* note 47, at 131 (“Semantic shift is motivated by the speaker’s need to say new things and communicate more effectively, which encourages the speaker to ‘risk’ a semantic innovation.”).

<sup>50</sup> *Id.* at 144–45 (“Consumers who would not be confused by the competition may pay more for the products they desire because trademark protection can increase costs for competitors, but consumers who have adopted the narrowed meaning will have lower search costs to find the products they desire.”).

<sup>51</sup> *Id.* at 170 (“Understanding that the formation of trademark meaning is a form of semantic shift reminds us that sound competition policy cannot neglect the importance of consumer comprehension.”).

<sup>52</sup> *Id.* (“The law should instead adopt a primary significance test for determining whether a mark that was once generic has acquired sufficient distinctiveness to merit trademark protection”).

function as a trademark (e.g., Exxon, Pepsi).<sup>53</sup> Trademark law treats these marks as inherently and strongly distinctive.<sup>54</sup> Next, Linford introduced two key concepts: linguistic arbitrariness (i.e., the view that no inherent relationship exists between a signifier and the signified)<sup>55</sup> and sound symbolism (i.e., an inherent relationship between the sound of a signifier and the signified).<sup>56</sup> While acknowledging the conventional view that “a fanciful mark will be meaningless until meaning begins to collectively coalesce around the word,”<sup>57</sup> Linford explained that more and more research in linguistics and psychology has detected significant symbolically semantic links between the forms of words (e.g., sounds) and the meanings of the words.<sup>58</sup> Thus, quite simply put, meaning is not always fully independent of word form, and “the sounds of words can convey meaning apart from [the words’] actual definitions.”<sup>59</sup> Linford thus concluded that sound symbolism should play a greater

<sup>53</sup> See Jake Linford, *Are Trademarks Ever Fanciful?*, 105 GEO. L.J. 731, 739–40 (2017). Our paper classifies fanciful marks together with arbitrary rather than its own category.

<sup>54</sup> *Id.* at 742 (“First, the fanciful mark has no inherent lexical meaning when the mark owner first coins it. Because the fanciful mark is an empty vessel, courts see the fanciful mark as automatically source-signifying when used as a mark. Second, that the mark is coined suggests to courts that the mark owner is entitled to the fruits of his or her creativity or at least a presumption that the mark was adopted in good faith. Third, because a fanciful mark has no meaning prior to its conception and use, competitive concerns that animate limits on the protection of descriptive marks or functional trade dress are seen as immaterial or at least less relevant. Fourth, courts treat fanciful marks as inherently distinctive because they are categorically distinguishable from descriptive marks.”).

<sup>55</sup> *Id.* at 749.

<sup>56</sup> *Id.* at 750.

<sup>57</sup> *Id.* at 749. See also Sam J. Maglio et al., *Vowel Sounds in Words Affect Mental Construal and Shift Preferences for Targets*, 143 J. EXPERIMENTAL PSYCH. 1082, 1083 (2014) (“Taken together, sound symbolic research to date has documented robust and automatic associations between vowel sounds contained in words and the physical properties of their referents.”).

<sup>58</sup> Linford, *supra* note 53, at 749.

<sup>59</sup> See, e.g., Barry Alpher, *Yir-Yoront Ideophones*, in SOUND SYMBOLISM 161 (Leanne Hinton, Johanna Nichols & John J. Ohala eds., 1995) (reporting evidence of sound symbolism in the Australian language of Yir-Yoront); Brian D. Joseph, *Modern Greek Ts: Beyond Sound Symbolism*, in SOUND SYMBOLISM 222 (reporting evidence of sound symbolism in modern Greek); Terrence Kaufman, *Symbolism and Change in the Sound System of Huastec*, in SOUND SYMBOLISM 63 (reporting evidence of sound symbolism in the Mayan language of Huastec); see also Russell Ultan, *Size-Sound Symbolism*, 2 UNIVERSALS OF HUMAN LANGUAGE 525 (Joseph H. Greenberg ed., 1978) (arguing that the majority of the world’s languages use sound symbolism); Mark Dingemanse et al., *Arbitrariness, Iconicity, and Systematicity in Language*, 19 TRENDS IN COGNITIVE SCIS. 603, 603 (2015) (reporting on form-to-meaning correspondences across languages); Richard R. Klink, *Creating Brand Names with Meaning: The Use of Sound Symbolism*, 11 MARKETING LETTERS 5, 16–17 (2000) (reporting that the sounds of imaginary brand names influence people’s perception of product traits such as size, speed, weight, tactility, and gender); Edward Sapir, *A Study in Phonetic Symbolism*, 12 J.

role than linguistic arbitrariness in guiding federal courts' analysis of arbitrary marks.<sup>60</sup>

Linford explained how the concept of sound symbolism might bolster America's trademark-law regime.<sup>61</sup> First, he argued that, although the *Abercrombie* taxonomy is at times unclear, the cost of abandoning it in favor of sound symbolism would be egregious because the Supreme Court has already fully adopted much of the logic supporting the taxonomy.<sup>62</sup> Furthermore, arbitrary mark analyses that rest solely on sound symbolism might so facilitate the protection of arbitrary marks that competitors would end up facing needlessly high costs stemming from the need to honor these protections.<sup>63</sup> Thus, Linford proposed several ways in which the trademark law regime might harness the concept of sound symbolism without jettisoning the *Abercrombie* taxonomy. For example, federal courts and trademark examiners can examine whether the sounds of an arbitrary mark's syllables, vowels, consonants, and so on suggest product characteristics: the more suggestive the sounds are of the characteristics, the less inherently distinctive the mark would be and thus the less legal protection the mark would be entitled to.<sup>64</sup>

Alexandra J. Roberts adopted speech-act theory to establish tests for trademark distinctiveness, noting that previous research applied the theory to such areas as contract law.<sup>65</sup> After demonstrating that current tests of word-mark distinctiveness are untenably confusing, Roberts integrated speech-act theory into

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EXPERIMENTAL PSYCH. 225, 228 (1929) (reporting that vowel sounds differ from one another regarding their effect on people's perception of size and that these differences might hold across languages).

<sup>60</sup> Linford, *supra* note 53, at 765.

<sup>61</sup> *Id.* at 748.

<sup>62</sup> *Id.* at 764. The Supreme Court noted that rules requiring "evidence of secondary meaning" can dampen competition, especially for startups and smaller firms. *See Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 775 (1992).

<sup>63</sup> Linford, *supra* note 53, at 757 ("Firms gain an advantage when the mark connotes product features, because it is easier for consumers to associate the mark with those features.").

<sup>64</sup> *Id.* at 758.

<sup>65</sup> Alexandra J. Roberts, *How To Do Things with Word Marks: A Speech-Act Theory of Distinctiveness*, 65 ALA. L. REV. 1035, 1041 (2014). *See, e.g.*, Peter Meijes Tiersma, *The Language of Offer and Acceptance: Speech Acts and the Question of Intent*, 74 CAL. L. REV. 189, 189–90 (1986); Janet E. Ainsworth, *In a Different Register: The Pragmatics of Powerlessness in Police Interrogation*, 103 YALE L.J. 259, 265 (1993); Martin F. Hansen, *Fact, Opinion, & Consensus: The Verifiability of Allegedly Defamatory Speech*, 62 GEO. WASH. L. REV. 43, 70 (1993); B. Jessie Hill, *Putting Religious Symbolism in Context: A Linguistic Critique of the Endorsement Test*, 104 MICH. L. REV. 491, 511–13 (2005); Jonathan Yovel, *What is Contract Law "About"? Speech Act Theory and a Critique of "Skeletal Promises"*, 94 NW. L. REV. 937, 938 (2000).

analyses of word-mark distinctiveness and paid special attention to the concept of constative utterance (i.e., statements that are either true or false).<sup>66</sup> She argued that trademark use can be constative in two ways: a source-constative utterance connotes the brand, whereas a goods-constative utterance connotes the product or service, irrespective of the brand.<sup>67</sup> By differentiating between distinctive marks (i.e., source-constative utterances) and merely descriptive marks (i.e., goods-constative utterances), we can differentiate between words that are trademark protected and those that are not.<sup>68</sup> Having persuasively advocated for speech-act theory, Roberts proposed that applying a combination of the fair-use doctrine and constative utterance theory would streamline the questions asked in trademark cases: Can hypothetical competitors rightly use part of a trademarked term to describe their own product?<sup>69</sup>

Theories outside the realm of law have been applied not only to word-mark distinctiveness but also to image distinctiveness. For instance, Dustin Marlan shows that, regarding the task of testing for inherent distinctiveness in logos, product packaging, and other such images, the USPTO and the TTAB often used the *Seabrook* test whereas federal courts used the *Abercrombie* taxonomy.<sup>70</sup> However, these two tests are not problem free: the *Seabrook* test, Marlan argued, focuses solely on thematic variation, which can lead to highly subjective and insufficiently

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<sup>66</sup> Roberts, *supra* note 65, at 1042. See also JOHN L. AUSTIN, HOW TO DO THINGS WITH WORDS 3 (J.O. Urmson ed., 1962); PENELOPE BROWN & STEPHEN C. LEVINSON, POLITENESS: SOME UNIVERSALS IN LANGUAGE USAGE (Cambridge University Press 1987); JONATHAN CULLER, LINGUISTIC THEORY: A VERY SHORT INTRODUCTION 94, 101–02 (Oxford University Press 2000).

<sup>67</sup> Roberts, *supra* note 65, at 1084. See also Louis Altman & Malla Pollack, *Callmann on Unfair Competition, Trademarks, & Monopolies* § 18:13 n.14 (4th ed. 2011) (comment by author Altman) (“The fundamental import of the term ‘descriptive’ . . . is antithetical to the notion of source-significance.”).

<sup>68</sup> Roberts, *supra* note 65, at 1045 (noting that distinctive marks perform an action whereas descriptive marks provide information).

<sup>69</sup> *Id.* at 1082 (“It’s crucial that the determination of whether a hypothetical competitor could use a given term descriptively in connection with its own product be based on evidence of whether and how the trademark term is used by the public.”).

<sup>70</sup> Dustin Marlan, *Visual Metaphor and Trademark Distinctiveness*, 93 WASH. L. REV. 767, 807–08 (2018). The *Seabrook* test considers four factors: “[1] Whether [the logo or trade dress] was a ‘common’ basic shape or design, [2] whether it is unique or unusual in a particular field, [3] whether it was a mere refinement of a commonly adopted and well-known form of ornamentation for a particular class of goods viewed by the public as a dress or ornamentation for the goods, or [4] whether it was capable of creating a commercial impression distinct from the accompanying words.” *Seabrook Foods, Inc. v. Bar-well Foods, Ltd.*, 568 F.2d 1342, 1344 (C.C.P.A. 1977).

supported conclusions.<sup>71</sup> To support their analyses, judges have been known to cite the Restatement of Trademarks.<sup>72</sup> However, danger lurks in efforts to determine whether a “symbol or design is striking, unusual, or otherwise likely to differentiate the products of a particular producer”<sup>73</sup> because, for instance, a common shape (e.g., the outline of an elephant) might be so unusual in a particular context (e.g., a line of spicy instant noodles) that the shape instantly acquires noteworthy—and perhaps even strong—distinctiveness.<sup>74</sup>

As for the *Abercrombie* taxonomy, there are many questions as to whether federal courts would adopt it and whether it is even adequate for evaluating the inherent distinctiveness of images—as seen with the pronounced lack of clarity in the *Two Pesos* case.<sup>75</sup> Influenced by *Abercrombie*, lower federal courts might ill-advisedly integrate a degree-based hierarchy of strength into their analysis of an image’s inherent distinctiveness,<sup>76</sup> leading to the problematic categorization of many logos as arbitrary marks simply because most logos appear on product packaging.<sup>77</sup> Because the *Seabrook* test and the *Abercrombie* taxonomy are not, in themselves, suitable tests for assessing an image’s inherent distinctiveness, Marlan

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<sup>71</sup> *Id.* at 808–09. *See, e.g.,* *Amazing Spaces, Inc. v. Metro Mini Storage*, 608 F.3d 225, 245–47 (5th Cir. 2010) (finding the mark—a stylized star symbol shaded and set within a circle and used in connection with moving and storage services—to not be inherently distinctive because the symbols attributes did not sufficiently distinguish it from other star-formative logos).

<sup>72</sup> Marlan, *supra* note 70, at 808–09; RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 13 cmt. d (AM. L. INST. 1995) (“A symbol or graphic design is not inherently distinctive unless the nature of the designation and the manner of its use make it likely that prospective purchasers will perceive the designation as an indication of source. Commonplace symbols and designs are not inherently distinctive since their appearance on numerous products makes it unlikely that consumers will view them as distinctive of the goods or services of a particular seller. Thus, unless the symbol or design is striking, unusual, or otherwise likely to differentiate the products of a particular producer, the designation is not inherently distinctive.”).

<sup>73</sup> Marlan, *supra* note 70, at 809; *see also* Lars Smith, *Trade Distinctiveness: Solving Scalia’s Tertium Quid Trade Dress Conundrum*, MICH. ST. L. REV. 243, 293 n.300 (2005).

<sup>74</sup> Marlan, *supra* note 70, at 809 (“One issue with deciding whether a ‘symbol or design is striking, unusual, or otherwise likely to differentiate the products of a particular producer’ is that it is entirely subjective and does not establish anything close to a bright-line rule.”).

<sup>75</sup> *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 772 (1992).

<sup>76</sup> *See, e.g.,* *Paddington Corp. v. Attiki Imps. & Distribs., Inc.*, 996 F.2d 577, 583 (2d Cir. 1993) (“Since the choices that a producer has for packaging its products are, as the Fifth Circuit noted, almost unlimited, typically a trade dress will be arbitrary or fanciful and thus inherently distinctive. . . .” (citing *Chevron Chem. Co. v. Voluntary Purchasing Grps., Inc.*, 659 F.2d 695, 697 (5th Cir. 1981), *cert. denied*, 457 U.S. 1126 (1982))).

<sup>77</sup> Marlan, *supra* note 70, at 810 (“When it comes to product packaging especially, the possibilities are virtually limitless and courts are quick to assume anything not resembling the product to be arbitrary.”).

turned to the three guiding factors adopted by the metaphor-in-advertising theorist Charles Forceville.<sup>78</sup> Integrated into the imagination test,<sup>79</sup> the three factors can be formulated as questions: (1) Does the image mark clearly represent a person, place, or a thing? (2) Does the image mark contain a visual image that is thematically distinct from any related text or non-visual elements? (3) Can the image mark connote its underlying product or service?<sup>80</sup> If the answer is no to the first and third questions, the image mark is distinctive.

#### A. *Concerns of Previous Literature*

In my review of the literature above, I have focused on four distinct lines of inquiry: Beebe's semiotic research on distinctiveness and its link to consumers' search sophistication and persuasion sophistication, Linford's application of semantic-shift theory and sound-symbolism theory to consumers' changing interpretations of marks, Robert's combination of constative-utterance theory and the fair-use doctrine to deepen our grasp of both consumer perception and competitors' right of access to potentially trademarkable words, and Marlan's combination of metaphor-in-advertising theory and the imagination test to make sense of images' inherent distinctiveness. Taken together, these lines of inquiry point to five lingering concerns in the realm of trademark law.

First, to make rigorous determinations about source and differential distinctiveness, judges presiding over federal courts must have a workable understanding of words, meaning, and usage. It is no secret that the inescapable complexities and ambiguities of law, combined with the highly subjective experiences and perspectives of judges, can lead them to misunderstand or misapply these ideas.<sup>81</sup> A consequence of this would be misunderstandings and misapplications of the distinctiveness doctrine.

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<sup>78</sup> *Id.* at 817; CHARLES FORCEVILLE, *METAPHOR IN ADVERTISING* 4–6 (1996) (“The first criterion for interpreting something as a visual metaphor is that two ‘things’ are involved. Thus, two things must be identified: (1) the product or service (i.e., the target) and (2) the ‘something else’ connoted by the mark that is separate from the product or service (i.e., the source). Second, once it is determined that two ‘things’ exist, it must be determined which is the target and which is the source.”).

<sup>79</sup> Marlan posits that the strengths of the imagination test rest partly on its valuation of the metaphorical nature of marks and thus on its valuation of the symbolism as a crucial aspect of valid trademarks. Marlan, *supra* note 70, at 767, 799–802.

<sup>80</sup> Marlan states that image marks must visually suggest, not describe, the target. *Id.* at 819.

<sup>81</sup> See James J. Brudney, *Recalibrating Federal Judicial Independence*, 64 OHIO ST. L.J. 149, 170–73, 177–78 (2003) (pointing out that, in the view of some textualists, courts should harness tools that are resistant

The second concern arises from the above concern: if we cannot assume that federal judges are sufficiently familiar with linguistic concepts, how can we assume that the judges can accurately determine the evidentiary criteria for determining trademark distinctiveness—that plaintiffs and defendants should strive to satisfy—when the judges will be focusing on source and differential distinctiveness? If the evidentiary requirements simply reflect the themes laid out in the *Abercrombie* taxonomy (e.g., advertising expenses, advertising reach, media coverage, consumer surveys), there will be no practical difference between the distinctiveness approach and the *Abercrombie* approach. If, on the other hand, the evidentiary requirements refer to themes outside those stipulated by the *Abercrombie* taxonomy,<sup>82</sup> federal courts may strengthen the rigor with which they decide trademark-distinction cases.<sup>83</sup> The critical catch is this: the principles that we use in assessing source and differential distinctiveness must be clear in their abstractness and must lay out a clear path to identifying the evidentiary criteria that litigants and judges must consider in trademark cases.

A third concern arising from my literature review is that difficulties that persist in determining whether a mark that was once merely descriptive has acquired sufficient distinctiveness. One main reason for the persistence of this concern is rooted in evidentiary challenges: to prove that a mark has acquired distinctiveness, one must prove that consumers regard the mark as essentially a trademark for the applicant's goods.<sup>84</sup> However, there is no settled conclusion as to how much evidence a litigant must present in a federal court in order to prove sufficient consumer recognition. That is, the issue of “sufficiency” remains a stumbling block that has yet to be eliminated.

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to misapplications by poorly reasoning judges); Amanda Peters, *The Meaning, Measure, and Misuse of Standards of Review*, 13 LEWIS & CLARK L. REV. 233, 247–51 (2009).

<sup>82</sup> *Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4, 9 (2d Cir. 1976).

<sup>83</sup> According to Beebe, plaintiffs should establish the differential distinctiveness of their mark by proving that the mark is widely known in the way the plaintiffs want it to be known. This statement suggests that the evidence needed to prove differential distinctiveness is in line with the evidentiary requirements corresponding to the *Abercrombie* taxonomy. See Beebe, *supra* note 45, at 2031–33; cf. *Abercrombie* 537 F.2d 4, 9 (2d Cir. 1976).

<sup>84</sup> See *How to Claim Acquired Distinctiveness Under Section 2(f)*, U.S. PAT. & TRADEMARK OFF., <https://www.uspto.gov/trademarks/laws/how-claim-acquired-distinctiveness-under-section-2f-0> [<https://perma.cc/Q5GL-ZNM2>] (last visited Mar. 12, 2025).

Similar, if not identical, issues arise with respect to sound symbolism. In harnessing the theory to analyze the connotative relationship between sounds and product features, especially for arbitrary marks, Linford helps us understand why fanciful marks are inherently distinctive.<sup>85</sup> Nonetheless, the strengths of his insights do not amount to a sufficiently thorough set of rules for determining which specific combinations of sounds (be they from syllables, vowels, or consonants) constitute evidence of an arbitrary mark. Thus, neither judges nor trademark stakeholders (e.g., owners, applicants) can identify a current mark as arbitrary, and they certainly cannot know, with certainty, how the alteration of sounds might transform an arbitrary mark into a descriptive mark.

The literature review above highlights a fourth outstanding concern: although, as Roberts has shown, speech-act theory may help link the combined powers of the constative-utterance concept and the fair-use doctrine to trademark distinctiveness,<sup>86</sup> a critical omission remains: the highly problematic nature of speech-act theory. For instance, the seven unresolved issues that John Flowerdew persuasively attributed to speech-act theory promise to constrain, if not derail, the applicability of the constative-utterance concept to trademark distinctiveness.<sup>87</sup> One unresolved issue is the silence in speech-act theory regarding how to calculate not only the precise number of speech acts but more specifically the precise number of speech acts categorizable as constative utterances. Furthermore, the arbitrary categorization of constative utterances as source-constative utterances and goods-constative utterances could easily lead to logical errors. And even if we were to accept this model of categorization as satisfactory, federal judges would still face a host of difficulties in applying the test, particularly if the analysis abandons the *Abercrombie* taxonomy entirely. The confusions that might surface in these contexts are limitless. For instance, how should we define the “hypothetical” competitor? Is a cookie-producing firm a competitor of a cake-producing firm? These and other difficult questions will only swell the workloads of federal judges.

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<sup>85</sup> See Linford, *supra* note 53, at 740.

<sup>86</sup> See Roberts, *supra* note 65, at 1042, 1081–82.

<sup>87</sup> John Flowerdew, *Problems of Speech Act Theory from an Applied Perspective*, 40 LANGUAGE LEARNING 79, 79 (1990). The seven problems concern: (1) the number of speech acts, (2) the nature of indirect speech acts and the concept of literal force, (3) the size of speech-act realization forms, (4) the contrast between specific and diffuse acts, (5) discrete categories versus scale of meaning, (6) the relationships between locution, illocution, and interaction, and (7) the relationships between wholes and parts in discourse.

Thus, although Roberts has proposed a simple test for the analysis of word-mark distinctiveness, the test lacks the robust persuasiveness that federal judges would expect of such a tool. Before it can be deemed suitable for the court system, the test must address, with sufficient clarity, the specific characteristics attributable to arbitrary, suggestive, descriptive-acquired, purely descriptive, and generic terms.

The fifth and final concern stemming from my literature review pertains to Marlan's three-factor proposal for determining the inherent distinctiveness of images.<sup>88</sup> Though the proposal seemed to fill the gap that *Two Pesos* had failed to bridge, a lingering dilemma is the proposal's inferior status under the umbrella of the imagination test. As I mentioned earlier with regard to the imagination test, any attempt to use the three-factor tool in determining the inherent distinctiveness of visuals might, in the realm of trademark law, create more problems than it resolves. Consider the following scenario: judges and others might be comfortable tackling the first factor (i.e., the clear-representation question) but might then be stymied by the second and third factors (i.e., the "visual vs. non-visual" question and the connotation question) because the considerable degree of subjectivity that these factors permit might encourage federal judges to revert to the *Seabrook* test or the *Abercrombie* taxonomy, which offer comforting legal precedents on which to base a decision. As a result, the judicial system's handling of trademark cases might split into even more divisions if we were to adopt an unamended three-factor approach to determining the inherent distinctiveness of visuals.

Different from Beebe, Linford, Roberts, and Marlan, some scholars have sought to uncover the roots of distinctiveness by means of historical analysis. For instance, consider the genericide doctrine: the phenomenon wherein a once-protectable mark is no longer able to function as a trademark because it became the generic term for an entire category of products instead signifying the specific brand or source of the product.<sup>89</sup> For example, for several decades, the brand name Kleenex has been becoming a generic term for the product category, tissues.<sup>90</sup> Desai and Rierson analyzed the roots of the genericism doctrine back to language

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<sup>88</sup> Marlan, *supra* note 70, at 819–21.

<sup>89</sup> Xiyin Tang, *Against Fair Use: The Case for a Genericness Defense in Expressive Trademark Uses*, 101 IOWA L. REV. 2021, 2024 (2016).

<sup>90</sup> Deven R. Desai & Sandra L. Rierson, *Confronting the Genericism Conundrum*, 28 CARDOZO L. REV. 1789, 1846–47 (2007). See also Megan Garber, 'Kleenex is a Registered Trademark' (and Other Desperate Appeals), THE ATL. (Sept. 25, 2014), <https://www.theatlantic.com/business/>

used in the Trade-Mark Act of 1905, through which Congress sought to codify, at the federal level, previous common-law remedies.<sup>91</sup> Influenced by the act's definition of the genericism doctrine, federal courts hearing a trademark case would examine whether the mark of primary significance referred to a product category or to a particular product.<sup>92</sup> In examining these matters, the courts would controversially rely on dictionaries for definitions or on newspapers for how trademarks being used.<sup>93</sup> Desai and Rierson object to these lines of examination on two grounds. First, marks have hybrid functionalities, and source-identifiers are just one. Thus, a narrow focus on *just* the public context or *just* the noncommercial context, without adequate attention paid to the commercial context, is a decidedly fragmentary approach to determining a mark's genericness.<sup>94</sup> Second, Desai and Rierson argue that if federal courts are still regarded as focusing exclusively on noncommercial contexts, word-mark holders seeking to prove fair use will quite reasonably focus on presenting dictionary- and media-based evidence, not product- or service-based evidence.<sup>95</sup>

Historical analyses can bring to light the loopholes on which federal judges have relied while struggling to apply the genericism doctrine. Legal scholars should examine the possible roles played by similar loopholes in arbitrary, suggestive, and descriptive marks. To this end, empirical research on trademark distinctiveness is needed. Beebe has performed scholarship in this direction, as has Thomas R. Lee and his colleagues.<sup>96</sup> Beebe's study focused on the circuit courts' use of differing multifactor tests for determining the likelihood of confusion in trademark

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archive/2014/09/kleenex-is-a-registered-trademark-and-other-appeals-to-journalists/380733/ [https://perma.cc/4KQQ-XEHC].

<sup>91</sup> Desai & Rierson, *supra* note 90, at 1812. See *Canal Co. v. Clark*, 80 U.S. 311, 323 (1871) (holding that "a generic name, or a name merely descriptive of an article of trade, of its qualities, ingredients, or characteristics, [cannot] be employed as a trade-mark and the exclusive use of it be entitled to legal protection"); *Lawrence Mfg. Co. v. Tennessee Mfg. Co.*, 138 U.S. 537, 547 (1891) (same).

<sup>92</sup> Desai & Rierson, *supra* note 90, at 1855.

<sup>93</sup> *Id.* at 2054.

<sup>94</sup> *Id.* at 1833 ("At best, [the commercial context] demonstrates that the word or term is or may be functioning as a hybrid trademark, while shedding little light on which understanding of the term constitutes its 'primary significance' to the consumer in a commercial context.").

<sup>95</sup> *Id.* at 1855. See also Ralph H. Folsom & Larry L. Teply, *Trademarked Generic Words*, 70 TRADEMARK REP. 206, 236 (1980).

<sup>96</sup> See Barton Beebe, *An Empirical Study of the Multifactor Tests for Trademark Infringement*, 94 CAL. L. REV. 1581, 1584 (2006); see also Thomas R. Lee, Eric D. DeRosia & Glenn L. Christensen, *An Empirical and Consumer Psychology Analysis of Trademark Distinctiveness*, 41 ARIZ. ST. L.J. 1033, 1038 (2009).

litigation.<sup>97</sup> Beebe collected and analyzed all (331) reported federal district court opinions from trademark infringement cases involving a multifactor tests from 2000 to 2004.<sup>98</sup> Beebe's analysis revealed that although federal courts always acknowledged the non-dispositive nature of the multifactor test and the importance of considering all factors, in actuality, federal judges tended to consider only a few decisive factors.<sup>99</sup> That is, despite the injunction against ignoring factors, these judges were tempted to decide likelihood-of-confusion cases in a more "efficient" way.<sup>100</sup> Regarding the specific core factors of trademark strength and inherent distinctiveness, Beebe found that 44% of the 331 opinions lacked any rigorous assessment of the given mark's potentially inherent distinctiveness.<sup>101</sup> Moreover, only 58% of the 331 opinions used the *Abercrombie* taxonomy, and, of these, 29 simply cited a prior *Abercrombie* case rather than categorize the mark's distinctiveness according to the taxonomy.<sup>102</sup> Finally, Beebe uncovered in the opinions a series of contradictions between the analyses of acquired distinctiveness and the analyses of inherent distinctiveness: federal courts would simultaneously declare a mark to be inherently weak yet commercially strong.<sup>103</sup> Thus, Beebe argued that inherent distinctiveness has broken down because it has been trumped by acquired distinctiveness.<sup>104</sup>

Beebe's empirical research on multifactor tests for likelihood of confusion in trademark litigation seems to have accidentally unearthed a curious loophole that has enabled—and perhaps even encouraged—federal judges to avoid conducting rigorous analyses of trademark strength and distinctiveness. Nonetheless, the explanation that federal judges are simply attempting to decide likelihood of confusion cases in a more efficient way does not address why the judges would ignore a clearly stipulated rule governing how one should determine

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<sup>97</sup> Beebe, *supra* note 96, at 1581, 1584.

<sup>98</sup> *Id.* at 1584.

<sup>99</sup> *Id.* at 1619 (explaining that "a plaintiff will not bring an action for trademark infringement unless the facts of its case are such that it will win at least a few of the multifactor test factors").

<sup>100</sup> See *id.* at 1614; see, e.g., Jens Förster, E. Tory Higgins & Amy Taylor Bianco, *Speed/Accuracy Decisions in Task Performance: Built-In Tradeoff or Separate Strategic Concerns*, 90 ORGANIZATIONAL BEHAV. & HUM. DECISION PROCESSES 148, 149 (2003) (discussing speed-vs.-accuracy decisions from the perspective of regulatory focus theory).

<sup>101</sup> Beebe, *supra* note 96, at 1635.

<sup>102</sup> *Id.*

<sup>103</sup> *Id.* at 1636.

<sup>104</sup> *Id.*

distinctiveness under the *Abercrombie* taxonomy. Furthermore, a key issue for trademark applicants is the challenge of designing a word mark that a judge would regard as a strong mark in the likelihood of confusion analysis, regardless of consideration of other factors in the multifactor test. Thus, both federal judges and trademark applicants would greatly benefit from clear guidelines governing how one should calculate trademark distinctiveness under the *Abercrombie* taxonomy.

A pertinent empirical study about distinctiveness comes to us courtesy of a 2009 paper by Thomas R. Lee and his colleagues.<sup>105</sup> They adopted a consumer psychology model built on the theory of perceptual schema and used it to test the hypotheses contained within the *Abercrombie* taxonomy.<sup>106</sup> Specifically, the study consisted of three constituent empirical studies focusing on consumers' perception of a word mark's distinctiveness. The first constituent study, completed by 210 participants, involved an online questionnaire adapted from the TEFLON test.<sup>107</sup> First, participants were shown a product package featuring a mark consisting of both a picture and words. The participants were then asked whether the mark on the package "is a brand name," "is not a brand name," or "I don't know, or I have no opinion."<sup>108</sup> Participants who stated that the mark "is a brand name" were coded as having identified the mark as source indicating.<sup>109</sup> In the first constituent study, Lee and his colleagues found that, in typical trademark use involving product packaging, descriptive marks could be as highly source-indicating as suggestive

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<sup>105</sup> Lee, DeRosia & Christensen, *supra* note 96, at 1035–36 (addressing the *Abercrombie* assumption that the power to indicate a source belongs, in descending order, to fanciful marks, arbitrary marks, suggestive marks, descriptive marks, and generic marks, and that there are no source-indicating differences among types of descriptive marks).

<sup>106</sup> *Id.* at 1033. "Perceptual schemas" are mental frameworks built through past perceptual experiences that guide current perception. *Id.* at 1074. Lee's paper was interested specifically in "brand perceptual schemas"—or consumer perception of visual cues in the marketplace for the goal of identifying a product's source. *Id.* at 1075.

<sup>107</sup> *Id.* at 1086. The *Teflon* test, generally accepted for evaluating secondary meaning, was first formulated to evaluate the distinctiveness of the TEFLON brand in *E. I. DuPont de Nemours & Co. v. Yoshida Int'l, Inc.*, 393 F. Supp. 502, 526 (E.D.N.Y. 1975). *See, e.g.*, *Schwan's IP, LLC v. Kraft Pizza Co.*, 379 F. Supp. 2d 1016, 1024 (D. Minn. 2005); *March Madness Athletic Ass'n, LLC v. Netfire, Inc.*, 310 F. Supp. 2d 786, 809 (N.D. Tex. 2003). However, Lee and his colleagues stated that "the TEFLON test cannot serve as a straightforward measure of source indication because (1) that test assumes that if a word is not a brand name, then it must be a generic term; and (2) it presents participants with bare words rather than presenting trademarks in a realistic commercial context." Lee, DeRosia & Christensen, *supra* note 96, at 1086.

<sup>108</sup> Lee, DeRosia & Christensen, *supra* note 96, at 1088.

<sup>109</sup> *Id.*

marks.<sup>110</sup> This finding is inconsistent with our conventional understanding of the *Abercrombie* taxonomy, according to which a descriptive mark is less source-indicating than a suggestive mark.

The above inconsistency prompted Lee and his colleagues to conduct a second constituent study, focusing on the hypothesis that descriptive marks are less source-indicating than suggestive marks.<sup>111</sup> This study revolved around pita chip snacks, vitamin food supplements, laundry stain removers, and packaged cookies. Each product was presented in typical product packaging.<sup>112</sup> The procedure used was identical to the method for the previous study (participants responding to an online survey).<sup>113</sup> The results of the second constituent study were the same as those of the first: descriptive marks and suggestive marks exhibited similar source indication.<sup>114</sup>

Lastly, because Lee and his colleagues had paired a picture with words in the first two constituent studies, the question naturally arose as to whether the non-linguistic parts affected the results concerning source indication.<sup>115</sup> Thus, the researchers set out to conduct a third constituent study, this time testing whether the picture or any other non-linguistic elements played a key role in source indication.<sup>116</sup> The procedure for this study was the same as the one established in the first study, with the exception that only 120 participants completed the survey.<sup>117</sup> The results indicated that the non-linguistic elements other than the words significantly persuaded consumers to perceive the given descriptive mark as source-indicating.<sup>118</sup> This might help explain why in the previous studies descriptive marks were exhibiting similar source-indication levels as suggestive marks.

The research conducted by Lee and his colleagues inspired me to pursue an alternative approach to conducting empirical research on word-

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<sup>110</sup> *Id.* at 1092.

<sup>111</sup> *Id.* at 1094.

<sup>112</sup> *Id.* at 1092.

<sup>113</sup> *Id.*

<sup>114</sup> *Id.* at 1095.

<sup>115</sup> *Id.* at 1096.

<sup>116</sup> *Id.*

<sup>117</sup> *Id.*

<sup>118</sup> *Id.* at 1098.

mark distinctiveness. However, there are potential concerns with Lee's research. First, the theory of perceptual schema has been the target of considerable criticism concerning the theory's appreciable ambiguity, vagueness, and weak applicability.<sup>119</sup> According to Thorndyke and Yekovich, the theory is "so vaguely specified that it is able to explain *post hoc* virtually any set of available data."<sup>120</sup> That is, the theory itself has no specified process constraints.<sup>121</sup> Thus, researchers might judiciously regard, with skepticism, the theory's ability to yield consistent results.

Additionally, even if we can overcome the process-constraint limitations currently plaguing the theory of perceptual schema, flaws in the cited research persist. For example, regarding the second constituent study, its pita chip snacks, vitamin food supplements, laundry stain removers, and packaged cookies cover only two trademark categories: Class 20 (furniture products) and Class 29 (meat and processed-food products).<sup>122</sup> Whether packaged products in other trademark categories would have yielded identical or at least similar results is an issue worthy of investigation.

A third concern is the practicality or usefulness of the results stemming from Lee and his colleagues' research. The two most striking findings were that (1) suggestive word marks and descriptive word marks might have identical source-indicating effects, and (2) the non-linguistic characteristics in a mark might alter consumers' perception of the mark's distinctiveness. These two interesting findings, though they might assist federal courts in navigating the *Abercrombie* taxonomy, provide no clear guidance for the analysis of distinctiveness as a whole. Thus, while it is constructive for federal courts to consider the effects of non-linguistic characteristics when analyzing word-mark distinctiveness, the judges must still take into account precedents when trying to "analogously" ascertain, for

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<sup>119</sup> See Katherine L. Plant & Neville A. Stanton, *The Explanatory Power of Schema Theory: Theoretical Foundations and Future Applications in Ergonomics*, 56 *ERGONOMICS* 1, 4–5 (2012); Milton Lodge, Kathleen M. McGraw, Pamela Johnston Conover, Stanley Feldman & Arthur H. Miller, *Where Is the Schema? Critiques*, 85 *AM. POL. SCI. REV.*, 1357, 1357 (1991); Charles H. Shea & Gabriele Wulf, *Schema Theory: A Critical Appraisal and Reevaluation*, 37 *J. MOTOR BEHAV.* 85, 96 (2005).

<sup>120</sup> Perry W. Thorndyke & Frank R. Yekovich, *A Critique of Schema-based Theories of Human Story Memory*, 9 *POETICS* 23, 40 (1980).

<sup>121</sup> *Id.* at 41 (noting that schema theory suffers from poor predictive powers and from such excessively vague specifications that it yields only results consistent with the theory).

<sup>122</sup> Lee, DeRosia & Christensen, *supra* note 96, at 1081–82, 1092.

instance, whether a previous ruling categorizing the ‘COCA’ mark as a suggestive mark should encourage a judge presiding over a current case to categorize the similarly spelled ‘CACA’ mark as suggestive.

Table 1, which summarizes my literature review findings, shows that most of the studies do not touch on the critical issue of whether or not—and if so, to what extent—federal judges rationally ignore the role of vagueness in the categorization of trademark distinctiveness. Beebe’s research indicates the presence of such ignorance, but his study, in addition to having a small sample, focuses on the test for likelihood of confusion.<sup>123</sup> More generally, the literature has provided no clear guidance by which stakeholders, whether it be federal judges or trademark applicants or owners, can rigorously categorize word-mark distinctiveness in the context of the *Abercrombie* taxonomy. Overall, Table 1’s summary of the literature demonstrates not only the *status quo* with regard to trademark distinctiveness but also the value of exploring the possible existence of rational ignorance among federal judges who focus excessively on differences between suggestive and descriptive distinctiveness. As I shall demonstrate in the present study, rational ignorance is a problem in trademark litigation, and the reasons for resolving the problem will become evident.

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<sup>123</sup> Beebe, *supra* note 96, at 1581. *See generally* Olga Ampuero & Natalia Vila, *Consumer Perceptions of Product Packaging*, 23 J. CONSUMER MKTG. 100 (2006) (discussing the impact of package positioning on consumer perception).

Main Research Topics	Literature	Research Focuses	Found Evidence of or Solutions to Rational Ignorance
Product design and trade-dress distinctiveness	Graeme B. Dinwoodie, <i>Reconceptualizing the Inherent Distinctiveness of Product Design Trade Dress</i> , 75 N.C. L. REV. 471 (1997)	Trade-dress distinctiveness	No
An investigation, based on non-legal theory, into trademark law and distinctiveness	<p>Barton Beebe, <i>The Semiotic Analysis of Trademark Law</i>, 51 UCLA L. REV. 621 (2004)</p> <p>Barton Beebe, <i>Search and Persuasion in Trademark Law</i>, 103 MICH. L. REV. 2020 (2005)</p> <p>Jake Linford, <i>A Linguistic Justification for Protecting “Generic” Trademarks</i>, 17 YALE J.L. &amp; TECH</p> <p>Jake Linford, <i>Are Trademarks Ever Fanciful</i>, 105 GEO. L.J. 731 (2017)</p> <p>Alexandra J. Roberts, <i>How To Do Things with Word Marks: A Speech-Act Theory of Distinctiveness</i>, 65 ALA. L. REV. 1035 (2014)</p> <p>Dustin Marlan, <i>Visual Metaphor and Trademark Distinctiveness</i>, 93 WASH. L. REV. 767 (2018)</p>	Inherent and acquired distinctiveness, and specific categorizations of distinctiveness (e.g., generic, fanciful)	No
Historical analysis of the roots of distinctiveness	Deven R. Desai & Sandra L. Rierson, <i>Confronting the Genericism Conundrum</i> , 28 CARDOZO L. REV. 1789 (2007)	The doctrine of genericism	No
Empirical analysis of confusion and distinctiveness	<p>Barton Beebe, <i>An Empirical Study of the Multifactor Tests for Trademark Infringement</i>, 94 CALIF. L. REV. 1581 (2006)</p> <p>Thomas R. Lee, Eric D. DeRosia &amp; Glenn L. Christensen, <i>An Empirical and Consumer Psychology Analysis of Trademark Distinctiveness</i>, 41 ARIZ. ST. L.J. 1033 (2009)</p>	Tests for confusion and consumers’ perception of linguistic and non-linguistic elements of marks	Beebe found that (1) only 58% of 331 opinions used the <i>Abercrombie</i> taxonomy and (2) 29 of the 58%, rather than categorize the marks’ distinctiveness, only cited previous <i>Abercrombie</i> cases.

Table 1: Summary of the literature review

A central takeaway here is that little or none of the literature has either analyzed each category of word mark distinctiveness or laid out a plan for resolving the lack of clarity in the categorization of word mark distinctiveness. Unfortunately, the three tests—the imagination test, competitive-need test, and dictionary test—are incapable of effectively rigorously assessing all forms of word mark distinctiveness. To make matters worse, the three tests quite possibly encourage federal judges to focus on differences between suggestive and descriptive marks at the expense of clarifying the importance of other types of distinctiveness, and the Supreme Court failed to provide much-needed guidance when it had the opportunity to do so in *Booking.com*.<sup>124</sup>

**Therefore, in the present study, I explore (1) the degree to which federal judges excessively focus on differences between suggestive and descriptive marks, (2) the linguistic patterns of this excessive focus, (3) the distractive influence that the focus has on the neglected task of categorizing all types of distinctiveness, and (4) practical, comprehensive solutions to this problem of poor judicial reasoning.**

### III METHODS, VARIABLES, AND DATA

Because my two central aims in this study are to identify patterns of poor reasoning exhibited by federal judges in word mark dispute cases and to provide workable solutions to the problem, it is necessary that I first observe to what extent word mark precedents across federal jurisdictions and under the umbrella of the *Abercrombie* taxonomy are related to this poor reasoning. In order to analyze the caselaw, I adopted methods of capable of dealing with categorical, rather than numerical, data. In the following paragraphs, I introduce these methods, address the variables to be analyzed, discuss the sources and my collection of the data, and conclude with my approach to the hand-coding of values.

#### A. Methodology

In this study, I rely extensively on the decision-tree method, which is a machine-learning tool for data categorization. Below, I explain why I chose this

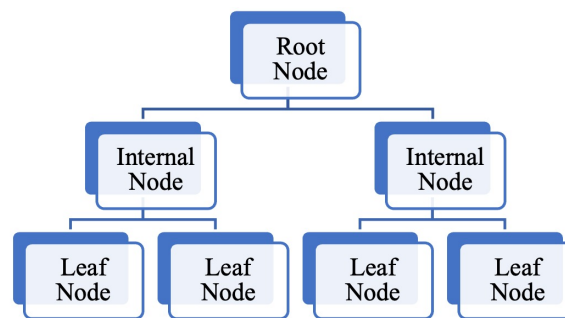
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<sup>124</sup> In *Booking.com*, the Supreme Court addressed whether “Booking.com” was capable of being source indicating or if it was a generic term. *See* U.S. Pat. & Trademark Off. v. Booking.com B. V., 591 U.S. 549, 555 (2020).

tool to identifying patterns of rational ignorance among federal judges presiding over trademark cases. No method is perfect, however, and thus, I also address the limitations of decision trees and explain how I dealt with those limitations. Finally, I introduce the dependent and independent variables of this paper and explain why I chose them for my decision-tree analysis.

(1) An introduction to decision trees and their suitability for the present study

A decision tree is “a non-parametric supervised learning algorithm” and can be used for categorical output variables (classification trees) and continuous output variables (regression trees).<sup>125</sup> As the name implies, the tool has a hierarchical, tree-like structure, which consists of a root node, branches, internal nodes, and leaf nodes.



In the diagram above, the decision tree begins with the initial decision, known as the root node. It is distinctive in that it has only outgoing branches, not incoming branches. Its outgoing branches lead to the internal nodes, which are also referred to as decision nodes. Internal nodes involve evaluations of features and feed into leaf nodes, which are terminal and represent all final possible outcomes.<sup>126</sup> Based on a divide-and-conquer strategy, decision trees perform greedy searches (i.e., searches in pursuit of the best outcome at a given moment). Once identified, the best outcomes form optimal split points, and this splitting continues downward along the tree until the dataset on which the tree is based has been exhaustively classified.<sup>127</sup>

<sup>125</sup> *What is a Decision Tree?*, IBM, <https://www.ibm.com/think/topics/decision-trees> [https://perma.cc/YN3B-46K2] (last visited Mar. 3, 2025).

<sup>126</sup> Yan-yan Song & Ying Lu, *Decision Tree Methods: Applications for Classification and Prediction*, 27 SHANGHAI ARCHIVES PSYCH. 130, 131 (2015).

<sup>127</sup> *What is a Decision Tree?*, IBM, <https://www.ibm.com/think/topics/decision-trees> [https://perma.cc/YN3B-46K2] (last visited Mar. 3, 2025).

There are three main reasons why I have relied on the decision-tree method: (1) it categorizes data with a focus on objectively assessed features, (2) it handles categorical, as well as numerical data despite incomplete values, and (3) it supports non-linearity, which is a chief characteristic of my data. I discuss these three reasons in detail below.

First, a categorization of data that permits objective assessments of important features is key in the present study, where my focus is on how federal judges, when making decisions about word-mark distinctiveness, may either ignore or at least fail to clarify certain types of distinctiveness under the *Abercrombie* taxonomy. To explore how federal judges possibly fail to categorize forms of distinctiveness and how these judges instead excessively emphasize differences between suggestive and descriptive marks in relation to the imagination test, competitive-need test, and dictionary test, I obtained historical data in the form of case precedents and then analyzed the dataset. Part of this analysis rested on a decision-tree algorithm: its categorization output was central to my analysis of the historical data.<sup>128</sup> With decision trees, we can assess federal judges' reliance on the three aforementioned tests by establishing not only variables relating to those tests but also variables that may not be relevant to the tests. If a decision tree treats the former variables as key categorizable features, I can reasonably infer that federal judges would be inclined to use those tests to analyze word-mark distinctiveness. If, by contrast, the decision tree does not treat the variables as key categorizable features, I can just as reasonably infer that federal judges care more about other variables than about those involved in distinctiveness tests. Moreover, the algorithmic results pertaining to feature-based categorizations of distinctiveness can indicate two important points: (1) whether the features might enable federal judges to clarify categories of distinctiveness, and (2) whether federal judges, by focusing on suggestive and descriptive distinctiveness, have historically ignored the task of clarifying categories of distinctiveness, particularly if the hypothetical features in question were all related to the three tests above. In short, decision trees are well suited for the focus of the present study.

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<sup>128</sup> See Jonathan P. Kastellec, *The Statistical Analysis of Judicial Decisions and Legal Rules with Classification Trees*, 7 J. EMPIRICAL LEGAL STUD. 202, 206–07 (2010).

Second, decision trees are attractive for their ability to read both categorical and numerical data, even when some values are incomplete or missing.<sup>129</sup> This functionality can help me to analyze the federal-court data herein because the federal cases that I am considering involve content that is mostly categorical. For instance, federal cases involve a dependent variable—the distinctiveness of a given mark—that constitutes a piece of categorical data. Of course, not all variables are dependent: international trademark classes (abbreviated as ICs) are an independent variable that I examine here. If word marks are registered in the USPTO’s Trademark Search System (TSS),<sup>130</sup> the TSS records registration includes the word mark’s ICs. This independent variable is also a type of categorical data. I was well aware that, because some owners of a trademark may not register it with the TSS, missing values would surface during my collection of data. The fact that the decision-tree algorithm could help me overcome this obstacle was the second main reason why I chose this tool for the present study.

Third, decision trees can support non-linearity,<sup>131</sup> a trait that is all-important for the present study insofar as non-linearity is one of the main characteristics of my data. Consider, for instance, the fact that the dependent variable of this paper is word mark distinctiveness while one of the independent variables is “first-year use”: it constitutes a type of categorical data. Changes in “first-year use” do not form a linear relationship with categorizations of word-mark distinctiveness. This point was fundamental in my decision to pass over multiple linear regression in favor of the decision-tree method.

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<sup>129</sup> Decision trees use something called surrogate splits to overcome the problem of missing values: “These surrogate splits act as backup choices when the primary attribute for a split has missing values. The algorithm identifies the next best attribute that can provide a similar separation as the primary attribute.” Aishwarya Kurre, *How Decision Trees Handle Missing Values: A Comprehensive Guide*, PICKL.AI (Aug. 16, 2023), <https://www.pickl.ai/blog/how-decision-trees-handle-missing-values-a-comprehensive-guide/> [<https://perma.cc/CAN5-E3KB>].

<sup>130</sup> The TSS replaced the Trademark Electronic Search System (TESS) on November 30, 2023. Because I collected the bulk of the present study’s data prior to this date, I used the TESS in most situations. The TSS with respect to trademark information is almost identical to the TESS. For more details about the system substitution, see *Trademark Search System Updates*, U.S. PAT. & TRADEMARK OFF., <https://www.uspto.gov/trademarks/search/trademark-search-system-updates> [<https://perma.cc/22YL-H7YP>] (last accessed Mar. 21, 2025).

<sup>131</sup> Kastellac, *supra* note 128, at 209.

## (2) Methodological processes

Having reviewed decision trees, we can now consider the methodological processes by which I identified the potential patterns of poor reasoning exhibited by federal judges in work-mark dispute cases. First, I based this study's variables on the literature about word mark distinctiveness and on the three abovementioned tests: the imagination test, competitor-need test, and dictionary test. My decision to base the variables on the three tests was rooted in one of my central research objectives: to determine whether or not federal judges truly sought to clarify the boundaries separating and defining all types of distinctiveness. By examining the judges' application of the tests, I would be able to achieve this objective: judges who apply *only one or some combination of these three tests* likely strive to differentiate between suggestive and descriptive distinctiveness; judges who apply *alternative tests in addition to one or some combination of these three tests* likely analyze all spectrums of distinctiveness, not just suggestive and descriptive distinctiveness.

The second step in the methodological process was to collect federal trademark cases. To this end, I consulted the Lexis Nexis database for the period extending from January 1, 2002 to December 31, 2022 and filtered out the decisions in which the presiding federal judges made no reference to types of word mark distinctiveness. I then hand-coded the data relating to the variables established in the first step. Specifically, I searched for or independently calculated the values for data obtained from various authoritative sources, including most notably the abovementioned federal trademark cases, the TSS, and the Corpus of Contemporary American English (COCA). Part of the task I faced was to code these values as either categorical or numerical data for the training of the decision trees. Finally, upon completion of the hand-coding, I commenced the analysis phase of this study. The results of the analysis would shed light on any patterns of poor reasoning exhibited by federal judges in trademark litigation.

## (3) Variables for training the decision tree

The dependent variable in the present study is federal judges' categorization of marks according to their distinctiveness. The five possible categories are arbitrary marks (I treat fanciful and arbitrary marks as a single category although *Abercrombie* treats them as separate), suggestive marks, descriptive-acquired marks (i.e., marks possessing acquired distinctiveness, also known as secondary meaning), purely descriptive marks (i.e., marks possessing no acquired

distinctiveness), and generic marks.<sup>132</sup> I established the independent variables on the basis of the literature review and the three tests. Most of these variables come from sources that reflect three types of information: (1) information directly related to federal cases involving disputed word marks, (2) information related to the linguistic characteristics of the disputed word marks, and (3) mostly TSS-based information related primarily to product-and-service categories for the disputed word marks. In total, I selected nineteen (19) independent variables for training.

Four independent variables stem from the federal cases: (1) decision year, (2) jurisdiction, (3) judge gender, and (4) judge tenure (in years). Regarding the gender variable, because some of the courts that I studied were presided over by three judges (e.g., circuit courts), not one judge (e.g., district courts), I used the majority, or dominant, gender for the multi-judge courts. Independent Variable 3 (gender) and Independent Variable 4 (tenure) serve to investigate whether gender differences and work experience affect judges' categorization of distinctiveness.<sup>133</sup>

Eight independent variables concern the linguistic characteristics of the litigated word marks in the federal cases: (5) word-formation category,<sup>134</sup> (6) dictionary status,<sup>135</sup> (7) plosive status (i.e., does the word mark start with a plosive, which is to say, a B, C, D, G, K, P, or T sound),<sup>136</sup> (8) word count, (9) syllable count, (10) vowel count, (11) consonant count, and (12) COCA frequency (i.e., the frequency with which a given word mark appeared in the COCA database). Two points should be made here. First, regarding Independent Variable 7 (plosive status), I decided to consider the opening plosive characteristics of the litigated word marks because research has shown that recollection and

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<sup>132</sup> *Abercrombie & Fitch Co. v. Hunting World, Inc.* 537 F.2d 4, 9 (2d Cir. 1976). *Abercrombie* does not refer to descriptive-acquired marks and purely descriptive marks as separate categories, and instead refers to them together as “descriptive marks” and notes that these marks are only capable of functioning as a trademark if they acquire distinctiveness via secondary meaning. *See id.* at 10. I treat them as separate categories for the purpose of the analysis.

<sup>133</sup> For discussion of whether gender differences and work experience affect judges' categorization of distinctiveness, see María L. Sanz de Acedo Lizárraga, María T. Sanz de Acedo Baquedano & María Cardelle-Elawar, *Factors That Affect Decision Making: Gender and Age Differences*, 7 INT'L J. PSYCH. & PSYCH. THERAPY 381 (2007).

<sup>134</sup> WILLIAM O'GRADY & JOHN ARCHIBALD, *CONTEMPORARY LINGUISTIC ANALYSIS: AN INTRODUCTION* (Pearson Ed. Can., 8th ed. 2015). Types of word formation are inflection, derivation, cliticization, suppletion, compounding, conversion, blending, clipping, and acronyms and initialisms.

<sup>135</sup> The dictionary status refers to whether the word mark can be found in the dictionary.

<sup>136</sup> Bruce G. Vanden Bergh et al., *Sound Advice on Brand Names*, 61 JOURNALISM Q., 835, 835 (1984).

recognition of words tend to be stronger when words begin with plosives than when words begin with other sounds.<sup>137</sup> It is possible, therefore, that the initial sound of an uttered word might assist in the categorization of distinctiveness. Second, concerning Independent Variable 12 (COCA frequency): the COCA database contains more than one billion words, including 20 million words for each year in the period extending from 1990 through 2019.<sup>138</sup> Because the database estimates the frequency of word usage in several categories (e.g., conversational contexts, works of fiction, magazines, newspapers, academic contexts, web texts, TV and film), I decided to incorporate frequency into the study in order to determine whether this independent variable might affect judges' categorization of the distinctiveness of litigated word marks. Not incidentally, the COCA database was used by Beebe and Fromer in their research on word mark depletion and congestion.<sup>139</sup>

The remaining seven independent variables concern TSS-based information: (13) International Class (IC) count, (14) U.S. trademark class count (word-mark owners can choose multiple classes to register in the TSS), (15) word-mark product or service,<sup>140</sup> (16) first-year use, (17) duration, (18) third-party registration count, and (19) categorization of third-party registration count (few  $\leq$  10, medium = 11–60, large = 61–100, super large  $\geq$  100). The estimations of Independent Variable 18 (third-party registration count) are quite complicated, so I will discuss the matter in greater depth in the section on coding processes. At this point, let me simply note that I established Independent Variable 19 (categorization of third-party registration count). To prevent the decision tree from being dominated

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<sup>137</sup> *Id.* at 839.

<sup>138</sup> In COCA's official website, it explains that "the corpus contains more than one billion words of text (25+ million words each year 1990-2019) from eight genres: spoken, fiction, popular magazines, newspapers, academic texts, TV and movies subtitles, blogs, and other web pages." CORPUS OF CONTEMP. AM. ENG., <https://www.english-corpora.org/coca/> [<https://perma.cc/3DE9-WREA>].

<sup>139</sup> Barton Beebe & Jeanne C. Fromer, *Are We Running Out of Trademarks? An Empirical Study of Trademark Depletion and Congestion*, 131 HARV. L. REV. 945, 975–76 (2018); *see also* Word Frequency Data: Based on 450 million Word COCA Corpus, WORD FREQUENCY DATA, <https://www.wordfrequency.info/100k.asp> [<https://perma.cc/Q636-XNAV>] (last visited Mar. 21, 2025); *see also* Mark Davies, *The Corpus of Contemporary American English as the First Reliable Monitor Corpus of English*, 25 LITERARY & LINGUISTIC COMPUTING 447, 453 (2010).

<sup>140</sup> According to the USPTO's website about the International Trademark Classes, Class 1 through Class 34 are related to goods. *See* U.S. Pat. & Trademark Off., *Goods and Services*, <https://www.uspto.gov/trademarks/basics/goods-and-services> [<https://perma.cc/V8GK-YWB5>] (last visited Mar. 21, 2025).

by an excessive number of large and super-large third-party registrations, I defined Independent Variable 19 (categorization of third-party registration count) as a polytomous variable derived from Independent Variable 18. Table 2 summarizes all twenty variables (the one dependent variable and the nineteen independent variables).

Dependent Variable	Word-mark distinctiveness decisions of federal judges
Independent Variables	<ul style="list-style-type: none"> <li>• <b>Information about the federal cases</b> <ol style="list-style-type: none"> <li>1. decision year</li> <li>2. jurisdiction</li> <li>3. judge gender</li> <li>4. judge tenure</li> </ol> </li> <li>• <b>Linguistic characteristics of word marks</b> <ol style="list-style-type: none"> <li>5. word-formation category</li> <li>6. dictionary status</li> <li>7. plosive status</li> <li>8. word count</li> <li>9. syllable count</li> <li>10. vowel count</li> <li>11. consonant count</li> <li>12. COCA frequency</li> </ol> </li> <li>• <b>Information recorded in the TSS system</b> <ol style="list-style-type: none"> <li>13. IC count</li> <li>14. US class count</li> <li>15. product or service</li> <li>16. first-year use</li> <li>17. duration</li> <li>18. third-party registration count</li> <li>19. categorization of third-party registration count</li> </ol> </li> </ul>

Table 2: Summary of dependent and independent variables

Some important variables about word-mark distinctiveness were not suitable for this study because their measured values were inaccessible (e.g., word-mark marketing expenses). The absence of these data sets from the decision-tree training constitutes a notable limitation of the present study.

### *B. Data Collection, Coding Processes, and Filtration*

The third-party sources of data were critical for my analysis of the independent variables. Here, I will explain the collection and hand-coding steps for these independent variables. I will also explain this study's data-filtration steps, which helped shape the final dataset.

#### *1. Dependent Variable*

I hand-coded the dependent-variable data. Ideally, the decisions of the federal judges would clearly identify any categories of distinctiveness assigned to a given litigated word mark. I coded the five categories of distinctiveness thus: arbitrary = A, suggestive = S, descriptive-acquired = DA, purely descriptive = D, and generic = G.

Beebe's research suggests that federal judges would not necessarily address word mark distinctiveness in assessing likelihood-of-confusion in trademark litigation.<sup>141</sup> This possibility points to two problems that might complicate efforts to study the opinions of judges: judges might issue opinions that offer neither clear reasoning nor clear consequences regarding the distinctiveness of the litigated word mark. To train the decision tree in the present study, I needed to filter out cases tainted by the first problem (no clear reasoning in the ruling) because they in no way facilitate my effort to determine how judges categorized word mark distinctiveness.

As for the second problem (no clear consequences of the ruling), judges assessing word mark distinctiveness sometimes waffled between a "suggestive and descriptive" label or between an "arbitrary and suggestive" label. To deal with this lack of decisiveness with respect to "suggestive and descriptive" equivocation, I coded the court's decision as 'DA' because the descriptive-acquired category is weaker than the suggestive category (i.e., suggestive distinctiveness is always stronger than descriptive distinctiveness, be it acquired or not).<sup>142</sup> As for why I did not choose the ultra-conservative path and code the "suggestive and descriptive" equivocation as simply 'D' (purely descriptive), the simple answer is that, in

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<sup>141</sup> Beebe, *supra* note 96, at 1635 (stating that "courts failed to specify whether or not the mark at issue was inherently distinctive in 40% of the 192 preliminary injunction and bench trial opinions sampled and in 50% of the 139 summary judgment opinions sampled, for an overall failure rate of 44% in the 331 opinions examined").

<sup>142</sup> See *Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4, 10–11 (2d Cir. 1976).

most cases involving word-mark disputes, federal judges who use ‘suggestive’ and ‘descriptive’ interchangeably are treating the ‘descriptive’ category as stronger than ‘purely descriptive’. I applied the same conservative reasoning to “arbitrary and suggestive” equivocation: I conservatively coded it ‘S’ so as to avoid an overestimation of the distinctiveness.

For an illustration of my coding process, consider how I handled *International IP Holdings, LLC and Innovation Ventures, LLC v. Green Planet, Inc.*<sup>143</sup> Presiding over the case was Judge Cleland, who offered his two cents on the disputed word-mark 5-HOUR ENERGY:

It is clear the mark is not fanciful or arbitrary because its name describes or at least suggests what the product is supposed to do—provide “energy” for “five hours.” In fact, when Plaintiffs first applied to register the 5-hour ENERGY trademark, the Patent and Trademark Office denied the application on the grounds that the name was descriptive. The court agrees that due to the suggestive or descriptive nature of the 5-hour ENERGY mark, the Friendly test indicates that the mark is inherently weak.<sup>144</sup>

Judge Cleland’s reasoning, which clearly waffles between a suggestive categorization and a descriptive categorization (e.g., “the suggestive or descriptive nature”), led me to hand-code the judge’s categorization of the 5-HOUR ENERGY word mark as a “descriptive-acquired” mark. Hence, I entered the code ‘DA’ into the dataset.

## 2. *Independent Variables*

### 2.1. Information About the Federal Cases

To find federal cases to analyze for this study, I used the LexisNexis database and searched for the term ‘strength of the mark.’<sup>145</sup> Next, I designated the practice

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<sup>143</sup> See *Int’l IP Holdings, LLC v. Green Planet, Inc.*, No. 13-13988, 2016 WL 1242275, at \*2–12 (E.D. Mich. Mar. 30, 2016), *opinion withdrawn and vacated*, No. 213CV13988RHCWSW, 2017 WL 1538621 (E.D. Mich. Mar. 9, 2017).

<sup>144</sup> *Id.* at \*6.

<sup>145</sup> I decided to use the term ‘strength of the mark’ because, in his research, Beebe found that some judges erroneously omitted strength of the mark analyses from their likelihood of confusion analyses, see Beebe, *supra* note 100, at 1633–34, and that some judges, rather than categorize a mark’s distinctiveness,

area as “trademark law” and selected the time period extending from January 1, 2002 to December 31, 2022. I chose not to start the period with the year 1977, the year following the *Abercrombie* decision, because from 1977 to 2001, the Supreme Court issued several rulings that greatly affected the landscape of the trademark-distinctiveness regime. In 1992, in *Two Pesos, Inc. v. Taco Cabana, Inc.*, Justice White argued that secondary meaning should not be analyzed in a trade dress case because secondary meaning incentivizes competitors of the originator of a trade dress to “appropriate the originator’s trade dress in other markets prior to the establishment of the secondary meaning and to deter the originator from expanding into and competing in these areas.”<sup>146</sup> In 1995, in *Qualitex v. Jacobson Products*, the Court again addressed secondary meaning.<sup>147</sup> In *Qualitex*, Justice Breyer reasoned that colors cannot be inherently distinctive.<sup>148</sup> However, colors could constitute descriptive trademarks because they could take on secondary meaning over time in the course of use in the marketplace.<sup>149</sup> Finally, in 2000, in *Wal-Mart Stores, Inc. v. Samara Brothers, Inc.*, Justice Scalia made a similar declaration, holding that, although color itself is not inherently distinctive, it could be inherently distinctive if the color is part of a product’s packaging whose main function is to identify the product’s source.<sup>150</sup> By contrast, if the color and the words are part of a product design, they are not inherently distinctive because consumers “are aware of the reality that the feature is intended not to identify the source.”<sup>151</sup>

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would simply cite an *Abercrombie* case. Beebe, *supra* note 96, at 1635. These findings suggest to me that analyses of trademark confusion cases should not ignore the strength-of-mark factor and that analyses of mark distinctiveness should take into consideration the *Abercrombie* taxonomy.

<sup>146</sup> *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 777 (1992). We should note that the *Two Pesos* case dealt with the function of secondary meaning, especially its effect on competitors. *Id.* at 765. An analysis of a descriptive word mark under the *Abercrombie* taxonomy, which requires that trademark owners prove the existence of secondary meaning in their mark, might do well to consider Justice White’s opinion when the analysis turns to the effects that secondary meaning can have on competitors.

<sup>147</sup> See *Qualitex Co. v. Jacobson Prods. Co., Inc.*, 514 U.S. 159, 164 (1995).

<sup>148</sup> *Id.* at 172.

<sup>149</sup> *Id.*

<sup>150</sup> *Wal-Mart Store, Inc. v. Samara Brothers, Inc.*, 529 U.S. 205, 211 (2000).

<sup>151</sup> *Id.* at 208. As in *Two Pesos*, these issues surrounding secondary meaning and color might have a great bearing on how we analyze secondary meaning in relation to word-mark distinctiveness. In the *Wal-Mart Stores* case, the Court’s analysis of inherent distinctiveness led them to separate the concept of product packaging from the concept of product design—an analytical step that might hold promise for analyses of word-mark distinctiveness. After all, word marks can be part of product packaging or product design—a distinction that, though nuanced, can result in varying levels of distinctiveness. See *id.* at 208.

The above Supreme Court cases reveal how the years following 1977 brought with them major changes to the American judiciary's conception and treatment of trademark distinctiveness. To avoid a situation in which those changes hopelessly complicate my analysis of word-mark distinctiveness, I very deliberately made sure that the present study's data would not derive from the period covering those cases.

In terms of jurisdiction, U.S. trademark applicants usually have two choices to register their trademarks. The first choice, as outlined in the Lanham Act, is to register a trademark as a federal trademark.<sup>152</sup> Another choice is to register a trademark as a state trademark in individual state trademark offices.<sup>153</sup> Unfortunately for researchers like me, it is extremely difficult to collect state-registered trademarks from across all the state governments because there is no central database containing this information. Thus, although some trademark cases can be found on, for example, LexisNexis, I decided to side-step this complicating issue entirely by collecting only federal cases.

In total, I collected 1,212 cases. These cases have two main characteristics. First, the information on the cases is a mix of textual data and numerical data. To determine whether or not federal judges exhibited patterns of careless reasoning with respect to categorizations of distinctiveness after the *Wal-Mart Stores* case, I realized that I would need more information than would simply appear in a conventional filing of a federal court case. Thus, I sought out a broader array of sources for data related to word-mark distinctiveness. Moreover, as Beebe discovered in his empirical study on trademark-confusion cases, some federal judges, rather than analyze the strength-of-mark factor and the distinctiveness-of-mark factor, would simply cite *Abercrombie* in the context of the given case.<sup>154</sup> Therefore, I was well aware that I would have to filter out such cases from the 1,212 I had initially collected.

Regarding the two independent variables of "dominant judge gender" and "average judge tenure," I had to hand-code this information by performing Google searches. Fortunately, the career information about every federal judge can be

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<sup>152</sup> 15 U.S.C. § 1051 (2012).

<sup>153</sup> See *State Trademark Information Links*, U.S. PAT. & TRADEMARK OFF., <https://www.uspto.gov/trademarks/basics/state-trademark-information-links> [<https://perma.cc/7KDH-CSV9>] (last visited Feb. 23, 2025).

<sup>154</sup> Beebe, *supra* note 96, at 1635.

accessed at Ballotpedia, a widely consulted digital encyclopedia of American politics.<sup>155</sup> For cases decided by one judge, I quite simply coded gender as ‘M’ for male judges and ‘F’ for female judges. Likewise in these cases, I calculated these judges’ tenure simply by calculating the number of years that would have passed between a given judge’s confirmation by Congress and the year of a given case’s decision.

Consider, for instance, *Phat Fashions v. Phat Game Athletic Apparel, Inc.*<sup>156</sup> The case was decided by Judge Lawrence K. Karlton in the United States District Court for the Eastern District of California in 2002.<sup>157</sup> Judge Karlton had been confirmed to serve as a federal judge in 1979,<sup>158</sup> so I calculated the presiding years by subtracting 1979 from 2002 and arrived at the desired answer: 23 years. The gender of Judge Karlton was male,<sup>159</sup> so I coded it ‘M’. United States District Court for the Eastern District of California is a part of the Ninth Circuit, so I coded the jurisdiction ‘9’.

Matters grew a little more complicated for cases decided by three federal judges. I would code the gender of the judges ‘M’ (‘F’) if at least two of the judges were male (female). To calculate the tenure of the three judges, I calculated the average tenure of all three individuals. For instance, in *Entrepreneur Media v. Smith*,<sup>160</sup> three circuit court judges decided the case: Judge Betty B. Fletcher,<sup>161</sup> Judge Thomas G. Nelson,<sup>162</sup> and Judge Marsha S. Berzon.<sup>163</sup> Two of the three were female, so I coded their gender ‘F’. Average tenure was the sum of the three judges’

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<sup>155</sup> See *BALLOTPEDIA*, [https://ballotpedia.org/Main\\_Page](https://ballotpedia.org/Main_Page) [<https://perma.cc/HU43-ZJBK>] (last visited Feb. 24, 2025).

<sup>156</sup> See generally *Phat Fashions, L.L.C. v. Phat Game Athletic Apparel, Inc.*, No. 01C1771, 2002 U.S. Dist. LEXIS 15734 (E.D. Cal. Mar. 20, 2002). This case was included in the present study’s dataset.

<sup>157</sup> *Id.* at \*1.

<sup>158</sup> *Judge Lawrence K. Karlton*, *BALLOTPEDIA*, [https://ballotpedia.org/Lawrence\\_Karlton](https://ballotpedia.org/Lawrence_Karlton) [<https://perma.cc/L8PP-ZTFW>] (last visited Feb. 24, 2025).

<sup>159</sup> *Id.*

<sup>160</sup> *Entrepreneur Media v. Smith*, 279 F.3d 1135 (9th Cir. 2002).

<sup>161</sup> *Judge Betty B. Fletcher*, *BALLOTPEDIA*, [https://ballotpedia.org/Betty\\_Binns\\_Fletcher](https://ballotpedia.org/Betty_Binns_Fletcher) [<https://perma.cc/T4H8-4NW9>] (last visited Feb. 24, 2025).

<sup>162</sup> *Judge Thomas G. Nelson*, *BALLOTPEDIA*, [https://ballotpedia.org/Thomas\\_G.\\_Nelson\\_\(Federal\\_judge\)](https://ballotpedia.org/Thomas_G._Nelson_(Federal_judge)) [<https://perma.cc/2LXA-Z9LL>] (last visited Feb. 24, 2025).

<sup>163</sup> *Judge Marsha S. Berzon*, *BALLOTPEDIA*, [https://ballotpedia.org/Marsha\\_Berzon](https://ballotpedia.org/Marsha_Berzon) [<https://perma.cc/7R3B-G58H>] (last visited Feb. 24, 2025).

tenure (calculated according to the simple arithmetic formula above) divided by the total number of judges (three): in this case, average tenure was 13 years.<sup>164</sup>

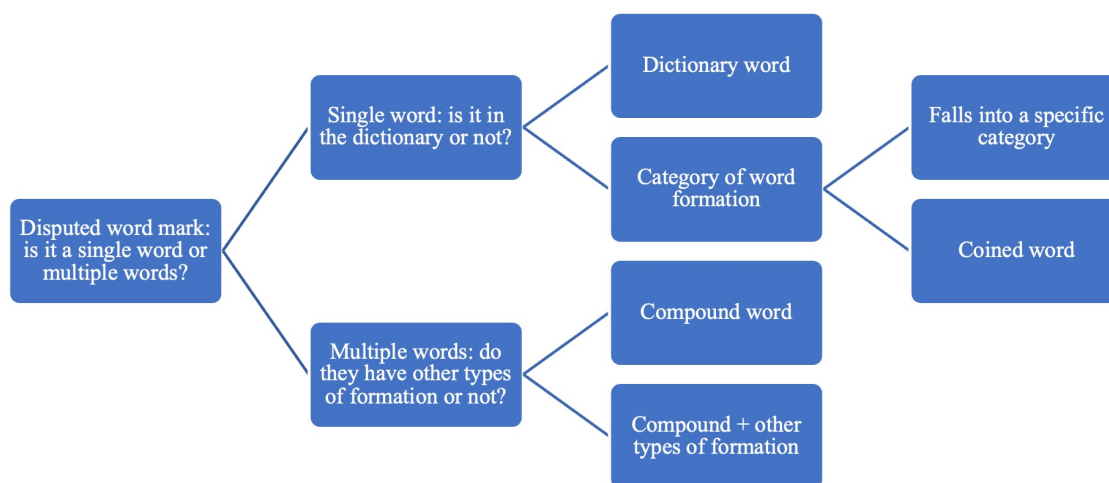
## 2.2. Information About the Linguistic Characteristics of Words

To code the linguistic characteristics of the disputed word marks in federal cases, I followed three steps: (1) investigate whether the alleged word mark consists of a single word or multiple words (because word-mark owners can register either a single word or multiple words as a trademark, I had to treat them differently when coding); (2) for disputed single-word marks, investigate whether the word mark can be found in dictionaries—if yes, code the word mark as a dictionary word, but if no, observe which types of word formation (e.g., acronyms, blending) most accurately reflect the word mark;<sup>165</sup> (3) if no word formation satisfactorily reflects the word mark, code it as a coined word. As for word marks consisting of multiple words, perform step one and, for the second step, observe whether one of the multiple words in a single word mark might fall under a particular word-formation category: if yes, code the word mark “compound + type of formation”; if no, code the word mark only as “compound.” The following flow chart summarizes the coding processes for word formation:

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<sup>164</sup> Until 2002, Judge Betty B. Fletcher’s presiding years were 23 years; Judge Thomas G. Nelson’s presiding years were 12 and Judge Marsha S. Berzon were 2 years. Therefore,  $(23 + 12 + 2) / 3 = 12.3$  years. For ease of coding, I rounded numbers to the nearest integer (e.g., 12).

<sup>165</sup> For details about word-formation categories (namely, inflection, derivation, cliticization, suppletion, compounding, conversion, blending, clipping, and acronyms), see WILLIAM O’GRADY & JOHN ARCHIBALD, *CONTEMPORARY LINGUISTIC ANALYSIS: AN INTRODUCTION* (Pearson Ed. Can., 8th ed. 2015).



I was compelled to add two additional categories of word formation—dictionary word and coined word—because of the popularity of the dictionary test among federal judges. The addition of these two categories enabled me to observe whether or not a word mark’s status as a dictionary word would have a bearing on judges’ categorization of the word mark’s distinctiveness. To determine a word mark’s dictionary status, I consulted three distinct online dictionaries: Merriam-Webster, The Dictionary of American Family Names, and A Dictionary of Geography.<sup>166</sup> If just one of the three dictionaries featured the word mark, I coded it, with respect to formation, as a dictionary word. Second, because a disputed word mark might fall into more than one category, I would account for all the categories during my coding of the mark. For instance, in *New York City Triathlon, LLC v. NYC Triathlon Club, Inc.*,<sup>167</sup> the disputed word mark was NYC TRIATHLON. The formation of this word mark happened to fall into two categories: acronyms and compound words. To thoroughly understand which type of word formation would be important for categorization, I coded

<sup>166</sup> See MERRIAM-WEBSTER, <https://www.merriam-webster.com/> [https://perma.cc/5RSB-YGA4] (last visited Feb. 27, 2025); *Dictionary of American Family Names*, OXFORD REFERENCE, <https://www.oxfordreference.com/display/10.1093/acref/9780195081374.001.0001/acref-9780195081374> [https://perma.cc/W92P-SCKD] (last visited Mar. 21, 2025); *A Dictionary of Geography*, OXFORD REFERENCE, <https://www.oxfordreference.com/display/10.1093/acref/9780199680856.001.0001/acref-9780199680856> [https://perma.cc/7J3G-RBVA] (last visited Mar. 21, 2025).

<sup>167</sup> *N.Y.C. Triathlon, LLC v. NYC Triathlon Club, Inc.*, 704 F. Supp. 2d 305, 311 (S.D.N.Y. 2010).

the mark “acronyms+compounds” in the dataset. A point worth noting is that TRIATHLON has an entry in any standard English-language dictionary. Thus, the code “acronyms+compounds” fails to account for the dictionary status of NYC TRIATHLON. Thus, in the given case, I assigned the code ‘Y’ to NYC TRIATHLON.

Finally, in terms of a disputed word mark’s word count, syllable count, vowel count, consonant count, and plosive status, I hand-coded all this information on the basis of personal observation. An interesting point to address is that some disputed word marks might include punctuation (e.g., an exclamation mark) or other symbols. For the purposes of the present study, I did not code for these symbols, even though they should not be regarded as irrelevant to the topic of word-mark distinction. For instance, in *Women, Action & the Media Corp. v. Women in the Arts & Media Coalition, Inc.*,<sup>168</sup> the disputed word mark was ‘WAM!’ Excluding the exclamation mark, ‘WAM’ is a single non-plosive (NP) word with one syllable, one vowel, and two consonants. I coded the mark ‘1’ for word count, syllable count, and vowel count and ‘2’ for consonant count.

### 2.3. TSS Information and Estimating Both Duration and Third-party Use

The TSS system has abundant trademark information about disputed word marks. For coding purposes, I would first and foremost locate the “earliest-use” information about a word mark litigated in a federal case. Three steps guided me in this process. In the first step, I sought to identify the “true” owner of the disputed word mark. Logically, a plaintiff may sue a defendant on the grounds of likelihood of confusion if the plaintiff owned the registered word mark prior to the defendant’s alleged use of the mark; in turn, the plaintiff may be countersued by the defendant for trademark infringement because the defendant had registered similar marks prior to the plaintiff’s use of the given word mark, thus presenting a situation in which the plaintiff’s mark lacked distinctiveness.<sup>169</sup> In this scenario,

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<sup>168</sup> See *Women, Action & the Media Corp. v. Women in the Arts & Media Coal., Inc.*, No. CIV.A. 13-10089-RWZ, 2013 WL 3728414, at \*1 (D. Mass. July 12, 2013).

<sup>169</sup> See, e.g., *Eurotech Inc. v. Cosmos Eur. Travels*, 213 F. Supp. 2d 612, 622 (E.D. Va. 2002). At the center of the case was a dispute over the ownership of the domain name COSMOS.COM. The plaintiffs, including the current owner of the disputed domain name, sought a court declaration confirming their propriety rights with respect to the use and ownership of the domain name. The defendant—the owner of the registered trademark COSMOS—filed counterclaims against the plaintiffs for trademark infringement and unfair competition in violation of the Lanham Act.

the “true” owner of the disputed word mark could be the plaintiff or defendant. Such complexity in federal cases required that I hand-code relevant data.

The second step in locating the “earliest-use” information would be to perform a keyword search of the TSS, with the keyword being the name of the mark’s true owner. These searches were quite time-consuming because the true owner of a mark might have registered it several times in more than one year. To complicate matters even further, a previously registered word mark might have subsequently had its registration cancelled or invalidated. Thus, in perusing the TSS database, I had to keep an eye open not just for currently registered marks but for all possible marks, including live ones and dead ones. Only in this way was I able to obtain accurate information about the earliest use of disputed word marks.

For the third and final step, once I identified a disputed mark’s true owner and obtained the “earliest-use” information, I coded the information as it pertained to international trademark classes (ICs), US trademark classes, product-and-service classes, and first-year use. One detail that merits our attention with regard to first-year use is that, in some instances, the TSS may register a disputed word mark yet not record the year of the mark’s first use. To deal with this matter, I would replace the missing “first year of commercial word-mark use” information with the “filing year” information, which thus served as a proxy for the missing information. If the TSS database contained information about a word-mark owner’s priority year (i.e., period of priority), I would use this information as a proxy for the “filing year” information because the priority year discloses a more accurate timing of the use for a word mark. Finally, having obtained the necessary information pertaining to the first year of commercial use and the federal-case year, I was in a position to estimate the duration of the disputed word mark.

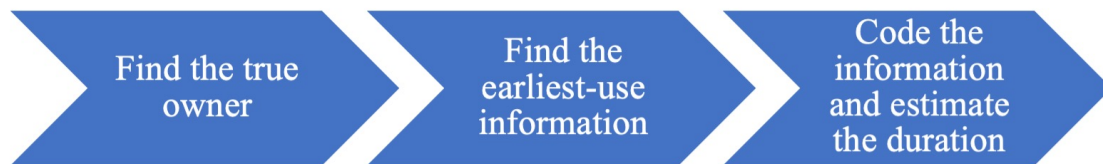
To better understand the coding processes discussed above, consider again the example of WAM!. When studying the WAM! legal case, I found that the true owner of the disputed mark was Women Action & the Media, the plaintiff in the case.<sup>170</sup> A search of the TSS revealed that WAM! was registered for International Class 35 and U.S. Classes 100, 101, and 102.<sup>171</sup> Thus, I coded the classes categorically and recorded the number of classes corresponding to WAM!

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<sup>170</sup> See *Women, Action & the Media Corp.*, 2013 WL 3728414, at \*10.

<sup>171</sup> WAM!, Registration No. 4,275,416.

(1 for international classes and 3 for US classes). Moreover, because International Class 035 falls under the service category,<sup>172</sup> I coded the class ‘S’ in my dataset. Next, given that the first year of commercial use was June 1, 2004, I used the code ‘2004’ to estimate the duration of the disputed mark.<sup>173</sup> Finally, given that the WAM! case was decided in 2013, I coded the duration of the disputed word mark as ‘9’ (2013 minus 2004).<sup>174</sup> The following flow chart summarizes the coding process that I followed when estimating length of use (i.e., ‘duration’) on the basis of TSS-registered information.



One nuance of the coding process for estimations of length is linked to the missing registration values in the TSS. Some federal cases that I collected for this study had opinions about the distinctiveness of the disputed word mark, yet, in these cases, the true owner had failed to register the mark prior to the opinion in the TSS. Thus, for these cases, I would encounter missing values for four key variables: IC count, US class count, first-year use, and duration would be the missing values. To deal with this situation, I capitalized on an advantage of decision-tree algorithms—their ability to deal with missing values through a deft

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<sup>172</sup> The categorization of goods and services marks can be found in USPTO’s website. *See Goods and Services*, U.S. PAT. & TRADEMARK OFF., <https://www.uspto.gov/trademarks/basics/goods-and-services> [<https://perma.cc/5A2T-82W6>] (last visited Mar. 30, 2025).

<sup>173</sup> *See* WAM!, Registration No. 4,275,416.

<sup>174</sup> *See generally* *Women, Action & the Media Corp.*, 2013 WL 3728414.

use of surrogate splits.<sup>175</sup> Thus, for disputed word marks not registered in the TSS, I coded the missing values as ‘N/A’ (i.e., not available).

The most difficult part of these various coding processes was the task of coding for third-party registration of word marks that were similar to a disputed word mark litigated in a federal court. I could not find the exact and correct number of third-party registrations from the TSS. The main reason for this limitation is that the TSS does not allow users to select a specific year for word-mark searches. Further complicating this matter is the fact that the TSS keeps updating information for each disputed word mark. Thus, it could easily come to pass that a valid and registered word mark today becomes a cancelled or abandoned word mark tomorrow, and *vice versa*. As a result, it is impossible for the present study and for similarly structured studies to obtain correct and stable numbers related to the third-party registration of word marks that are similar to disputed word marks. For my part, I was able only to make “rough” estimations about these third-party registrations, and I did so by assuming that marginal daily changes in “live” use and “dead” use for word marks were small—that is, relatively stable. I based this assumption on previous findings that these daily changes tend to be minor.<sup>176</sup>

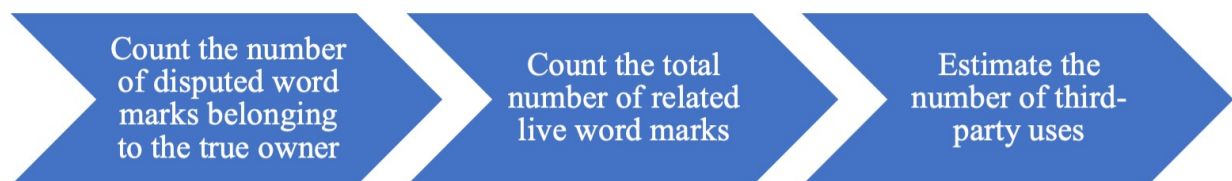
Using the above assumptions, I followed three steps to collect information about the third-party registration of word marks. In the first step, I would search the TSS by selecting the “owner” search category and entering the name of the true owner into the search field. The term ‘true owner’ refers to any entity, usually a company, that was directly or indirectly related to one of the studied federal cases and that was determined, by a federal judge, to be the rightful (‘true’) owner of a previously disputed word mark. In response to my search-engine query, the TSS would present information about historical trademark data corresponding to the true owner (e.g., sometimes the current true owner was not the original true owner, owing perhaps to a bankruptcy, a merger, and so on). Using this information, I could

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<sup>175</sup> Nicholas J. Tierney et al., *Using Decision Trees To Understand Structure in Missing Data*, 5(6) *BMJ OPEN* 1, 3–4 (2015) (explaining how to address missing values for variables that are required for a split by using surrogate splits, which rest on alternative variables whose splitting property is similar to that of the missing-value variables).

<sup>176</sup> The assumption that the marginal daily changes of word-mark registration is minor could be inferred from Beebe’s research about the word-mark depletion. See Beebe & Fromer, *supra* note 139, at 978 (explaining the assessment of word mark depletion by addressing the difficulty that the depletion does not necessarily entail a decline in the number of potential marks that remain available for registration because an entity may register a mark that has already been claimed by another).

count the number of disputed word marks that belonged to the true owner. In the second step, I would search the TSS again, this time by selecting the “wordmark” search category and entering the given true owner’s disputed word mark itself into the search field. In response to this second query, the TSS would present all the word marks—whether live or dead, and whether belonging to the “true owner” or a “third-party”—that were identical to or contained the searched-for disputed word mark. Because I assumed that the daily marginal changes in live and dead uses were relatively stable (see above), I omitted the “dead word mark” count from the total number of the live word marks. In the third step, I would estimate the number of third-party registered word marks that contained the disputed word mark. Because the TSS furnished me with (1) the precise number of disputed word marks belonging to a given true owner (a number that was not always ‘one’) and (2) the precise number of live word marks containing the disputed word mark but belonging to third-parties or to the given true owner, I could estimate the number of purely third-party registrations by subtracting **the total number of search results involving those disputed word marks belonging to the given true owner** from **the total number of search results involving the disputed word mark generally**. The following flow chart visually summarizes the above coding steps for the estimation of the third-party registrations of each disputed word mark.



### 3. *Description of the Data and Preliminary Observations*

Using the various data-collection and hand-coding processes discussed above, I ended up with 713 valid federal court cases with which to train the decision trees in this study. Before the training could commence, I needed to acquire a birds-eye

view of both the dependent-variable descriptive data and the independent-variable descriptive data.

### 3.1. Descriptive Data for the Dependent Variable

Table 3 presents the results pertaining to federal judges' interpretation of disputed word-marks' distinctiveness. I analyzed 713 valid federal cases concerning disputed word marks: in 279, the marks were found to be suggestive (S); in 141, the marks were found to be descriptive with acquired distinctiveness (DA); in 140, the marks were found to be purely descriptive (D); in 135, the marks were found to be arbitrary (A); and in 18, the marks were found to be generic (G). As a percentage, the most common type of distinctiveness in court judgements was suggestive distinctiveness (39%), whereas the least common type of distinctiveness was, quite predictably, generic distinctiveness (2.5%). The predictability of the latter result rests on the simple fact that word-mark owners suing another owner over its word mark would clearly avoid characterizing the disputed word mark as generic. After all, a generic word mark—that is, a word marks that is least likely to be distinctive—has little to no chance of being successfully registered in the TSS under the scrutiny of the USPTO.

Distinctiveness (Validity)					
		Numbers of Counts	Percentage	Valid Percentage	Accumulated Percentage
Valid	A	135	18.9	18.9	18.9
	D	140	19.6	19.6	38.6
	DA	141	19.8	19.8	58.3
	G	18	2.5	2.5	60.9
	S	279	39.1	39.1	100.0
	Total	713	100.0	100.0	

Table 3: Descriptive data for the dependent variable

### 3.2. Descriptive Data for the Independent Variables

In this study's dataset involving independent variables, some values are continuous while others are categorical. Table 4 presents the minimum and maximum values, the averages, and the standard deviations for the variables. Tables 5 through 13 present the categorical data.

### 3.2.1 Continuous independent variables

Table 4 below presents eleven variables that are coded as having continuous values. Information about the eleven variables came from the following sources: average judge tenure came from various sources covering federal cases; linguistic information pertaining to words, syllables, vowels, consonants, and frequency came from COCA; numerical data pertaining to ICs and US classes, word-mark duration, and third-party registrations of disputed word marks came from the TSS.

As for judge tenure, the statistics reveal that, at the time the judges rendered their decision in a word-mark case, they had accumulated close to thirteen (13) years of experience, with a standard deviation of almost nine (9) years. In other words, most federal judges with roughly 13 years of experience will have had at least one opportunity to preside over a case concerning word-mark distinctiveness.

As for the linguistic elements studied herein (words, syllables, vowels, consonants and frequencies from the COCA database), the statistics reveal several interesting points. First, the average disputed word mark in this study's sample consists of about 2 words, 3 syllables, 3 vowels, and 6 consonants. From these results, we can infer that the true owners of the disputed word marks in our sample were inclined to use short words, perhaps because short words are generally more memorable than long words. Second, the COCA frequencies for the disputed word marks varied substantially because the standard deviation was so high (1,886,913). Combined with the previously discussed findings, the high standard deviation for the COCA frequencies indicates that although most disputed word marks had similar characteristics (they were short and memorable), these similarities in no way translated into similar frequencies of mass-media use.

Finally, as for the information obtained from TSS regarding the 713 federal cases, we acquired 644 valid pieces of TSS-registration data, as 69 disputed word marks were not registered. The valid TSS registrations had an average of one (1) IC and three (3) US classes. Word-mark duration in the sample was, on average, about nineteen (19) years, with a standard deviation of twenty-one (21) years. From these results, we can infer that quite a few of the disputed word marks have an incontestable degree—or at least a high degree—of distinctiveness.<sup>177</sup> This inference is consistent with the statistical results of my dependent-variable analysis,

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<sup>177</sup> For more details about the Declaration of Incontestability of a Mark, see 15 U.S.C. § 1065 (2015).

which show that very few disputed word marks that judges found to be distinctive were categorized by those judges as generic. As for the number of third-party registrations of word marks that are identical or similar to a disputed word mark, my statistical analysis reveals a large standard deviation (681). In other words, there were huge differences in the numbers of third-party TSS registrations of word marks (on the low end, there were 0 third-party registrations, and on the high end, 13,500 third-party registrations). This spread is similar to the one characterizing the COCA frequencies. The high standard deviations and high maximum values prove that many word-mark owners have found it almost impossible to protect their word marks from use by third parties.

	N	Minimum value	Maximum value	Average	Standard deviation
Judge Tenure	713	1.0	44.0	13.125	9.0372
Word Count	713	0	8	1.81	1.060
Syllable Count	713	0	16	3.33	2.152
Vowel Count	713	0	19	3.87	2.569
Consonant Count	713	0	30	6.64	3.912
COCA Frequency	713	0	50360812	76926.92	1886913.089
IC Count	644	1	11	1.39	1.029
US Class Count	644	1	21	3.97	3.136
Duration	644	0	185	18.92	20.854
Third-Party Registration Count	713	0	13500	126.28	681.261
Valid N (listwise)	644				

Table 4: Independent variables with continuous values

### 3.2.2 Categorical independent variables

Some of this study's independent variables took the form of categorical data pertaining to three basic areas: the federal cases themselves, linguistics, and TSS-based information. For the cases, I identified the year a decision was rendered in a case, the jurisdiction in which the case was held, and the gender of most of the federal judges presiding over the cases. For linguistic topics, I identified the word-formation categories of each disputed word mark, whether or not the word mark began with a plosive, whether or not some or all of the words in a word mark could be found in dictionaries, and the first year of commercial use for the word mark. Below, I discuss each of these topics in greater detail.

### 3.2.3 Categorical independent variables for federal cases

As shown in Chart 1 and Table 5 below, the year with the greatest number of federal trademark-distinction cases (54) was 2021 and the year with the lowest number (21) was 2009. From 2002 to 2022, the average annual number of court decisions was 33. Most (52%) of the court decisions in these distinctiveness cases were issued by the U.S. Courts of Appeals for the Second Circuit and for the Ninth Circuit. The remaining 48% of the decisions were issued in other circuits. Because the whole sample was skewed toward the Second and the Ninth Circuits, the decision tree that I trained with this sample might reflect the subjective tendencies of judges from these two circuits with respect to their categorization of word-mark distinctiveness.

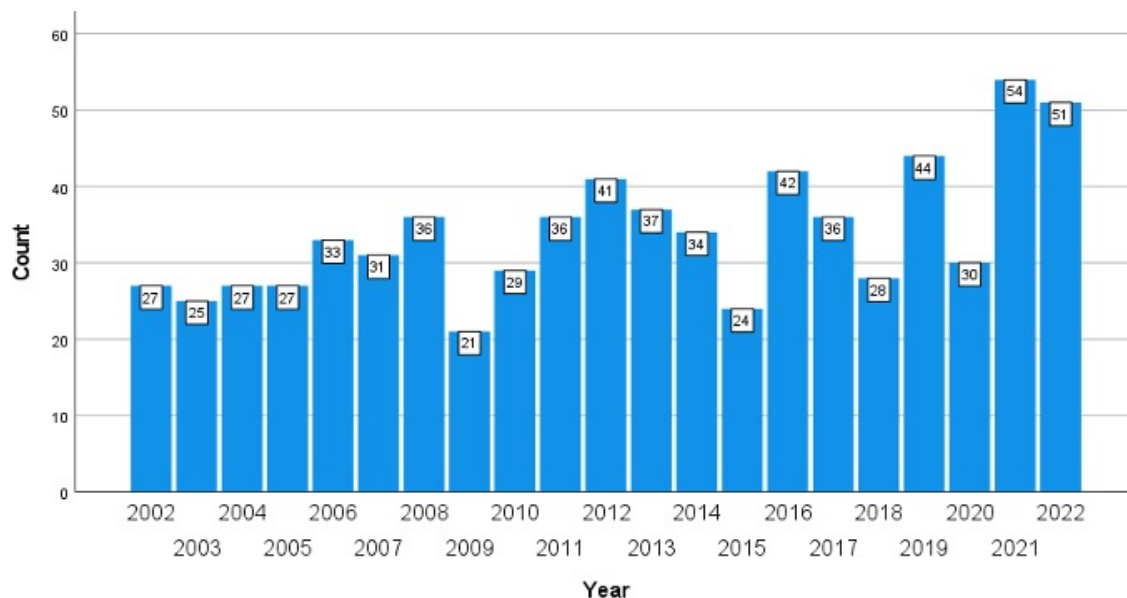


Chart 1: Word-mark distinction cases from January 1, 2002 to December 31, 2022

Circuit Controls					
		Numbers of counts	Percentage	Valid percentage	Accumulated percentage
Valid	0	4	0.6	0.6	0.6
	1	17	2.4	2.4	2.9
	2	122	17.1	17.1	20.1
	3	45	6.3	6.3	26.4
	4	44	6.2	6.2	32.5
	5	34	4.8	4.8	37.3
	6	60	8.4	8.4	45.7
	7	28	3.9	3.9	49.6
	8	20	2.8	2.8	52.5
	9	249	34.9	34.9	87.4
	10	15	2.1	2.1	89.5
	11	75	10.5	10.5	100.0
	Total	713	100.0	100.0	

Table 5: Distribution of jurisdictions (Note: ‘0’ refers to the United States Court of Appeals for the Federal Circuit)

Regarding gender, about 70% of the judges (judge trios) were male (dominant male). Although the limited data prevented me from ascertaining with any certainty whether or not gender was significantly associated with the court decisions regarding word-mark distinctiveness decisions, the topic of whether or not—and if so, in what ways and to what extent—gender shaped and continues to shape distinctiveness rulings should be of interest to legal scholars.

		Numbers of counts	Percentage	Valid percentage	Accumulated percentage
Valid	F	210	29.5	29.5	29.5
	M	503	70.5	70.5	100.0
	Total	713	100.0	100.0	

Table 6: Gender (dominant gender) of federal judges (federal-judge trios)

### 3.2.4. Categorical independent variables for linguistics

Table 7 presents key results from my analysis of categorical independent variables for linguistics. As we can see, 74.9% of the disputed word marks in this study’s sample feature dictionary words; put another way, only 25.1% of the disputed word marks were purely coined terms. Because, as I noted earlier, it is reasonable to assume that federal judges heavily rely on the dictionary test to

analyze word-mark distinctiveness, an intriguing path of analysis is to investigate whether there is a significantly positive relationship between a disputed word mark's dictionary roots and federal judges' willingness to categorize the word mark as distinctive.

		Numbers of counts	Percentage	Valid percentage	Accumulated percentage
Valid	N	179	25.1	25.1	25.1
	Y	534	74.9	74.9	100.0
	Total	713	100.0	100.0	

Table 7: The dictionary status of disputed word marks

Table 8 reveals that 14 categories of word formation emerged from the study's sample. However, the disputed word marks were not evenly distributed across these categories. In descending order, the top five categories of word formation for the disputed word marks were compound words (400), dictionary words (138), coined words (62), blend words (42), and acronyms (33). The top two categories—compound words and dictionary words—accounted for a whopping three-fourths of the data in the sample, a fact that might have substantially skewed the decision-tree training process. Compound words were, by far, the major formation because each word mark offered more than one opportunity for a variation. For instance, one disputed word mark in the sample was 'THERMA-SCAN'. This word mark consists of a coined word, 'THERMA' (which, despite its being coined, is not particularly unique), and a very common dictionary word, 'SCAN'. Thus, one could reasonably expect that many variations of this compound word are possible. Moreover, the 'THERMA-SCAN' example and Table 8 suggest that many compound-word marks consist of at least one dictionary word: 19.4% of the disputed word marks fall under the dictionary-word word-formation category, but this percentage grows to 75.5% if we combine the dictionary category with the compound-word category (56.1%). A topic worthy of investigation is whether or not federal judges tend to hold that word-formation categories, which are part and parcel of the dictionary test, determine the specific type of distinctiveness that corresponds to a disputed word mark.

		Numbers of counts	Percentage	Valid percentage	Accumulated percentage
Valid	Acronyms	33	4.6	4.6	4.6
	Acronyms+Compounds	1	0.1	0.1	4.8
	Blend Words	42	5.9	5.9	10.7
	Clipped Words	7	1.0	1.0	11.6
	Clipped Words+Compounds	21	2.9	2.9	14.6
	Clitics	2	0.3	0.3	14.9
	Clitics+Compounds	2	0.3	0.3	15.1
	Coined Words	62	8.7	8.7	23.8
	Compounds	400	56.1	56.1	79.9
	Converted Words	1	0.1	0.1	80.1
	Derived Words	2	0.3	0.3	80.4
	Dictionary Words	138	19.4	19.4	99.7
	Inflected Words	1	0.1	0.1	99.9
	Inflected+Compounds	1	0.1	0.1	100.0
	Total	713	100.0	100.0	

Table 8: Word-formation categories for disputed word marks

Finally, I investigated how many of the disputed word marks in the sample began with a plosive. As noted earlier, the literature strongly suggests that, for consumers, plosive words are much more memorable than non-plosive words, a finding that could have a significant bearing on the distinctiveness level of a word mark.<sup>178</sup> Table 9 presents my findings regarding plosives: 66.5% of the disputed word marks did not begin with a plosive. Thus, when viewed from the opposite angle, the findings suggest that only 33.5% of these word marks possessed this sound-based mechanism capable of enhancing a word mark's ability to be memorable. A topic meriting further inquiry is whether federal judges might, as consumers do, pay attention to the sounds of uttered words. If judges take sound into consideration, plosives and similar mechanisms might influence the judges' assessment of word-mark distinctiveness.

		Numbers of counts	Percentage	Valid percentage	Accumulated percentage
Valid	NP	474	66.5	66.5	66.5
	P	239	33.5	33.5	100.0
	Total	713	100.0	100.0	

Table 9: Plosive word marks in the sample

<sup>178</sup> See Vanden Bergh et al., *supra* note 136, at 837.

### 3.2.5 Categorical independent variables for TSS data

Table 10 sheds light on the classes of TSS-registered disputed word marks: 47% were registered as products, 36.6% were registered as services, and 6.7% were registered as both products and services. Of all the disputed word marks, 9.7% had no registration status in the TSS.

		Numbers of counts	Percentage	Valid percentage	Accumulated percentage
Valid	P	335	47.0	47.0	47.0
	P&S	48	6.7	6.7	53.7
	S	261	36.6	36.6	90.3
	Total	644	90.3	90.3	
Missing Value	N/A	69	9.7	9.7	
Total		713	100.0	100.0	

Table 10: The IC status of disputed word marks

Finally, I treated the size classification of third-party registrations in the TSS (i.e., “categorization of third-party registration count”) as a polytomous variable, which I established on the basis of the number of third-party registrations (i.e., “third-party registration count”). Chart 2 breaks down the statistical distribution of the polytomous variable across the four categories (i.e., few, medium, large, super large): 495 disputed word marks (69.4%) were classified as few, 98 (13.7%) as super large, 94 (13.2%) as medium, and 26 (3.7%) as large. These statistical results for the categorization of third-party registration count point to an intriguing question: why is it that almost seventy percent of the disputed word marks in this study’s sample correspond to only a few third-party registrations in the TSS even though federal judges varied significantly in their categorization of the disputed word marks’ distinctiveness?

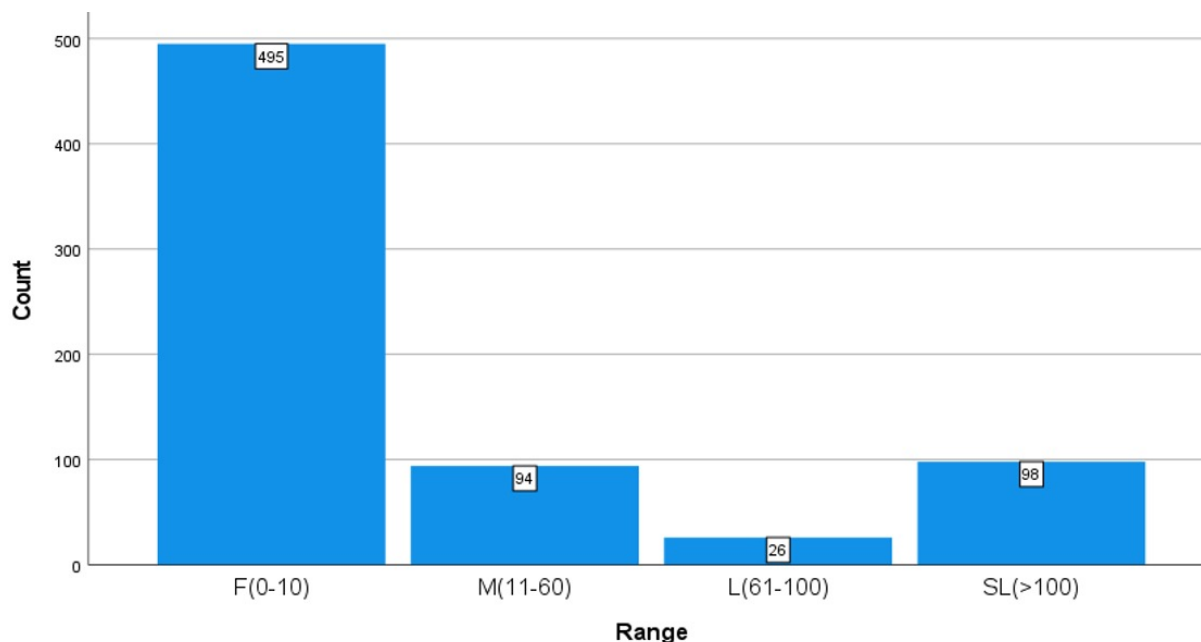


Chart 2: The categorization of third-party registration count for disputed word marks

### 3.2.6 Summary of observations about both dependent and independent variables

Overall, the descriptive statistics concerning the dependent and independent variables reveal some noteworthy patterns. First, all of the variables exhibit an uneven distribution of data in most instances. As for the dependent variable (i.e., judges' categorization of word-mark distinctiveness), only 2.5% of the disputed word marks were judged to be generic whereas 39.1% were categorized as suggestive marks. As for all of the independent variables (e.g., duration, third-party registration count, COCA frequency), statistical analyses of the data reveal the existence of high standard deviations (20 for duration, 681 for third-party registration count, and 1,886,913 for COCA frequency). Moreover, other independent variables (e.g., jurisdiction, judge gender, word-formation category, plosive status, first-year use) were significantly skewed in the direction of one or a few specific categories. A second noteworthy pattern is that the words in the disputed word marks were quite similar to one another linguistically. The evidence for this finding stems from the comparatively small standard deviations for the continuous values corresponding to word count (1.06), syllable count (2.152), vowel count (2.569), and consonant count (3.912). Finally, the results for the TSS data reveal that most of the disputed word marks, despite having diversely

categorized word-mark distinctiveness in judicial rulings, had small numbers of third-party registrations (fewer than 10).

#### IV DECISION-TREE ANALYSIS

Having described the present study's dataset in Part III, I now turn my attention to analyzing the three decision trees that I trained with the data above. As noted, a central objective in this study is to determine whether or not—and if so, in what ways—federal judges neglected certain types of distinctiveness in favor of three privileged tests (i.e., the imagination test, the competitive-need test, and particularly the dictionary test). The algorithmic powers of decision trees assisted me in uncovering any such patterns. Thus, I set out to compare three time periods with one another, and for this task, I employed three decision trees: Decision Tree 1 (January 1, 2002–December 31, 2022), Decision Tree 2 (January 1, 2002–December 31, 2010), and Decision Tree 3 (January 1, 2011–December 31, 2022). Using various groupings of independent variables, these decision trees shed light on the logic underlying judges' categorization of word-mark distinctiveness. We should keep in mind a few points: first, it is not necessarily the case that the more important a feature is, the higher its node will be on a decision tree; second, differences in categorization criteria can affect decision-tree results.<sup>179</sup> For these two reasons, one can ascertain neither the importance of a feature nor the performance of a decision tree simply by observing the tree. To gain insights into these matters, one must have in hand two important outputs: the charted importance of independent variables and the charted results of trees' categorization of disputed word marks.

The charted importance of independent variables reveals both the amount of weight and the order of importance assignable to independent variables chosen by the algorithm. This information, for the present study, is key to understanding judges' categorization of word-mark distinctiveness. To ascertain the importance of a variable, one can measure the extent to which the removal of a variable triggers

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<sup>179</sup> See Bahzad Taha Jijo & Adnan Mohsin Abdulazeez, *Classification Based on Decision Tree Algorithm for Machine Learning*, 2 J. APPLIED SCI. & TECH. TRENDS 20, 21 (2021) (noting various types of decision-tree algorithms, including the Iterative Dichotomies 3, or ID3, tree and the Classification and Regression Tree, or CART).

a decrease in a tree's ability to mirror the descriptive data drawn from the actual court decisions. Dan Steinberg explains that the importance of a variable

is based on the sum of the improvements in all nodes in which the variable appears as a splitter (weighted by the fraction of the training data in each node split). Surrogates are also included in the importance calculations, which means that even a variable that never splits a node may be assigned a large importance score.<sup>180</sup>

The above explanation helps clarify why one must tease out the differences between a decision tree's independent "splitter" variables and the charted importance of independent variables.

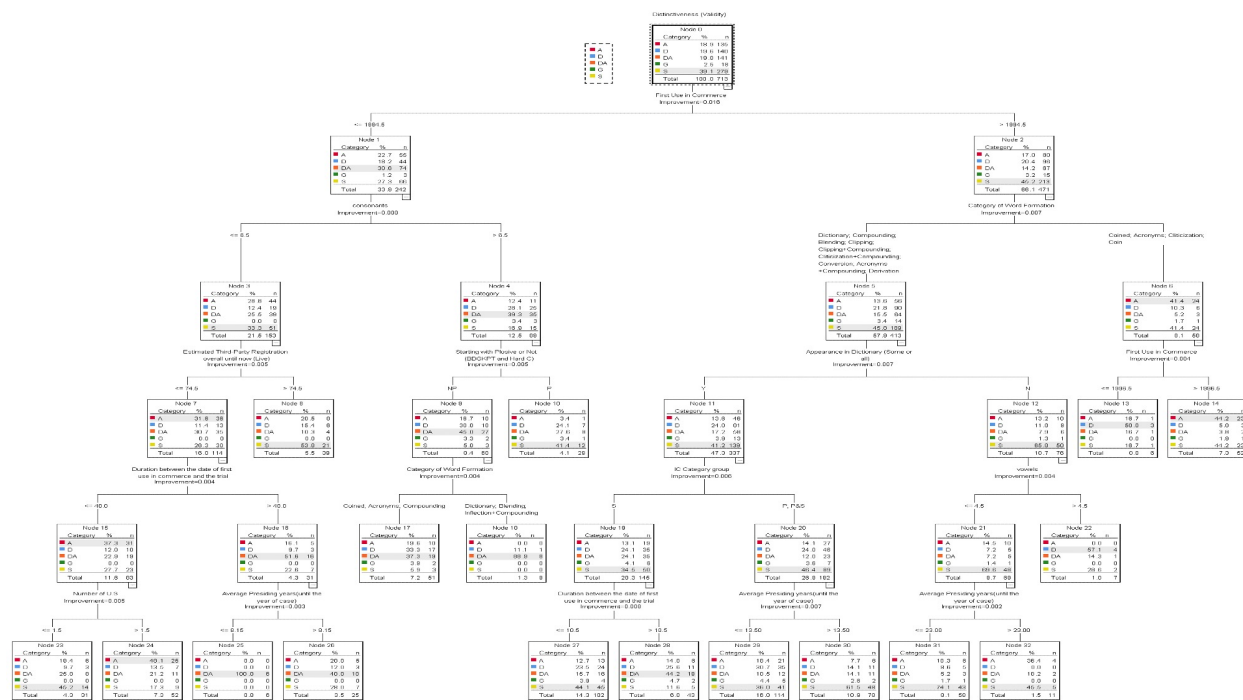
By comparing the results of the decision trees' categorization of word-mark distinctiveness with the judges' corresponding decisions, I focused on the rate at which the decision-tree results mirrored the actual decisions (i.e., the correspondence rate). Once in possession of this information, I could better grasp the extent to which federal judges, in discernable patterns, (1) may have failed to clarify the standards for all types of distinctiveness and (2) may have excessively focused on differences between suggestive and descriptive distinctiveness.

#### A. *Observations of Decision Tree 1*

As noted above, Decision Tree 1 was trained for the overarching period extending from January 1, 2002 to December 31, 2022. Consisting of 5 layers with 32 nodes, the tree yielded several important findings. First of all, it chose 11 of the 19 independent variables for the task of categorizing word-mark distinctiveness. An independent variable—judge tenure—appeared three times in the tree between the fourth and fifth layers. Several other independent variables appeared two times in the tree: word-mark duration appeared between the third and fourth layers and between the fourth and fifth layers, first-year use appeared between the starting point and the first layer and between the second and third layers, and word-formation category appeared between the first and second layers and between the third and fourth layers.

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<sup>180</sup> Dan Steinberg, *CART: Classification and Regression Trees*, in *THE TOP ALGORITHMS IN DATA MINING* 179, 190 (2009).



syllable count. Similarly, IC count might be identical to US class count, since they both serve as expressions of classes of registered word marks in the TSS. The same explanation might apply to COCA frequencies, whose function might be satisfactorily covered by third-party registration count, since both of the variables similarly concern general word usage.

Independent Variable	Importance	Normalized Importance
Duration	0.033	100.0%
First-Year Use	0.029	88.1%
Word-Formation Category	0.023	69.4%
Vowel Count	0.022	65.7%
Consonant Count	0.021	63.2%
Judge Tenure	0.021	62.0%
Categorization of Third-Party Registration Count	0.019	55.8%
COCA Frequency	0.018	53.8%
Syllable Count	0.017	52.4%
US Class Count	0.016	47.1%
Word Count	0.011	33.4%
Dictionary Status	0.010	31.3%
Product or Service	0.008	25.1%
IC Count	0.007	21.7%
Categorization of Third-Party Registration Count	0.006	18.9%
Plosive Status	0.005	15.1%

Table 11: The importance of independent variables based on Decision Tree 1

Finally, it is important to see how Decision Tree 1 categorizes distinctiveness in comparison with how the judges categorized distinctiveness. Table 12 presents two sets of data: federal judges' categorization of distinctiveness as observed and described by me (i.e., "observed categorization" from the descriptive data) and Decision Tree 1's categorization of distinctiveness (i.e., "interpreted categorization"). In presenting these comparative results, Table 12 reveals, in percentage form, the degree to which Decision Tree 1's categorizations mirror the judge's categorizations (i.e., the correspondence rate). First, consider the 135 cases where judges ruled that disputed word marks possessed arbitrary distinctiveness. Decision Tree 1 made only 48 such categorizations, for a correspondence rate of

35.6%. Of the remaining 87 categorizations, 65 involved suggestive distinctiveness, 21 involved descriptive-acquired distinctiveness, and 1 involved purely descriptive distinctiveness. Taken together, these results indicate that Decision Tree 1 did not differentiate arbitrary marks from other marks—especially from suggestive marks—as often as judges did.

Now let us consider the 279 cases where judges attributed suggestive distinctiveness to a disputed word mark. Decision Tree 1 made this same attribution in 229 of the 279 judicial decisions, for a correspondence rate of 82.1%. Of the 50 non-corresponding categorizations by the tree, 32 involved arbitrary distinctiveness, 15 involved descriptive-acquired distinctiveness, and 3 involved descriptive distinctiveness. This second set of Decision Tree 1 results indicates not only that the tree effectively mirrored the judges' categorization of suggestive marks but also that the judges themselves did a good job of accurately identifying the distinctiveness of suggestive word marks.

As for descriptive-acquired distinctiveness, judges ruled that this categorization applied to disputed word marks in 141 federal cases. Decision Tree 1 did so in only 62 of these 141 cases, for a correspondence rate of 44%. Of the non-corresponding predictions, 64 involved suggestive distinctiveness, 13 involved arbitrary distinctiveness, and 2 involved descriptive distinctiveness. Interestingly, these results are similar to Decision Tree 1's categorizations for arbitrary distinctiveness, suggesting that this tree sometimes had difficulty identifying the difference especially between descriptive-acquired distinctiveness and suggestive distinctiveness.

Regarding the fourth category of distinctiveness (i.e., descriptive distinctiveness), let us recall that in 140 federal cases, judges ruled that a disputed word mark possessed this form of distinctiveness. As for Decision Tree 1, it made a corresponding categorization in a mere 7 of these 140 decisions, for a success rate of only 5%. Of the 133 non-corresponding categorizations, 91 involved suggestive distinctiveness, 32 involved descriptive-acquired distinctiveness, and the remaining 10 involved arbitrary distinctiveness. These results obviously indicate that Decision Tree 1 has significant algorithmic difficulties in differentiating descriptive marks from other types of marks. A hypothesis we might reasonably infer from this high degree of non-correspondence is that federal judges may perceive many parallels between descriptive marks and suggestive marks.

Finally, as for generic distinctiveness, Decision Tree 1 mirrored not even one of the 18 judicial generic-distinctiveness categorizations. Instead, 13 of the 18 non-corresponding categorizations involved suggestive distinctiveness, 4 involved descriptive-acquired distinctiveness, and 1 involved arbitrary distinctiveness. These results, constituting a correspondence rate of 0%, are not difficult to make sense of, as this study's sample had only 18 judicial rulings to work with in this category. With such small numbers for the training process, decision trees can easily miscategorize. Moreover, as I emphasized earlier, it is rare to see a judge grant distinctiveness to a word mark on the basis of generic traits, as there is a general assumption that a purely generic word mark cannot possess trademark status in nature.

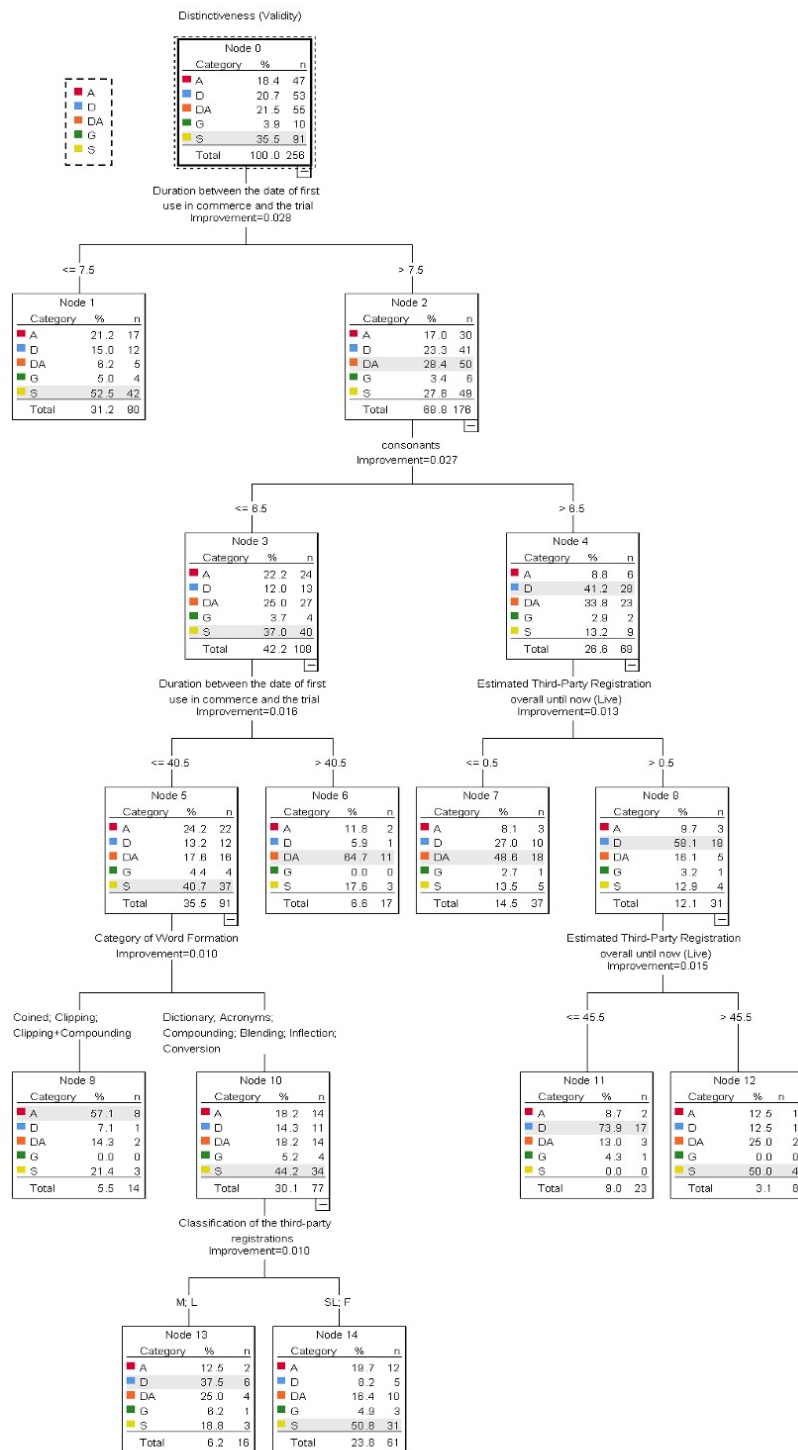
Observed	Interpreted					
	A	D	DA	G	S	Percent Correct
A	48	1	21	0	65	35.6%
D	10	7	32	0	91	5.0%
DA	13	2	62	0	64	44.0%
G	1	0	4	0	13	0.0%
S	32	3	15	0	229	82.1%
Overall Percentage	14.6%	1.8%	18.8%	0.0%	64.8%	48.5%

Growing Method: CRT  
Dependent Variable: Distinctiveness (Validity)

Table 12: The categorization results for Decision Tree 1

### B. Observation of Decision Tree 2

As noted above, Decision Tree 2 was trained for the initial period extending from January 1, 2002 to December 31, 2010. One topic of interest in the present study is the possible role that the *Abercrombie* taxonomy played in federal trademark-confusion decisions across various recent historical periods. Decision Tree 2, which covers the first ten years of the overarching period under investigation, involves 256 federal cases. Decision Tree 2 consists of 5 layers with 14 nodes. Of the 19 independent variables, the tree chose only 5 during the training process: word-mark duration, consonant count, third-party registration count, categorization of third-party registration count, and word-formation category. Two of these independent variables appear twice in the Decision Tree 2: word-mark duration appears between the starting point and the first layer and between the second and third layers, and third-party registration count appears between the second and third layers and between the third and fourth layers.



Decision Tree 2: Data trained from January 1, 2002 to December 31, 2010

As with Decision Tree 1, the chart of importance for Decision Tree 2 reveals the contributions that each selected independent variable made to the tree's categorizations. By comparing this chart of importance with the variables in the decision tree, we can shed light on how the decision tree might have delegated the functions of a rejected independent variable to a selected independent variable. Thus, it is that some independent variables appear in the chart of importance but not in the decision tree.

Table 13 below shows that the three most important independent variables contributing to Decision Tree 2's categorization of distinctiveness are, in descending order, word-mark duration, third-party registration count, and first-year use. Next, a comparison between Decision Tree 2 and the chart of importance reveals that three independent variables appear in neither the tree nor the chart: jurisdiction, decision year, and dictionary status.

Eleven independent variables appear in the chart of importance but not in Decision Tree 2: judge tenure, judge gender, word count, vowel count, syllable count, COCA frequency, IC count, US class count, word-mark product or service, plosive status, and first-year use. In other words, Decision Tree 2 chose only 5 of the 16 independent variables in the chart of importance, indicating that the 5 chosen variables could serve as surrogates for most of the independent variables regarding the task of categorizing word-mark distinctiveness.

Independent Variable	Importance	Normalized Importance
Duration	0.060	100.0%
Third-Party Registration Count	0.045	74.3%
First-Year Use	0.044	73.3%
Word-Formation Category	0.039	64.7%
Consonant Count	0.037	61.8%
Word Count	0.029	48.8%
Vowel Count	0.026	42.9%
Categorization of Third-Party Registration Count	0.022	36.9%
Product or Service	0.019	31.1%
US Class Count	0.013	21.8%
Number of IC	0.012	19.2%
Syllable Count	0.011	18.9%
Judge Tenure	0.009	15.5%
COCA Frequency	0.009	15.1%
Plosive Status	0.004	6.4%
Judge Gender	0.004	6.2%
Growing Method: CRT Dependent Variable: Distinctiveness (Validity)		

Table 13: The importance of independent variables based on Decision Tree 2

Regarding Decision Tree 2's categorization of the disputed word marks, several points merit our attention and are summarized in Table 14 below. First, during this initial period, federal judges ruled that 47 disputed word marks possessed arbitrary distinctiveness. Decision Tree 2 placed only 8 of these 47 word marks in the category of arbitrary distinctiveness, for a correspondence rate of only 17%. By contrast, the tree placed 30 of these word marks in the category of suggestive distinctiveness. These results indicate that Decision Tree 2 can discern almost no difference between the arbitrary marks and suggestive marks identified by the federal judges. This finding suggests that most court-identified arbitrary marks in the sample between 2002 and 2010 may have had characteristics similar to those of suggestive marks. Second, as for the 91 disputed word marks deemed by courts to be in possession of suggestive distinctiveness, Decision Tree 2 categorized 77 of them as suggestive marks, for an impressive correspondence rate of 84.6%. This impressive statistic indicates that the independent variables in Decision Tree 2 were able to yield suggestive-mark categorizations highly similar to those made by judges during this period.

Third up are the 55 disputed word marks that, in the eyes of federal courts during this initial period, possessed descriptive acquired distinctiveness. Decision Tree 2 agreed in 29 of these 55 cases, for a correspondence rate of 52.7%. Notably, the tree assigned suggestive distinctiveness to almost one-third (17) of the 55 word marks. These results indicate that the independent variables in Decision Tree 2 are sometimes capable of yielding categorizations identical to those made by courts with respect to descriptive acquired distinctiveness, but that these same variables can lead the tree to conclude that disputed word marks are suggestive. In other words, perhaps DA marks and suggestive marks share similar characteristics. Similar results characterize Decision Tree 2's handling of the courts' 53 descriptive distinctiveness word marks from this period. The tree mirrored the courts in 23 of the 53 cases, for a correspondence rate of 43.4%. A similar number (18 of 53) were categorized by the tree as having suggestive distinctiveness. These results can be interpreted much as the descriptive-acquired results were.

Finally, regarding the 10 word marks that courts designated as generic, Decision Tree 2, like Decision Tree 1, categorized none of them as generic. One reason for this outcome might be the smallness of the sample, and of course, another reason might be the nature of generic distinctiveness: it seldom serves as a basis for distinctiveness. Thus, in 7 of the 10 cases, Decision Tree 2 found evidence of suggestive distinctiveness.

Observed	Interpreted					
	A	D	DA	G	S	Percent Correct
A	8	4	5	0	30	17.0%
D	1	23	11	0	18	43.4%
DA	2	7	29	0	17	52.7%
G	0	2	1	0	7	0.0%
S	3	3	8	0	77	84.6%
Overall Percentage	5.5%	15.2%	21.1%	0.0%	58.2%	53.5%

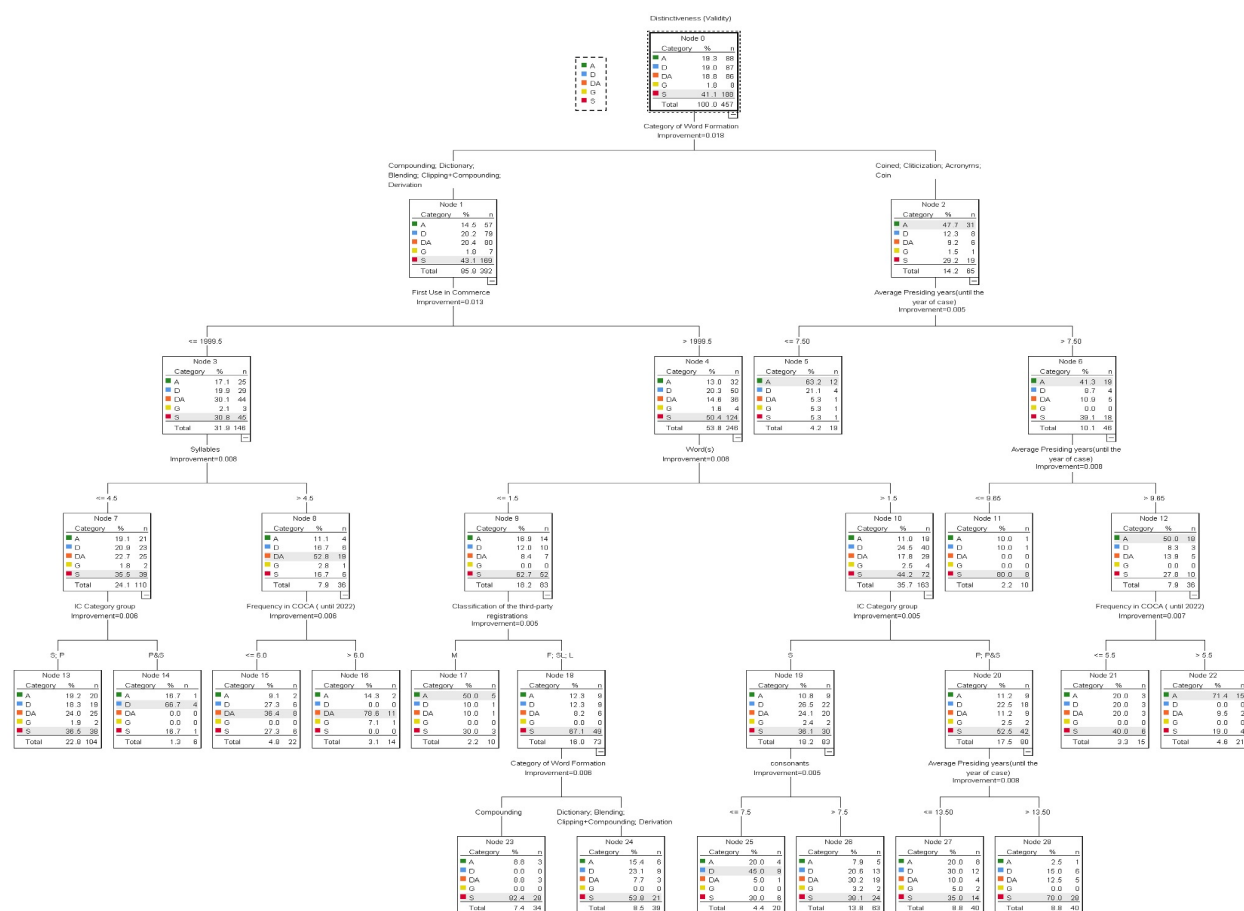
Growing Method: CRT  
Dependent Variable: Distinctiveness (Validity)

Table 14: Categorization results for Decision Tree 2

### C. Observation of Decision Tree 3

Decision Tree 3 underwent training for a twelve-year period (January 1, 2011 to December 31, 2022) encompassing 457 federal decisions. The decision tree, which has 5 layers with 28 nodes, chose 9 of the 19 independent variables: judge tenure, word-formation category, word count, syllable count, consonant count, COCA frequency, IC count, first-year use, and categorization of third-party registration count. Some of these 9 independent variables appear three times in

Decision Tree 3 (e.g., judge tenure appears between the first and second, the second and third, and the fourth and fifth layers). Other variables appear twice (e.g., word-formation category appears between the starting point and the first layer and between the fourth and fifth layers, IC count and COCA frequency appear twice between the third and fourth layers.)



Decision Tree 3: Data trained from January 1, 2011 to December 31, 2022

Table 15 presents the chart of importance for Decision Tree 3. As we can see, two variables (i.e., decision year and jurisdiction) appear in neither Decision Tree 3 nor Table 15, and six other variables (i.e., judge gender, vowel count, plosive status, dictionary status, third-party registration count, and word-mark duration) appear only in the chart of importance but not in the decision tree. The latter result indicates that Decision Tree 3's nine independent variables can serve as surrogates for the six aforementioned independent variables.

Independent Variable	Importance	Normalized Importance
Consonant Count	0.034	100.0%
Syllable Count	0.033	98.2%
Vowel Count	0.033	97.5%
COCA Frequency	0.030	89.5%
Word-Formation Category	0.028	82.8%
First-Year Use	0.028	82.2%
Judge Tenure	0.026	76.6%
Word Count	0.024	71.5%
US Class Count	0.023	68.8%
Duration	0.023	67.0%
Third-Party Registration Count	0.020	60.3%
Categorization of Third-Party Registration Count	0.017	49.6%
Product or Service	0.015	45.3%
IC Count	0.012	34.6%
Dictionary Status	0.008	25.0%
Judge Gender	0.008	22.4%
Plosive Status	0.003	7.8%
Growing Method: CRT Dependent Variable: Distinctiveness (Validity)		

Table 15: The importance of independent variables based on Decision Tree 3

Turning our attention to the categorization results for Decision Tree 3, as summarized in Table 16, we can see that, during this period, there were 88 federal cases in which disputed word marks were placed under the category of arbitrary distinctiveness. Decision Tree 3 concurred with the courts in 32 of these cases, for a correspondence rate of 36.4%. In an impressive 47 of these 88 rulings, however, the tree assigned suggestive distinctiveness to the disputed word marks. These results indicate that arbitrary distinctiveness mimics suggestive distinctiveness within the framework of Decision Tree 3's independent variables.

Similar to the previous trees, Decision Tree 3 mirrored the federal courts regarding categorizations of suggestive distinctiveness. Specifically, of the 188 suggestive-distinctiveness rulings for this period, 167 were identically categorized by Decision Tree 3, resulting in a correspondence rate of 88.8%. In contract, Decision Tree 3 mirrored the federal courts in only 19 of the 86 descriptive-acquired distinctiveness decisions, for a correspondence rate of only 22.1%. As for the remaining 67 court cases, the tree settled on suggestive distinctiveness 62 times. These results indicate that Decision Tree 3, with its unique independent-variable

profile, has a strong tendency to treat as suggestive those word marks previously categorized by courts as descriptive-acquired. These results also indicate that suggestive marks and descriptive-acquired marks are substantially similar to each other. More interestingly, the results for Decision Tree 3's handling of descriptive distinctiveness are almost identical to the results for Decision Tree 3's handling of descriptive-acquired distinctiveness: of the 87 disputed word marks that federal courts during this period placed under the category of descriptive-acquired distinctiveness, only 13 were similarly categorized by Decision Tree 3, for a correspondence rate of 14.9%. This means that the tree selected other categories for 74 of the 87. As it turns out, 63 of these 74 "other categories" selections rested on suggestive distinctiveness. These results are almost the same as the ones associated with Decision Tree 3's handling of descriptive-acquired distinctiveness.

Finally, and again in line with the previous trees, Decision Tree 3 had to deal with a very small number of generic-distinction court rulings. Of the 8 generic-distinction categorizations made by judges between 2011 and 2022, not 1 was mirrored by Decision Tree 3. The reasons cited with respect to the first two trees apply to the third tree.

Observed	Interpreted					
	A	D	DA	G	S	Percent Correct
A	32	5	4	0	47	36.4%
D	5	13	6	0	63	14.9%
DA	4	1	19	0	62	22.1%
G	1	0	1	0	6	0.0%
S	8	7	6	0	167	88.8%
Overall Percentage	10.9%	5.7%	7.9%	0.0%	75.5%	50.5%
Growing Method: CRT						
Dependent Variable: Distinctiveness (Validity)						

Table 16: Categorization results for Decision Tree 3

## D. Comparative Analysis and Key Findings

### 1. A Comparison of the Three Decision Trees

Table 17, below, presents a side-by-side comparison of all the independent variables and their ordering in Decision Tree 1, Decision Tree 2, and Decision Tree 3.

	Decision Tree 1 (Jan. 1, 2002–Dec. 31, 2022)	Decision Tree 2 (Jan. 1, 2002–Dec. 31, 2010)	Decision Tree 3 (Jan. 1, 2011–Dec. 31, 2022)
<b>Layer 1</b>	first-year use	duration	word-formation category
<b>Layer 2</b>	consonant count, word-formation category	consonant count	first-year use, judge tenure
<b>Layer 3</b>	third-party registration count, plosive status, dictionary status, first-year use	duration, third-party registration count	syllable count, word count, judge tenure
<b>Layer 4</b>	duration, word-formation category, IC count	word-formation category, third-party registration count	IC count (two times), COCA frequency (two times), categorization of third-party registration count
<b>Layer 5</b>	IC count, judge tenure (three times), duration	categorization of third-party registration count	word-formation category, consonant count, judge tenure

Table 17: Comparison of all independent variables and their ordering in the three decision trees

From Table 17 above, several key observations can be made. First, when comparing Layer 1 and Layer 2 in all three decision trees, we can see that first-year use (Layer 1 of Tree 1, Layer 2 of Tree 3) and word-formation category (Layer 1 of Tree 3 and Layer 2 of Tree 1) were commonly chosen by the trees to occupy first and second orders for the categorization of word-mark distinctiveness. Duration and consonant count, which appear in Layer 1 of Tree 2 and Layer 2 of Tree 1 and Tree 2, were also common choices of the decision trees. **These findings are significant because they infer that those linguistic characteristics may be the first factor for federal judges to categorize the word-mark distinctiveness.**

Second, when comparing the three trees with one another regarding Layer 2 and Layer 3, we can make the following observation: to categorize distinctiveness, the three decision trees chose third-party registration count (Layer 3 of Tree 1 and Tree 2) and several linguistic variables (plosive status, dictionary status, syllable count, and word count in Layer 3 of Tree 1 and Tree 3). The independent variables chosen by the three decision trees for Layer 1 and Layer 2 still play key categorization roles in Layer 3. Interestingly, judge tenure appears again in Layer 3 of Tree 2. **The significance of these findings aligned with the previous paragraph that linguistic characteristics still played a key role for federal judges to categorize the distinctiveness.**

Third, a comparison of all three trees regarding Layer 3 and Layer 4 reveals the following important points: Tree 1 and Tree 3 chose IC count and similar word-mark registration variables for Layer 4's categorization of distinctiveness. Moreover, for Layer 4, Tree 2 chose third-party registration count and Tree 3 chose categorization of third-party registration count, but neither of these independent variables was chosen by Tree 1. The variables (i.e., attributes) chosen by all three trees for Layer 1 and Layer 2 still play key roles in Layer 4's categorization function. A particularly interesting finding is that COCA frequency appears in Layer 4 of Tree 3. **The significance of these findings is that third-party uses (i.e., word-mark registration and COCA frequency) may not be first factor for federal judges to categorize the distinctiveness.**

Finally, a comparison of all three trees regarding Layer 4 and Layer 5 reveals an interesting fact: to categorize distinctiveness in Layer 5, IC count is the only variable that are not chosen repetitively in other Layers. Other variables (i.e., attributes) in Layer 5 of all three trees such as judge tenure, duration, word-formation category, consonant count, and categorization of third-party registration count have been chosen to categorize distinctiveness in Layers 1, 2, and 4. **This finding infers that both linguistic characteristics and third-party uses may be factors for federal judges to categorize the distinctiveness in the long run.**

## *2. Comparison of the Three Charts of Importance and Findings*

As I noted earlier, it is not necessarily the case that the more important a decision tree's feature is, the higher its node will be. Thus, a comparative analysis of the three charts of independent-variable importance is advisable because, in this way, we can better understand the order and the weight of the importance of the three samples. The order of importance reveals, in descending order, the information gain that each independent variable in a decision tree is capable of. Likewise, the weight of importance refers to each independent variables' contribution to the output of a decision tree.

Regarding order of importance, Tree 1's five most important independent variables can serve as a benchmark from which we can determine that duration was the most important independent variable in Tree 1 and Tree 2, but ranked tenth in Tree 3. First-year use was the second most important independent variable in Tree 1 and the third most important in Tree 2, but ranked sixth in Tree 3. Word-formation category was the third most important independent variable in Tree 1, the

fourth in Tree 2, and the fifth in Tree 3. Vowel count was the fourth most important independent variable in Tree 1, the seventh in Tree 2, and the third in Tree 3. Finally, consonant count was the fifth most important independent variable in both Tree 1 and Tree 2, but ranked first in Tree 3. The findings above point to an interesting pattern: **duration and first-year use were the most important independent variables in Tree 1 and Tree 2. However, in Tree 3 (i.e., the subsample for the 2011–2022 period), independent linguistic variables were more important than both duration and first-year use.**

I found similarities among the three charts regarding their respective weight-of-importance measures: the weight of importance for all the independent variables spans a range between 0.003 (the lowest weight) and 0.06 (the highest weight). In particular, the weight of importance attached to duration, which is the most important independent variable in Tree 1 and Tree 2, is 0.033 in Tree 1 and 0.06 in Tree 2. In Tree 3, the most important independent variable is consonant count, whose weight of importance measures 0.034. By contrast, plosive status, which is the least important independent variable in Tree 1 and Tree 3, has weights of importance measuring, respectively, 0.005 and 0.003. In Tree 2, the least important independent variable is judge gender, weighing in at 0.004. **These individual weights reflect a pattern in which independent variables possessing a relatively high weight of importance were insufficient, in this study's three decision trees, for the task of categorizing word-mark distinctiveness. The individual weights reflect another pattern, as well: some of the independent variables possessing a relatively low weight of importance seem to have been irrelevant to the categorization of word-mark distinctiveness.**

### *3. Comparison of the Categorization Results for All Three Decision Trees and Findings*

When comparing the three decision trees regarding their respective categorization results, we can glean important information about the trees' correspondence rates. First, **suggestive distinctiveness has the highest rates of correspondence across all three decision trees** (the rates were over 80% in each tree), while **generic distinctiveness has the lowest rates of correspondence across all three trees** (0%). Descriptive-acquired distinctiveness achieved the second highest rates of correspondence in Tree 1 (44%) and Tree 2 (52.7%), but ranked third in Tree 3 (22.1%). **Interestingly, all three trees tended to categorize as suggestive distinctiveness the disputed word marks that federal courts had**

**placed under the category of descriptive-acquired distinctiveness.** Arbitrary distinctiveness has the third highest correspondence rate in Tree 1 (35.6%) and Tree 3 (36.4%) but ranks fourth in Tree 2 (17.0%). **In line with the previously cited types of distinctiveness, the three trees tended to categorize as suggestive distinctiveness the disputed word marks that federal courts had previously placed under the category of arbitrary distinctiveness.** Finally, descriptive distinctiveness ranks fourth for its correspondence rate in Tree 1 (5%) and Tree 3 (14.9%), but ranks second in Tree 2 (43.4%). **This pattern is similar to the previously cited patterns for correspondence rates: the three trees tended to place word marks in the category of suggestive distinctiveness.**

## V

### DISCUSSION AND SOLUTIONS

The results of this study's decision-tree algorithms, when compared with the results of this study's case analyses, lead to two conclusions: (1) Between 2002 and 2022, federal judges relied heavily on the linguistic features of disputed word marks when categorizing the distinctiveness of the marks. (2) The chief consequence of this reliance was that judges tended to miscategorize marks, either as suggestive or as descriptive. More specifically, judges' excessive reliance on the dictionary test reflected an unwillingness or an inability to make full, rigorous use of the *Abercrombie* taxonomy.<sup>181</sup> In what follows, I discuss the roots of this poor judicial reasoning and explain why we must not turn a blind eye to this problem.

#### **1. The dictionary test and the roots of federal judges' poor reasoning in word-mark disputes**

In the present study, patterns reflecting the importance of the trees' independent variables reveal that linguistic variables were more influential in the decision-making of federal judges. In short, my analysis of the decision-tree nodes and the patterns of importance related to independent variables has led me to infer that when determining word mark distinctiveness, federal judges made immoderate use of the dictionary test.

Though of practical importance, if relied on excessively, the dictionary test can induce judges to focus at length on differentiating between suggestive

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<sup>181</sup> See *Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4, 9 (2d Cir. 1976).

and descriptive distinctiveness. Two decision-tree patterns support this tentative conclusion. First, a brief look at the categorization performances of all three decision trees shows that the highest and the second-highest correspondence rates between the trees' categorizations and judges' categorizations involved suggestive distinctiveness and descriptive-acquired distinctiveness. By contrast, there were lower rates of correspondence with respect to the arbitrary and descriptive types of distinctiveness. These patterns indicate that federal judges focused almost exclusively on differences between suggestive distinctiveness and descriptive-acquired distinctiveness. Second, the low correspondence rates characterizing the arbitrary and descriptive types of distinctiveness indicate that federal judges, perhaps because of their over-reliance on the dictionary test, had been experiencing difficulties when attempting to differentiate both arbitrary and descriptive distinctiveness from suggestive distinctiveness. With the dictionary test readily at hand and no other tests available for the holistic analysis of distinctiveness, the aforementioned correspondence-rate patterns indicate something further: that federal judges seem to have been unwilling or unable to clarify and harness each category of distinctiveness in the *Abercrombie* taxonomy.

## 2. The dictionary test and misconceptions of inherent distinctiveness

Given that federal judges' unwillingness or inability to thoughtfully harness the *Abercrombie* taxonomy may stem from their overreliance on the dictionary test, we can now consider a critical question: why did federal judges rely on the dictionary test yet fail to clarify each and every type of distinctiveness? To answer this question, we should observe how the federal judges interpreted the concept of inherent distinctiveness. Most federal judges seem to have relied on the dictionary test to grasp the concept of inherent distinctiveness. For instance, in *Virgin Enterprises v. Nawab*, the Second Circuit interpreted the inherent distinctiveness, saying

Considering first inherent distinctiveness, the law accords broad, muscular protection to marks that are arbitrary or fanciful in relation to the products on which they are used, and lesser protection, or no protection at all, to marks consisting of words that identify or describe the goods or their attributes.<sup>182</sup>

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<sup>182</sup> See *Virgin Enters. Ltd. v. Nawab*, 335 F.3d 141, 147 (2d Cir. 2003). This case was included in the present study's dataset.

The dataset in this study abounds with similar examples from other federal jurisdictions.<sup>183</sup> Yet even merely from the *Virgin Enterprises* case, we can infer that the dictionary test was serving as the sole judicial test for determining the arbitrariness of a word mark. Nonetheless, it is poor practice for federal judges to directly apply the dictionary test to analyses of inherent distinctiveness because a critical lens through which the concept of distinctiveness must be analyzed is the consumer: word meaning and word formation, by themselves, can in no way answer the question of whether or not a word mark is distinctive.<sup>184</sup> One reason why federal judges would nevertheless rely exclusively or at least excessively on the dictionary test might stem from the judges' misconception of inherent distinctiveness, which could, in turn, lead the judges to neglect the complex spectrum of distinctiveness under *Abercrombie*.

### 3. The harms posed by federal judges' poor reasoning in word-mark cases

Some skeptics might argue that the task in any rigorous analysis of word mark distinctiveness is to differentiate between suggestive and descriptive because the latter requires proof of secondary meaning whereas the former does not.<sup>185</sup> This line of reasoning would seem to suggest that federal judges need not clarify the lines separating arbitrary, suggestive, descriptive, and generic distinctiveness from one another. This skepticism suffers from two inescapable fallacies: the "lesser importance of arbitrariness" fallacy and the "lesser importance of genericness" fallacy. First, the evidence in the present study suggests that federal judges hold the view—perhaps unthinkingly, perhaps not—that judges don't think the marks themselves are less important, but that clearly delineating them from others might be less important to strength of the mark analysis. A huge problem arising from

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<sup>183</sup> See, e.g., *Kellogg Co. v. Toucan Golf, Inc.*, 337 F.3d 616, 626 (6th Cir. 2003) (showing that the court determined both the word mark TOUCAN SAM and its logo to be fanciful, which is to say, arbitrary); *Aceto Agr. Chems. Corp. v. Bayer Aktiengesellschaft*, No. 10 CIV. 1770 AJN, 2012 WL 3095060, at \*5 (S.D.N.Y. July 30, 2012), *aff'd*, 531 F. App'x 103 (2d Cir. 2013) (defining a fanciful mark as made-up, a descriptive mark as expressive of the traits or functions of a product or service, and a suggestive mark as expressive in a way that depends on people's interpretive perceptions); *Stark v. Diageo Chateau & Estate Wines Co.*, 907 F. Supp. 2d 1042, 1060 (N.D. Cal. 2012) (noting that arbitrary marks, though perhaps common, are not descriptive of a good or service, whereas fanciful—arbitrary—marks are unusual insofar as they are either made up or no longer commonly used).

<sup>184</sup> A word mark, if it is distinctive, must enable consumers either to identify the source of a good or to know that the good comes from a unique source. See J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 3:9 (4th ed. 2007).

<sup>185</sup> See *Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4, 12 (2d Cir. 1976).

this view is that, if courts ignore the line separating arbitrary distinctiveness from suggestive distinctiveness, trademark owners will be hard pressed to predict with any degree of accuracy whether a court might deem their word marks to be weak, even though the trademark owners might have no need to prove secondary meaning. For example, in a recent case pitting Teetex against Zeetex, led the presiding judge to analyze the strength of the plaintiff's word mark TEETEX.<sup>186</sup> The judge addressed the matter as follows:

Teetex is at best a suggestive mark. The suffix 'tex' suggests textiles, but the name does require some imagination to associate the mark with the product. Although stronger than a descriptive or generic mark, suggestive marks are still "presumptively weak."<sup>187</sup>

The judge categorized the suggestive word mark as a "weak" mark, even though the word mark owner was under no obligation to prove secondary meaning.<sup>188</sup> Moreover, because the judge compared the strength of suggestive marks with the strength of generic and descriptive marks and declared that they are all weak marks, we can infer that fanciful marks and arbitrary marks are "strong" marks. Therefore, if the specific characteristics of the fanciful or arbitrary marks and suggestive marks are not well known, there is a significant risk that judges will miscategorize the marks.

The second fallacy rests on the unstated view—again, perhaps held unthinkingly—that generic distinctiveness is not as important as suggestive or descriptive distinctiveness. However, in cases where the line between a descriptive mark and a generic mark is unclear, this fallacy could prove to have serious consequences because genericization of a word mark could trigger a loss of trademark protection.<sup>189</sup> The issue of trademark genericness has caught the attention of the Supreme Court, which has provided some guidance for lower courts. However, the guidance provides little help in the way of boundary

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<sup>186</sup> Teetex LLC v. Zeetex, LLC, No. 20-CV-07092-JSW, 2022 WL 1203097, at \*3–4 (N.D. Cal. April 22, 2022). This case was included in the present study's dataset.

<sup>187</sup> *Id.* at 4.

<sup>188</sup> *See id.* at \*3–4.

<sup>189</sup> *In re Merrill Lynch, Pierce, Fenner, & Smith, Inc.*, 828 F.2d 1567, 1569 (Fed. Cir. 1987) ("Generic terms [are] by definition incapable of indicating source ... and can never attain trademark status.").

delineation for descriptive marks and generic marks. In *Booking.com*, the Supreme Court explained three characteristics of a generic term:

First, a “generic” term names a “class” of goods or services, rather than any particular feature or exemplification of the class. Second, for a compound term, the distinctiveness inquiry trains on the term’s meaning as a whole, not its parts in isolation. Third, the relevant meaning of a term is its meaning to consumers.<sup>190</sup>

While the Supreme Court in *Booking.com* attempted to elaborate on what makes a mark generic, lower court applications of this guidance make plain that a serious lack of clarity persists. For example, in *Snyder’s Lance, Inc. v. Frito-Lay North America, Inc.*, a district court addressed whether PRETZEL CRISPS was generic:

Unlike booking.com (the combined mark identifies a specific company at that internet address) and American Airlines (consumers understand that there are numerous separately named airlines in the United States and don’t refer to them collectively as “American Airlines”), there is no additional meaning that results from the combination of the generic terms that make up PRETZEL CRISPS in the minds of consumers. “Pretzel” “crisps” are pretzels in the shape or form of a cracker and “pretzel crisps”, viewed together, would be perceived as the same thing. In sum, the Court finds that the combined term PRETZEL CRISPS adds no additional meaning to consumers that suggests the mark is not primarily a generic name.<sup>191</sup>

The reasoning above suggests that the district court followed a two-step process: first, he compared two marks—the Booking.com and American Airline marks—with PRETZEL CRISPS; then, he analyzed whether “pretzel crisps” had additional meaning when the mark’s constituent parts (“pretzel” and “crisps”) were combined. This logic, at its core, was still a form of reasoning by analogy—taking previously disputed marks and determining whether their characteristics were at all similar to those of “PRETZEL CRISPS”. This type of analysis, however, does not elaborate what characteristics are specific to generic marks, what characteristics

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<sup>190</sup> U.S. Pat. & Trademark Off. v. Booking.com B.V., 591 U.S. 549, 556 (2020).

<sup>191</sup> *Snyder’s Lance, Inc. v. Frito-Lay N. Am., Inc.*, 542 F. Supp. 3d 371, 384 (W.D.N.C. 2021) (citations omitted).

are specific to descriptive marks, and what characteristics are shared by both marks. Therefore, although the Supreme Court had sought to provide more than a modicum of guidance for analysis of generic marks, lower courts have still found it necessary to rely on analogical reasoning to decide whether or not a given mark is a generic mark. As for word mark applicants and owners, they are still struggling to “guess” whether their word marks are analogous to previous marks and are still preparing to bear the risks that accompany generic word marks.

The fact that federal courts have long prioritized the categorization of suggestive and descriptive marks to the exclusion of arbitrary and generic marks, leading to the existence of these two fallacies, should not suggest that federal trademark litigation rarely deals with questions of arbitrary or generic distinctiveness. In fact, the opposite is true. Of the present study’s 713 cases covering the period from January 2002 to December 2022, 153 cases centered on disputes regarding the arbitrary or generic status of plaintiffs’ or defendants’ marks—a figure that amounts to an impressive 21 percent of the sample. My point here is not that judges ignore or never deal with arbitrary and generic marks, but rather that judges consistently rely on three tests (i.e., the imagination test, the competitor-need test, and—perhaps most conspicuously—the dictionary test) that are ill suited for the proper analysis of arbitrary and generic distinctiveness. Thus, judges at the federal level can benefit greatly from a better understanding of arbitrary marks and generic marks—an area of inquiry that has been neglected in favor of a dangerously narrow focus on suggestive and descriptive marks.

The above fallacies that help explain the focus on suggestive versus descriptive analyses also help explain why federal judges have consistently engaged in poor reasoning when hearing cases related to word mark disputes. To address this problem, federal judges hearing these types of cases should consider all categories of distinctiveness and should thus harness the full powers of the *Abercrombie* taxonomy in trademark law. A number of judges have cited and thoughtfully used *Abercrombie* to categorize the distinctiveness of various word marks. However, as I have postulated, the existence of three tests—the imagination test, competitor-need test, and dictionary test—may convince federal judges that there is no need to grapple with the vague lines that fuzzily delineate the various categories of distinctiveness. The *Abercrombie* taxonomy is difficult to understand and apply, so if judges have a superficially compelling—yet ultimately fallacious—reason to sidestep the taxonomy, they may very well do so. My position

is that the *Abercrombie* taxonomy, though complex, should be and is a coherent and comprehensible set of principles that, if studied by federal judges, can be understood and applied in ways that will greatly diminish the poor reasoning that has long plagued rulings in trademark litigation. *Abercrombie* is nevertheless insufficient: the judiciary is in need of an even fuller set of tools for categorizing distinctiveness.

#### **4. Rethinking the analytical approaches to distinctiveness and solutions to poor judicial reasoning**

Because *Abercrombie* rigorously defined the concept of distinctiveness and, with equal rigor, laid out a taxonomy of distinctiveness categories, the case has been the subject of many studies from diverse perspectives, as I discussed in the literature review. The findings of these studies indicate that, although the *Abercrombie* taxonomy is useful, it falls short of the spectrum of tools that federal judges need for a comprehensive analysis of distinctiveness. One area in which *Abercrombie* is particularly deficient is that of consumer perception. Judges should seek empirical, concrete data on consumer perception rather than rely on purely abstract legal theories and on easily citable precedents. Nonetheless, there is great hesitancy regarding judges' application of surveys and other studies of perception to analyses of distinctiveness because lack of familiarity with these fields of knowledge may lead to the judges' incorrect interpretation of the results.<sup>192</sup> However, the reality of this challenge does not justify judges' current overreliance on the dictionary test and judges' misconceptions about the supposed inherent nature of distinctiveness. Until the U.S. judiciary properly Until judges are incentivized to take a more rigorous approach to trademark analyses, they will continue to engage in poor legal reasoning in trademark litigation.

How can we successfully address this poor judicial reasoning? To answer this question, we must understand why judges engage in the poor reasoning to begin with. One explanation might be found in the concept of rational ignorance.<sup>193</sup>

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<sup>192</sup> See David L. Faigman, *Judges as "Amateur Scientists"*, 86 B.U. L. REV. 1207, 1209 (2006) (arguing that judges who lack a fundamental understanding of science cannot render reliable judgements in cases requiring scientific knowledge).

<sup>193</sup> The phrase 'rational ignorance' appears mainly in discussions related to political economics and public-choice theory. See, e.g., Jonathan R. Macey, *Cynicism and Trust in Politics and Constitutional Theory*, 87 CORNELL L. REV. 280, 306 (2002) ("Rational ignorance and other collective action problems make it difficult for even well-educated citizens to effectively monitor the performance of government."); John O. McGinnis,

People who engage in rational ignorance refuse to acquire knowledge when the perceived cost of acquiring the knowledge seems to exceed the expected potential benefit that the knowledge would provide.<sup>194</sup> When applying this concept to federal cases involving word mark distinctiveness, we can see that judges might embrace rational ignorance because they perceive the cost of establishing, say, a new rule to clarify all types of distinctiveness as much higher than the benefit to be derived from the new rule. Put more specifically, **federal judges may rely excessively on the dictionary test, which itself excessively privileges the concept of inherent distinctiveness, because the benefits of this reliance are perceived to be much higher than the costs of establishing a new rule even if the new rule would improve judicial reasoning.**

Empirical evidence supports this explanation, as federal judges have long cited *Abercrombie* to justify their categorizations of word marks' distinctiveness, yet the test most frequently used is often only the dictionary test, which narrowly differentiates between suggestive and descriptive distinctiveness in trademark likelihood-of-confusion cases. Clear rules for determining other types of distinctiveness remain neglected.

The precise effects attributable to the vagueness or uncertainty of legal rules remain a matter of considerable debate.<sup>195</sup> However, the current reliance on unclear rules governing word-mark distinctiveness rests on two empirically discernable

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*Reviving Tocqueville's America: The Rehnquist Court's Jurisprudence of Social Discovery*, 90 CAL. L. REV. 485, 503 n.81 (2002) ("‘Rational ignorance’ describes the systematic tendency of diffuse citizens to pay little attention to political information.”). The theory of rational ignorance has also been adopted in U.S. patent law. In this respect, Professor Lemley explains that the basic idea of rational ignorance is that any person will spend only a certain amount of time or money to obtain information. If obtaining that information costs more than the information is worth, the person will (or should) rationally choose to remain ignorant of it. See Mark Lemley, *Rational Ignorance at the Patent Office*, 95 NW. L. REV. 1, 3 n.6 (2001).

<sup>194</sup> Post-war discussions about rational ignorance in the context of cost seem to have originated with the political economist Anthony Downs. See Anthony Downs, *An Economic Theory of Democracy*, J. POL. ECON. 135, 139 (1957); see also George J. Stigler, *The Economics of Information*, 69 J. POL. ECON. 211, 213 (1961). For applications of the concept of rational ignorance in law, see, e.g., Melvin Aron Eisenberg, *The Limits of Cognition and the Limits of Contract*, 47 STAN. L. REV. 211, 241 (1995).

<sup>195</sup> See Anthony D’Amato, *Legal Uncertainty*, 71 CAL. L. REV. 1, 3 (1983); Richard R. Brooks & Warren F. Schwartz, *Legal Uncertainty, Economic Efficiency, and the Preliminary Injunction Doctrine*, 58 STAN. L. REV. 381, 382 (2005); Giuseppe Dari-Mattiacci & Bruno Deffains, *Uncertainty of Law and the Legal Process*, 163 J. INSTITUTIONAL & THEORETICAL ECON. 1, 4 (2007); Matthias Lang, *Legal Uncertainty: A Selective Deterrent* 1 (Preprints of the Max Planck Inst. for Rsch. on Collective Goods, Working Paper No. 2014/17), <https://www.econstor.eu/handle/10419/106905> [<https://perma.cc/95YF-G3XD>]; Jiwon Lee,

fallacies, whether stated or not. Therefore, drawing on the descriptive case analysis and the decision-tree analysis above, I propose two methods by which we can diminish the problem of poor reasoning in federal trademark-confusion cases.

**Method 1: The USPTO can decrease the cost of establishing a new rule by comprehensively and clearly articulating the main factors that contribute to distinctiveness.**

Federal judges usually introduce the concept of word mark distinctiveness and cite the *Abercrombie* taxonomy without clarifying all types of distinctiveness. The doctrine of *stare decisis* can shed light on this situation, stating that judges cannot easily establish a new rule, especially if the rule will require that they substantively alter their existing approach to handling cases.<sup>196</sup> Therefore, one way to improve judges' knowledge of distinctiveness is to improve, rather than replace, the existing rules; that is, Courts should not dissolve the *Abercrombie* taxonomy but establish alternatives to it.

One source of alternatives is the U.S. Patent and Trademark Office's Trademark Manual of Examination Procedure (TMEP).<sup>197</sup> The latest version of the TMEP, published in May 2024, elaborates five factors for determining the inherent distinctiveness of "repeating-pattern" marks: does the repeated use of a mark (1) constitute a common or widely used pattern, (2) create a distinct commercial impression, (3) comprise elements of a distinct nature, (4) reflect industry practices, and (5) refer to a type of product or service.<sup>198</sup> Though useful, these factors have two drawbacks. First, they are specifically used for determining the inherent distinctiveness of repeating-pattern marks, not word marks. Second, even if these factors could be used for determining the inherent distinctiveness of word marks, not one of the factors focuses on actual consumer perception, as would be gleaned

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David Schoenherr & Jan Starmans, *The Economics of Legal Uncertainty* (Eur. Corp. Governance Institute, Working Paper No. 669/2022, 2024).

<sup>196</sup> Amy Coney Barrett, *Stare Decisis and Due Process*, 74 U. COLO. L. REV. 1011, 1015 (2003) (suggesting that courts of appeals feel the restrictions imposed by horizontal stare decisis more strongly than do district courts or the Supreme Court).

<sup>197</sup> The TMEP is published to provide trademark examining attorneys, trademark applicants, attorneys, and other trademark stakeholders with a reference work on the practices and procedures relative to prosecution of applications to register marks in the USPTO. *See Trademark Manual of Examining Procedure – Files and Archives*, <https://www.uspto.gov/trademarks/guides-and-manuals/tmep-archives> [<https://perma.cc/8M9W-8ARC>] (last visited Mar. 21, 2025).

<sup>198</sup> TMEP §§ 1212.19(e)(i)(A)–(E).

from surveys, declarations, affidavits, and the like. Thus, to lower the cost of establishing a new rule for federal judges, the USPTO could first separate inherent-distinctiveness factors from acquired-distinctiveness factors. This step would go far in reducing judges' overreliance on imagination and dictionary tests, both of which emphasize inherent distinctiveness.

Knowledge of consumer perceptions can help clarify the strength of a word mark.<sup>199</sup> With this concept in mind, the USPTO could calculate the different degrees to which consumer knowledge has a bearing on, say, arbitrary distinctiveness versus suggestive distinctiveness, and this knowledge can be obtained from consumer data (e.g., survey data) in the TMEP.<sup>200</sup> In the previous scenario, arbitrary distinctiveness requires a greater presence of consumer recognition from a specific source than does suggestive distinctiveness. Once the USPTO clearly articulates the requirements and guidelines for identifying the presence (or absence) of inherent distinctiveness in the TMEP, not only federal Judges but also trademark applicants and owners will finally have clear, workable criteria for determining which types of evidence point to the existence of inherent distinctiveness. With these improvements in place, more importantly, federal judges would be far less likely to misconstrue and mishandle the concept of inherent distinctiveness, thus greatly reducing the problem of judicial overreliance on a limited spectrum of the available tests. The end result would be better reasoning in trademark-confusion cases.

The second method that can reduce the problem of poor judicial reasoning in federal trademark-confusion cases is essentially geared toward lowering judges' ill-advised prioritization of linguistics-related evidence.

**Method 2: The USPTO can decrease the benefits of relying on the dictionary test by lowering the incentives that judges currently have to prioritize linguistics-related evidence over other types of evidence**

This method can best be implemented by the USPTO in conjunction with the TMEP. As I have demonstrated throughout this study, federal judges have

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<sup>199</sup> Phillip Johnson, *Enhanced Distinctiveness and Why "Strong Marks" Are Causing Us All Confusion*, 55 INT'L REV. INTELL. PROP. & COMPETITION L. 185, 186 (2023) (arguing that consumers would not be easy to be confused by the stronger mark, proven by the psychological and marketing evidence).

<sup>200</sup> Jake Linford, *Democratizing Access to Survey Evidence of Distinctiveness*, in RESEARCH HANDBOOK ON TRADEMARK LAW REFORM 225, 226 (Dinwoodie & Janis, eds., 2021).

relied on the dictionary test when analyzing the categories of distinctiveness, a reliance that, being excessive, leads to and stems from incorrect perceptions of inherent distinctiveness. An important consequence of this overreliance is that judges underestimate the importance of consumer perception when analyzing the extent of a disputed word mark's inherent distinctiveness.

Any solution to this problem must contend with a highly predictable obstacle: federal judges will not easily change their tried-and-true habits for determining distinctiveness. The doctrine of *stare decisis* makes this point clear. Therefore, the TMEP can also specify that, for determining all types of distinctiveness, consumer perceptions (as gleaned from surveys, declarations, affidavits, and the like) are superior to linguistic evidence. I propose that this specification, if made clearly and without equivocation, will greatly incentivize federal judges to lessen their reliance on the dictionary test. Let us consider such a specification in greater detail: To incentivize judges in this direction, the TMEP can provide comprehensible (i.e., clear and practical) guidance for calculating the weight of evidence required for analyses of *inherent distinctiveness* and the corresponding weight of evidence required for analyses of *acquired distinctiveness*. Because inherent distinctiveness, which requires a word mark to identify the source of product or service when consumers see the word mark at the first time, is less easily established than acquired distinctiveness, the weight that judges assign to consumer perception should be greater—perhaps much greater—than the weight that judges assign to linguistic evidence. The guidance for relative weight could be couched in quantitative terms: for instance, seventy percent for consumer-perception evidence, and the remaining thirty percent for linguistic evidence.

It is reasonable to expect that, once the TMEP clearly and rigorously establishes the superiority of consumer-perception evidence, federal judges will gradually or perhaps even quickly decrease their reliance on the dictionary test when analyzing categories of word-mark distinctiveness. It is thus also reasonable to expect that, in turn, there will be a diminution of poor reasoning in federal cases concerning trademark-confusion disputes.

## VI

### CONCLUSION AND LIMITATIONS OF RESEARCH

In this study, I have performed a descriptive analysis and a decision-tree analysis of federal trademark litigation covering a roughly twenty-year period

extending from 2002 through 2022. The results of these analyses reveal that federal judges have consistently engaged in poor reasoning when dealing with questions of word mark distinctiveness. Specifically, the judges excessively focus on differentiating between suggestive and descriptive distinctiveness, most likely because the judges have a misplaced preference for inherent distinctiveness as opposed to acquired distinctiveness and for linguistic evidence (e.g., the dictionary test) as opposed to consumer-perception evidence. This poor reasoning, regardless of whether it is a consequence of rational ignorance or simple ignorance, is a problem that demands our attention and that merits practical, implementable solutions. To this end, I have proposed that the USPTO (1) should summarize the main factors of inherent distinctiveness and acquired distinctiveness in the TMEP and (2) should offer judges a set of USPTO guidelines that ends the judiciary's long-standing prioritization of linguistic evidence in a way that elevates the importance of consumer-perception evidence.

As with all studies, the current one has its fair share of limitations, many of which can be addressed in more future research. First, I wanted to integrate into this study's analyses the marketing-expense data for word-mark owners. Unfortunately, this category of data is very difficult to collect. Though regularly used by federal judges in trademark cases, much of the relevant data are kept secret from the public. The lack of marketing-expense data in the present study thus constitutes a major research limitation insofar as my descriptive and decision-tree analyses had to do without satisfactory inputs of data for this topic. Second, the attributes of the competitive-need test are hard to measure. Because researcher-conducted surveys are necessary to determine whether a competitor would likely use the words in a disputed word mark, I was able to conduct only rough measures of third-party registrations for each disputed word mark. My aim, through the decision-tree analyses, was to get a sense of whether third-party registrations had played a key role in the distinctiveness decisions of federal judges. My rough measures, though better than nothing, may have biased the results of the decision-tree analyses, making it that much more difficult to speculate about both the degree to which federal judges rely on the competitive-need test and the causes of their poor reasoning. Until such time as the USPTO's TSS grants interested parties dynamic access to comprehensive, correct third-party registration numbers for each disputed word mark, this research limitation will persist unabated.

Third, although the decision tree is a powerful tool for dealing with non-linear data, such as the data pertaining to the federal cases and related variables addressed in the present study, the decision tree is by no means perfect. In particular, the issue of whether all data points are classified as homogeneous is dependent largely on the complexity of the decision tree in question. According to the article “What Is a Decision Tree?” on the IBM website, “Smaller trees are more easily able to attain pure leaf nodes. . . . However, as a tree grows, it becomes increasingly difficult to maintain this purity, and it usually results in too little data falling within a given subtree”—a problem that sometimes causes overfitting.<sup>201</sup> These problems should not lead one to conclude that smaller is always better: if too simple, a decision tree can easily overlook important patterns in the data—a problem that results in the opposite of overfitting: underfitting.

How can researchers avoid the problem of overfitting? Early stopping and pruning might help. Early stopping during the training can prevent a decision tree from taking in—and learning from—too much noisy data. However, knowing when to stop is tricky, as too early a pause in the training will yield inaccurate results. As for pruning, it essentially entails a reduction in the size of a decision tree: the parts that are pruned off are presumably parts that contribute little or not at all to the tree’s classificatory powers. Just as there are ways to avoid overfitting, there are ways to avoid underfitting: among the proposed approaches are increased levels of dataset features, decreased levels of noisy data, and longer periods of decision-tree training.<sup>202</sup>

The purpose of reducing incidences of overfitting and underfitting is to strengthen the interpretive or predictive powers of decision trees. In the present study, I used decision trees for a purely interpretive, not predictive, purpose. I wanted to better understand the possible presence of poor reasoning in federal judges’ handling of trademark-confusion cases. It is almost certainly the case

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<sup>201</sup> See *What is a Decision Tree?*, IBM, <https://www.ibm.com/topics/decision-trees> [<https://perma.cc/47DX-99E4>] (last visited Feb. 24, 2025). Overfitting is an excessive adherence to training data, resulting in a model that cannot adequately generalize. The reasons for overfitting include insufficient training data size, excessive irrelevant data (“noise”), excessively lengthy training on a subset of the data, and excessive model complexity, which prompts the model to train on the noisy data. See also Byron Boots, *Decision Trees: Overfitting*, [https://courses.cs.washington.edu/courses/cse446/20wi/Lecture4/04a\\_Overfitting.pdf](https://courses.cs.washington.edu/courses/cse446/20wi/Lecture4/04a_Overfitting.pdf) [<https://perma.cc/39Y2-EU7B>] (last visited Mar. 21, 2025).

<sup>202</sup> Mark Last, Oded Maimon & Einat Minkov, *Improving Stability of Decision Trees*, 16 INT’L J. PATTERN RECOGNITION & A.I. 145, 148 (2002).

that early stopping and pruning for all three decision trees in the present study would have unacceptably distorted the results. Thus, I left the decision trees intact. Though less than ideal, this course of action was, as far as I can tell, the best one available.

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AN EMPIRICAL ANALYSIS OF ‘SCANDALOUS’ AND ‘OBSCENE’ TRADE  
MARKS IN INDIA

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*The interaction between morality and law, particularly within the domain of intellectual property (IP), is fraught with complexities. This interplay becomes even more contentious when we consider ‘morality-based proscriptions’—explicit legislative carve-outs within IP law. These carve-outs are prevalent in trademark laws across 163 out of 164 WTO member states, highlighting their global significance. Previous academic studies have argued vagueness of these provisions, to the point of being potentially unconstitutional. Building on an earlier anecdotal and purposive study in the administration of these provisions within Indian law, this research constructs a novel dataset to scrutinize their implementation. Our dataset encompasses 1.6 million trademark examination reports filed between 2018 and 2022. Utilizing auto-coding techniques, we identified 140 applications that were objected to for containing scandalous or obscene material. A systematic analysis categorizes these objections into three distinct groups: those concurrently citing both relative and absolute grounds for refusal, instances where applicants successfully circumvented morality objections through ambiguity, and a notable absence of objections for potentially offensive marks. By providing empirical evidence, this study highlights the challenges inherent in the enforcement of these moral carve-outs, emphasizing the need for clearer guidelines and more consistent application.*

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*Keywords:* trademarks; scandalous and obscene; intellectual property; empirical legal studies

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## INTRODUCTION

Should a sexual-wellness company be allowed to use the image of a condom painted in a national flag as their trademark? Not only would the mark instigate abhorrence from the population of the country, it may also invoke prohibitory and criminal sanctions under the laws enacted to protect the dignity and sanctity of national symbols.<sup>1</sup> However, would this outrage pacify if the mark was supplanted with the phrase, “We believe it is our patriotic duty to protect and save lives . . . Join us in promoting safer sex. Help eliminate AIDS”?<sup>2</sup> This hypothetical is not a result

<sup>1</sup> See, e.g., The Prevention of Insults to National Honour Act, 1971, § 2 (India); The Emblems and Names (Prevention of Improper Use) Act, 1950, § 3 (India).

<sup>2</sup> The Indian population is no stranger to campaigns centered around the use of condoms. From government backed campaigns pitching condoms as a means to control population in the late 1960s, to compulsorily bundled distribution of condoms in the 1970s, the use of condoms has been a part of the Indian discourse for decades. See Sayantani Sur, *Family Planning and the Masculinity of Nirodh*

of the authors' overactive imagination. These were the facts of a dispute before the United States Patent and Trademark Office's Trademark Trial and Appeal Board (TTAB).

In 1989, Jay Critchley, an American artist and activist, artistically applied the United States Flag to a condom.<sup>3</sup> Through his work, he wanted to communicate his "belief that the use of condoms is a patriotic act."<sup>4</sup> The campaign was such a success that Critchley decided to incorporate his artwork in a marketing campaign titled "Condoms with a Conscience."<sup>5</sup> He adopted a modified version of his artwork as a trademark "in a manner to suggest the American Flag."<sup>6</sup> His application for the registration of the mark was initially denied under Section 2(a) of the American Trademark Act, 1946 (Lanham Act), which prohibited the registration of scandalous and immoral marks.<sup>7</sup> The United States Patents and Trademark Office (USPTO) adopted a *civil-religious* viewpoint, and argued that "the flag is a sacrosanct symbol whose association with condoms would necessarily give offense."<sup>8</sup> Critchley criticized the USPTO's decision: "Basically, what they're saying is that condoms are immoral and scandalous and anything to do with sex

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*Condoms in India*, in (H)STORIES OF DESIRE: SEXUALITIES AND CULTURE IN MODERN INDIA 134, 144–47 (Rajeev Kumaramkandath & Sanjay Srivastava eds., 2020); DINESH C. SHARMA, INDIAN INNOVATION, NOT JUGAAD—100 IDEAS THAT TRANSFORMED INDIA 53–54 (2022). While continuing to remain controversial, condoms have also played a part in the political campaigning in the Indian democracy. As recently as 2024, Indian political parties have used condom packets adorned in their party symbols as part of their campaigns. See *Lok Sabha Campaign Heats Up in Andhra Pradesh as Condoms with YSRCP, TDP Symbols Go Viral*, THE TIMES OF INDIA (Feb. 22, 2024, 8:09 PM), <https://timesofindia.indiatimes.com/india/lok-sabha-campaign-heats-up-in-andhra-pradesh-as-condoms-with-ysrcp-tdp-symbols-go-viral/articleshow/107919980.cms> [<https://perma.cc/W2KL-JQRK>].

<sup>3</sup> Robert F. Howe, *Condom Firm Prevails on Showing the Colors: Red, White and Blue Logo to Be Registered*, WASH. POST, Mar. 9, 1993, at A8.

<sup>4</sup> *Id.*

<sup>5</sup> For the unveiling of the marketing campaign, see Jay Critchley, *Transamerica – Condoms With a Conscience*, YOUTUBE (Jan. 24, 2014), <https://www.youtube.com/watch?v=qZwJ1gWqacc> [<https://perma.cc/2WEL-B6E5>].

<sup>6</sup> *In re Old Glory Condom Corp.*, 26 U.S.P.Q.2d 1216, 1993 WL 114384, at \*1 (T.T.A.B. 1993). See also Victor Castellucci, Case Note, *In Re Old Glory Condom Corp.*, 12 J. CONTEMP. LEGAL ISSUES 50, 50 (2001).

<sup>7</sup> 15 U.S.C. § 1052(a). In the United States Patents and Trademark Office (USPTO) examining attorney's initial rejection of the trademark registration, she stated, "Despite the admirable intent displayed in the applicant's desire to prevent the spread of sexually transmitted diseases, the majority of the public would still be offended by the use of the flag to promote items associated with sex." See Howe, *supra* note 3.

<sup>8</sup> *In re Old Glory Condom Corp.*, 26 U.S.P.Q.2d 1216 (T.T.A.B. 1993). See also MICHAEL WELCH, FLAG BURNING: MORAL PANIC AND THE CRIMINALIZATION OF PROTEST 89–90.

is dirty. It's really Neanderthal, the whole attitude.”<sup>9</sup> He successfully appealed the USPTO's decision before the TTAB, securing the registration of his mark after a three year long legal battle.<sup>10</sup>

Jay Critchley's case is not an isolated one. Trademark registrations have become the most recent battleground for the reclaiming of identity and destigmatization of stereotypes. One of these attempts was recently reviewed by the United States (U.S.) Supreme Court when an Asian-American band sought to “reclaim” the term “Slants” by registering it as their trademark.<sup>11</sup> The all-Asian band made public appearances, participated in community outreach programs and even wrote a song to confirm their challenge of the racially charged slur.<sup>12</sup> The lyrics of the song read, “We sing for the Japanese/And the Chinese/And all the dirty knees/Do you see me?”<sup>13</sup> However, their attempt at registration was denied by the USPTO on the grounds of having adopted a disparaging mark.<sup>14</sup> After a characteristic David versus Goliath legal battle against the USPTO, the U.S. Supreme Court held that the bar against disparaging marks was in violation of the First Amendment, thus striking down the trademark provision and allowing the band to register its mark.<sup>15</sup>

These cases are some of the instances which showcase the potential overreach of morality-based proscriptions on the trademark subject matter. These issues become even more pronounced in cases where these proscriptions are administered inconsistently, providing trademark examiners with unbridled discretion. In a

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<sup>9</sup> WELCH, *supra* note 8.

<sup>10</sup> *In re Old Glory Condom Corp.*, 26 U.S.P.Q.2d 1216 (T.T.A.B. 1993).

<sup>11</sup> *Matal v. Tam*, 582 U.S. 218, 223 (2017). *See also* U.S. Trademark Application Serial No. 77/952,263 (filed Mar. 5, 2010). The band sought to reclaim the term, which was used as a derogatory term for persons of Asian descent, as the members of the band were Asian-American. The band members believed that by reclaiming the slur, it would “drain its denigrating force.” *Id.*

<sup>12</sup> Michelle Chen, *How the Slants Reclaimed Their Name*, DISSENT MAG. (Aug. 16, 2017), [https://www.dissentmagazine.org/online\\_articles/the-slants-reclaimed-name-supreme-court-free-speech/](https://www.dissentmagazine.org/online_articles/the-slants-reclaimed-name-supreme-court-free-speech/) [https://perma.cc/5Q66-MRSB].

<sup>13</sup> *Id.*

<sup>14</sup> *See Tam*, 582 U.S. at 223.

<sup>15</sup> *Id.* at 246–47. *See* Mark Conrad, *Matal v. Tam—A Victory for the Slants, a Touchdown for the Redskins, but an Ambiguous Journey for the First Amendment and Trademark Law*, 36 CARDOZO ARTS & ENT. L.J. 83, 87 (2018). For an analysis of a similar trademark ruling in which the Supreme Court held that the bar against immoral-or-scandalous marks violated the First Amendment, see Clay Calvert, *Iancu v. Brunetti's Impact on First Amendment Law: Viewpoint Discrimination, Modes of Offensive Expression, Proportionality and Profanity*, 43 COLUM. J.L. & ARTS 37, 39 (2019).

pioneering empirical study, Barton Beebe and Jeanne Fromer examined 3.6 million trademark applications and found that the bar against “immoral or scandalous” marks is administered inconsistently by the USPTO.<sup>16</sup>

The present study represents a first of its kind effort by the authors to replicate Beebe and Fromer’s study in the Indian context, studying the bar against marks containing scandalous or obscene content embodied in Section 9(2)(c) of the Trade Marks Act of 1999.<sup>17</sup> Part 1 comments on the origin and controversy regarding morality-based proscriptions in international trademark law. Part 2 identifies the legislative lineage and relevance of Section 9(2)(c) in Indian trademark law. Part 3 comments on the importance of providing bulk datasets for research and explains the novel dataset created by the authors. Part 4 provides some basic statistics and trends observed by the authors in their dataset. Part 5 applies the methodology suggested by Beebe and Fromer to examine the administration of Section 9(2)(c) by the Registrar of Trademarks in India.

## I

### THE QUESTION OF MORALITY-BASED PROSCRIPTIONS

The precepts of intellectual property law are not completely divorced from moral and social facets. Not only does intellectual property law engender a lively debate about the foundational role of morality in the grant of monopolies, but it also sparks an ongoing debate regarding the continued role of moral precepts in the developing new IP standards.<sup>18</sup> Some scholars maintain that IP should evolve in an ethical, principled, and moral manner, harmonizing with the tapestry of societal values.<sup>19</sup> Yet, amidst this lively discourse, one realm where the hand of moral standards firmly grasps intellectual property law is its strategic alignment to prevent clashes with an imagined community moral compass. A prime example

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<sup>16</sup> Barton Beebe & Jeanne C. Fromer, *Immoral or Scandalous Marks: An Empirical Analysis*, 8 N.Y.U. J. INTELL. PROP. & ENT. L. 169, 171–72 (2018). Professors Beebe and Fromer conclude that, because of the provision’s inherent vagueness and inconsistency, it violates the Free Speech Clause and is unconstitutional.

<sup>17</sup> The Trade Marks Act, 1999, §9(2)(c) (India) (“A mark shall not be registered as a trade mark if ... it comprises or contains scandalous or obscene matter.”).

<sup>18</sup> See Laurence Helfer, *Toward a Human Rights Framework for Intellectual Property*, 40 U.C. DAVIS L. REV. 971, 975 (2007); Christine H. Farley, *A Research Framework on Intellectual Property and Morality*, in HANDBOOK ON INTELLECTUAL PROPERTY RESEARCH 791 (Irene Calboli & Lilla Montagnani eds., 2021).

<sup>19</sup> See Helfer, *supra* note 18, at 977; Farley, *supra* note 18, at 791–93.

of such alignment is evident in the exclusions to IP protections, most eminently in trademark law.

A. *The Inconsistency in Administering Morality-Based Trademark Restrictions*

Trademark law, like all regulatory regimes, delimits the subject matter it engages with. The limitations that the law places on trademark subject matter are often couched in the language of economic efficiencies.<sup>20</sup> However, there is one body of limitations that derive their legitimacy from moral justifications: morality-based proscriptions.<sup>21</sup> The first instance of statutory language invoking such moral considerations can be traced back to England's Trade Marks Registrations Act of 1875, which explicitly prohibited the registration of "scandalous designs" as trademarks.<sup>22</sup> While the Westminster Assembly decided not to provide statutory protection to messages that violated prevailing social standards, they did not offer any guidance on how to assess these violations.<sup>23</sup>

Despite the inherent ambiguity in the meaning and the scope of application of the morality-based exclusions in trademark law, they were adopted into the international trademark framework through the Paris Convention for the Protection

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<sup>20</sup> One of the foundational justifications of trademark law was provided by Landes and Posner. While their conclusion has been the subject of repeated scrutiny, it remains one of the most influential policy statements guiding the development of trademark law. See William M. Landes & Richard A. Posner, *Trademark Law: An Economic Perspective*, 30 J.L. & ECON. 265, 265–66 (1987) ("Our overall conclusion is that trademark law, like tort law in general . . . can best be explained on the hypothesis that the law is trying to promote economic efficiency."). For further reading, see Andrew Griffiths, *A Law-and-Economics Perspective on Trade Marks*, in *TRADE MARKS AND BRANDS: AN INTERDISCIPLINARY CRITIQUE* 241 (Lionel Bently et al. eds., 2008); TIM W. DORNIS, *TRADEMARK AND UNFAIR COMPETITION CONFLICTS: HISTORICAL-COMPARATIVE, DOCTRINAL, AND ECONOMIC PERSPECTIVES* 123 (2017).

<sup>21</sup> Professor Abdel-Khalik suggests that morality-based proscriptions are "entirely disconnected from the underlying purpose for which trademarks are protected." Jasmine Abdel-Khalik, *To Live in In-"fame"-y: Reconceiving Scandalous Marks as Analogous to Famous Marks*, 25 CARDOZO ARTS & ENT. L.J. 173, 213 (2007).

<sup>22</sup> The Trade Marks Registration Act 1875, 38 & 39 Vict. c. 91, § 6 (Eng.) ("It shall not be lawful to register as part of or in combination with a trade mark . . . any scandalous designs."); Colin Edward Manning, *Moral Bars on Trade Mark Registration* 9 (Sept. 2016) (L.L.M. Thesis, University College Cork, Ireland) (SSRN), [https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=2875687](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2875687) [<https://perma.cc/NX5W-23P4>].

<sup>23</sup> See generally EDWARD MORTON DANIEL, *THE TRADE MARKS REGISTRATION ACT, 1875, AND THE RULES THEREUNDER, WITH INTRODUCTION, NOTES, AND PRACTICAL DIRECTIONS AS TO REGISTERING TRADE MARKS. TOGETHER WITH THE MERCHANDISE MARKS ACT, 1862, WITH NOTES AND A COPIOUS INDEX TO THE WHOLE* (Stevens & Haynes 1876).

of Industrial Property of 1883.<sup>24</sup> The provision allowed member countries to reject marks that are “contrary to morality or public order.”<sup>25</sup> Since the inception of the Paris Convention, morality-based exclusions have been embraced by 163 out of the 164 member states of the World Trade Organization.<sup>26</sup>

The cumulative effect of such exclusions is that signs and marks which are perceived as *morally unacceptable* are precluded from the benefits afforded by trademark registration. The innate unpredictability of these exclusions has been a subject of repeated criticism. Many scholars have cited the inconsistency in the application of these proscriptions to argue against their constitutionality. Reviewing the application of the ban against “scandalous,” “disparaging” and “immoral” marks within the American trademark law, Professor Megan Carpenter emphasized that the lack of sufficient definitional standards forced trademark examiners to apply erratic explanations, often arriving at inconsistent results.<sup>27</sup> Professor Alvaro Fernandez Mora reaches a similar conclusion in examining the European proscription against the registration of marks that are “contrary to public policy or accepted principles of morality.”<sup>28</sup> Likewise, the Singaporean<sup>29</sup> and Australian<sup>30</sup> trademark regimes have been criticized for their ambiguity and lack of certainty.

In recent years, the inherent inconsistency of trademark provisions restricting disparaging, scandalous, and immoral marks has received substantial judicial and statutory attention. In 2017, in his concurrence in *Matal v. Tam*, Justice Kennedy

<sup>24</sup> Paris Convention for the Protection of Industrial Property art. 6quinquies, Mar. 20, 1883, 21 U.S.T. 1583, 828 U.N.T.S. 305, <https://www.wipo.int/wipolex/en/text/288514> [<https://perma.cc/8485-VYM8>]. *But see* World Trade Organisation (WTO) Agreement on Trade-Related Aspects of Intellectual Property Rights, art. 15(2), Apr. 15, 1994, 1869 U.N.T.S. 299, 33 I.L.M. 1197 [hereinafter TRIPS Agreement]. The TRIPS Agreement allowed member states to deny registration of trademarks and patents in line with the Paris Convention. However, no concomitant exclusion exists in the international framework governing copyright law.

<sup>25</sup> Paris Convention for the Protection of Industrial Property, *supra* note 24, at art. 6quinquies.

<sup>26</sup> The only exception being Vietnam. *See* Manning, *supra* note 22, at 75.

<sup>27</sup> Megan M. Carpenter & Kathryn T. Murphy, *Calling Bullshit on the Lanham Act: The 2 (a) Bar for Immoral, Scandalous, and Disparaging Marks*, 49 U. LOUISVILLE L. REV. 465, 482–83 (2010).

<sup>28</sup> Alvaro Fernandez-Mora, *Inconsistencies in European Trade Mark Law: The Public Policy and Morality Exclusions*, 4 INTELL. PROP. Q. 271, 271–72 (2020).

<sup>29</sup> Anil Samtani, *Trade Marks That Are Contrary to Public Policy or Morality: The Search for the Right-Thinking Man*, INTELL. PROP. Q. 39, 40 (2012).

<sup>30</sup> Anne-Marie Cropley, *The Registration of Scandalous Trade Marks*, INTELL. PROP. F.: J. INTELL. & INDUS. PROP. SOC’Y AUSTRAL. & N.Z. 20, 20–21 (2008).

explained how the bar against disparaging marks can be used to silence minority and dissenting opinions and is therefore violative of the free speech principles embodied in American constitutional jurisprudence.<sup>31</sup> Building on its decision, in 2019, the U.S. Supreme Court reached a similar conclusion when reviewing the bar against scandalous and immoral marks.<sup>32</sup> Across the Atlantic, the European Union (EU) has also struggled with the innate inconsistency in these provisions. The EU Intellectual Property Network developed a ‘Common Practice’ guide to enhance the consistency in the administration of morality-based restrictions on trademarks within the EU.<sup>33</sup>

These developments highlight the growing recognition that provisions restricting disparaging, scandalous, and immoral trademarks pose a potential threat to fundamental rights and that a more consistent and principled approach is needed in this area of intellectual property law. However, the first step towards delineating any such guidelines and examining morality-based proscriptions is understanding the administration of the provision and identifying the possible inconsistencies in its application. In a previous study, the authors commented on the lack of guidelines and consistency in the administration of morality-based proscriptions in India.<sup>34</sup> This underscores the need for a comprehensive examination of these issues across different jurisdictions.

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<sup>31</sup> *Tam*, 582 U.S. at 254 (Kennedy, J., concurring). For more details, see Calvert, *supra* note 15, at 39–40; M. P. Ram Mohan & Aditya Gupta, ‘Scandalous’ and ‘Obscene’ Trademark Law: Determining the Scope of Morality-Based Proscriptions in Indian Law 6–7 (Indian Inst. of Mgmt. Ahmedabad, Working Paper No. 2023-12-01, 2023), <https://www.iima.ac.in/publicationscandalous-and-obscene-trademark-law-determining-scope-morality-based-proscriptions> [https://perma.cc/9G45-2GFR].

<sup>32</sup> *Iancu v. Brunetti*, 588 U.S. 388, 399 (2019). For a comprehensive analysis of *Brunetti*’s effects on First Amendment law, see Calvert, *supra* note 15.

<sup>33</sup> See James Nurton, *Trade Marks Contrary to Public Policy or Accepted Principles of Morality*, EUR. UNION INTELL. PROP. OFF. (Mar. 7, 2024), <https://www.euipo.europa.eu/de/news/trade-marks-contrary-to-public-policy-or-accepted-principles-of-morality> [https://perma.cc/9UYX-MB5C].

<sup>34</sup> Ram Mohan & Gupta, *supra* note 31, at 20–21. See also M. P. Ram Mohan & Aditya Gupta, *Scandal and Obscene Trademarks: Determining Immoral Trademarks in Indian Law*, SPICYIP (Jan. 3, 2024), <https://spicyip.com/2024/01/scandal-and-obscene-trademarks-determining-immoral-trademarks-in-indian-law.html> [https://perma.cc/CQ7Z-3FDY].

*B. The lineage and interpretation of morality-based proscriptions in India*

The legislative lineage of morality-based proscriptions in Indian Trademark Law can be traced back to the Trade Marks Act of 1940.<sup>35</sup> Before 1940, trademark affairs in India were administered under the principles of English common law.<sup>36</sup> Infringement matters were resolved in accordance with the Specific Relief Act of 1877, while registration procedures were overseen by the Registration Act of 1908.<sup>37</sup>

The history of the Act of 1940 is that of a *Legal Transplant*.<sup>38</sup> It provides an interesting example of how a set of laws and legal doctrines were adopted by the recipient jurisdiction, in this case India, without according sufficient prominence to the unique cultural and social context.<sup>39</sup> Adopted from the English Trade Marks Act, 1875, Section 8 of the Indian Trade Marks Act, 1940 prohibited the registration of trade marks which “consists of, or contains, any scandalous design,” or marks which were contrary to morality.<sup>40</sup> However, one of the unique features of the law

<sup>35</sup> For a history of regulation of issues related to trademarks before 1940 and the advocacy efforts which led to the enactment of the Trade Marks Act of 1940, see K. Rama Pai, *The New Trade Marks Act*, THE INDIAN TEXTILE J. 42, 42 (1890); T. P. Datta, *Trademark Law in India*, 46 TRADEMARK REP. 752, 752–753 (1956).

<sup>36</sup> P. B. Venkatasubramanian, *The Law of Trademarks in India*, 7 WORLD DEV. 737, 738 (1979) (“Some executed documents asserting their rights to the exclusive use of a particular trademark and registered them under the Indian Registration Act of 1908, which was primarily a law for registration of documents and, particularly, those transferring an interest in immovable property. ... The jurisdiction of the Court under section 54 of the Specific Relief Act of 1877 to grant a perpetual injunction against infringement of a trademark was often sought with success. Damages could also be secured.”); V. K. Unni, *Transnational Influences in Trade Mark and Domain Name Protection: The Indian Experience*, in LOCATING INDIA IN THE CONTEMPORARY INTERNATIONAL LEGAL ORDER 186–87 (Srinivas Burra & R. Rajesh Babu eds., 2018).

<sup>37</sup> *Id.*

<sup>38</sup> For an interesting account of the relationship between intellectual property laws as legal transplants, see Alexander Peukert, *Intellectual Property: The Global Spread of a Legal Concept*, in KRITIKA: ESSAYS ON INTELLECTUAL PROPERTY 114–33 (Peter Drahos et al. eds., 2015). For a case study on how legal transplants operate and can potentially disrupt the cultural and social aesthetic of a country, see Elizabeth Adeney, *Of Moral Rights and Legal Transplants Connecting Laws, Connecting Cultures*, in ACROSS INTELLECTUAL PROPERTY: ESSAYS IN HONOUR OF SAM RICKETSON 64–76 (Graeme W. Austin et al. eds., 2020).

<sup>39</sup> Adeney, *supra* note 38, at 66.

<sup>40</sup> The Trade Marks Act, 1940, §8 (India). For an interesting account of the adoption of the Trade Marks Act of 1940, see Venkatasubramanian, *supra* note 36, at 737–39.

adopted in India was the explicit prohibition against registration of marks which are likely to hurt religious susceptibilities.<sup>41</sup>

The prohibition against the derogatory use of religious symbols draws its provenance from the unique socio-political situation of the Indo-British textile trade of the late 19th century. As textile mills from Great Britain and India ventured to explore new markets, their mill cloth was labelled with “ornate rectangular frame with an image from Indian mythology, or British Royalty.”<sup>42</sup> As Indian mills started using similar labels, in 1877, the Bombay Mill Owners’ Association petitioned the government to introduce a trademark law in line with the Trade Marks Registration Act of 1875 introduced in England.<sup>43</sup> When their petition was declined, the Bombay Mill Owners’ Association “defiantly decided to register the marks and labels of different mills in its own books, and resort to arbitration to resolve disputes.”<sup>44</sup> The Mill Owners’ resolution incorporated a condition that names of gods and goddesses would not be registrable.<sup>45</sup> In 1930s, when the deliberations for the creation of the Act of 1940 were initiated, a proposal was floated that the restriction imposed by the Bombay Mill Owners’ Association should be incorporated in the new legislation in an amended form.<sup>46</sup> The resulting

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<sup>41</sup> PRASHANT REDDY THIKKAVARAPU & SUMATHI CHANDRASHEKARAN, *CREATE, COPY, DISRUPT: INDIA’S INTELLECTUAL PROPERTY DILEMMAS* 325 (2016). *See* The Trade Marks Act, 1940, §7(2)(b) (India); Datta, *supra* note 35, at 756 (“The Trade Marks Act prohibits the registration of trademarks which consist of or contain, any scandalous design, or any matter the use of which would ... be likely to hurt the religious susceptibilities of any class of citizens of the Indian Republic.”).

<sup>42</sup> REDDY THIKKAVARAPU & CHANDRASHEKARAN, *supra* note 41, at 324–25.

<sup>43</sup> Datta, *supra* note 35, at 752. In the British empire, India was one of the 16 countries which had no trademark legislation. Sir Courtney Terrell observed, “In company with Abyssinia, the Solomon Islands, Monaco, St. Helena, Sarawal and few other countries of similar commercial standing, the great Empire of India has no trademark legislation.” Venkatasubramanian, *supra* note 36, at 737.

<sup>44</sup> REDDY THIKKAVARAPU & CHANDRASHEKARAN, *supra* note 41, at 324; JYOTINDRA JAIN, *BOMBAY/MUMBAI: VISUAL HISTORIES OF A CITY* 20 (2013) (“Competition between the indigenous mills and their British counterparts politicized the registration of labels and trademarks. Despite a demand made in 1877 by the Bombay Mill Owners Association that the government introduce a Trade Marks Act for India, the government proposed, in 1881, that all Indian trademarks and labels should be registered in London. Bypassing this proposal, the ‘Bombay Mill Owners Association decided in 1886 to register the marks and labels of different mills in the books of the Association and refer the disputes to arbitration.’”).

<sup>45</sup> REDDY THIKKAVARAPU & CHANDRASHEKARAN, *supra* note 41, at 324.

<sup>46</sup> *See id.*; SUBBIAH VENKATESWARAN, *THE LAW OF TRADE AND MERCHANDISE MARKS IN INDIA* 563 (1937).

Act of 1940 included an explicit prohibition against the use of religious symbols which was “introduced to deal with local conditions.”<sup>47</sup>

Therefore, through the Act of 1940, the morality-based proscriptions adopted in Indian trademark laws were effectively split into three constituent parts: marks that contain scandalous designs, marks that are contrary to morality, and marks that can potentially hurt religious susceptibilities. Given the unique provenance and the legislative history of the bar in favour of religious susceptibilities, the present study is limited to examining the bar against scandalous marks and marks which are contrary to morality.

The Act of 1940 was replaced by the Trade and Merchandise Marks Act of 1958.<sup>48</sup> It was enacted after a comprehensive review of the law of trademarks in India.<sup>49</sup> Following the report submitted by the Justice Ayyangar Committee, an amending bill was introduced, and after a series of consultations and revisions,<sup>50</sup> the Act of 1958 was enacted. In his report, Justice Ayyangar pointed out that the relevant English law, on which Section 8 in the Act of 1940 was modelled, had faced some judicial criticism.<sup>51</sup> He suggested that Indian law should move away from English law and towards Australian trademark law, which, at the time, did not reference morality and only proscribed the registration of scandalous marks.<sup>52</sup>

The resulting provision was embodied in Section 11(c) of the Act of 1958 and prohibited the registration of marks that “comprises or contains scandalous and obscene matter.”<sup>53</sup> The discussion of the transition from the Act of 1940 to

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<sup>47</sup> GOV'T OF INDIA MINISTRY OF COM. & INDUS., REPORT OF SHRI JUSTICE N. RAJAGOPALA AYYANGAR ON TRADE MARKS LAW REVISION 1955, at 35 (1955).

<sup>48</sup> Trade and Merchandise Marks Act, 1958 (India).

<sup>49</sup> “With the rapid growth and development of commerce and industry during the last decade, there has been a persistent demand from the commercial public for revision of the law is dealing with trademarks and trade descriptions.” Lok Sabha Debates, Second Series Volume XVI, 13197 (May 5, 1958) (India).

<sup>50</sup> After the report was submitted by Justice Ayyangar, a joint parliamentary committee was constituted to evaluate the Trade and Merchandise Marks Bill.

<sup>51</sup> GOV'T OF INDIA MINISTRY OF COM & INDUS., *supra* note 47, at 35.

<sup>52</sup> The Ayyangar Committee made a limited reference to the term “morality.” While dealing with the issue of morality based proscriptions, the Committee omitted any reference to the term “morality.” However, use of the term was relegated to a different provision which prohibited the use of trademarks which are “contrary to law or morality.” The reference to morality was moved away from the interpretation and construction of the term ‘scandalous,’ and was now referred to a different provision. GOV'T OF INDIA MINISTRY OF COM. & INDUS., *supra* note 47, at 35–36.

<sup>53</sup> The Trade and Merchandise Marks Act, 1958, §11(c) (India).

the Act of 1958 clarifies that the morality-based proscription in Indian law was adopted from the Australian law, where the restriction is limited to scandalous marks.<sup>54</sup> However, this discussion does not clarify how did the term “obscene” find mention in the Act of 1958. In a previous study, we have problematized the incorporation of the word “obscene” in India’s morality-based proscription.<sup>55</sup> The Ayyangar Committee does not refer to a bar against “obscene” marks. After the Committee’s report was submitted, public consultations were conducted,<sup>56</sup> and the resulting bill was also re-referred to a Joint Parliamentary Committee (JPC).<sup>57</sup> In the meticulous evidence submitted by the JPC,<sup>58</sup> and the plethora of amendments suggested by them,<sup>59</sup> no reference was made to the inclusion of a bar against marks containing obscene matter. Therefore, it remains unclear how the term ‘obscene’ finds reference in the Act of 1958.

Regardless of its provenance, the bar against scandalous and obscene marks continues to be a part of Indian Law. The Act of 1958 has since been replaced by the Trade Marks Act of 1999, which incorporates the bar against marks that “comprises or contains scandalous and obscene matter” in Section 9(2)(c).<sup>60</sup>

In the eight decades since the prohibition was incorporated into the Indian trademark law, it has suffered from an acute lack of judicial, administrative, and academic engagement. The only guiding instrument that can educate the interpretation of the provision comes from a draft manual (“the Manual”), published by the Controller General of Patents, Trade Marks and Designs (CGPTDM) in 2015.<sup>61</sup>

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<sup>54</sup> At the time when the Trade and Merchandise Marks Act of 1958 was prepared, Justice Ayyangar made reference to Section 28, of the Australian Trade Marks Act of 1955. Since then, the Act of 1955 has been replaced by the Australian Trade Marks Act of 1995, which incorporates the morality based proscription in Section 42(a). The language for both the provisions is identical, and only includes a reference to scandalous marks. See Amanda Scardamaglia, *Are You Nuckin Futs? Registering “Scandalous” Trade Marks in Australia*, 34 EUR. INTELL. PROP. REV. 628, 628 (2012); Ram Mohan & Gupta, *supra* note 31, at 4.

<sup>55</sup> Ram Mohan & Gupta, *supra* note 31, at 16–17.

<sup>56</sup> Lok Sabha Debates, *supra* note 49, at 13198–131200.

<sup>57</sup> *Id.* at 13213–15.

<sup>58</sup> Joint Committee on The Trade and Merchandise Marks Bill (Evidence), 1958 (July 1958) (India).

<sup>59</sup> *Id.* at 2–7.

<sup>60</sup> The Trade Marks Act, 1999, §9(2)(c) (India).

<sup>61</sup> OFF. OF CONTROLLER GEN. PATS., DESIGNS & TRADE MARKS, A DRAFT OF MANUAL OF TRADE MARKS PRACTICE & PROCEDURE (2015)

The Manual encapsulates the provisions and practices outlined in the Trade Marks Act of 1999 and Trade Marks Rules of 2017, presenting them along with the office procedures in a simplified and coherent manner.<sup>62</sup> It functions as a general guide enumerating and explaining the practice of the Trade Marks Registry. However, the Manual suffers from multiple inconsistencies. Primarily, with the Act of 1958, the Indian law disavowed the language adopted from the English statute and removed the use of the term 'morality' from the consideration of morality-based proscriptions in India.<sup>63</sup> In moving towards the Australian law, the Act of 1958 adopted the term 'Scandal.'<sup>64</sup> Since the term has been adopted from Australian law, it is only logical that its interpretation should also be educated by Australian law. However, that has not been the case. Since at least 1950, it is a well-established principle in Australian trademark law that consideration of 'scandal' does not allow a Trade Marks Examiner to engage with issues related to morality.<sup>65</sup> Despite clear indication from the legislative history, the Manual maintains that, "Scandalous marks are those likely to offend accepted principles of morality."<sup>66</sup> This is only one example of the many inconsistencies in the Trade Marks Manual, which, as mentioned previously, is the only guidance in Indian law for interpreting the scope of Section 9(2)(c).<sup>67</sup>

In the following parts of the paper, the authors demonstrate how an absolute lack of definitional standards and guidelines for the administration of the provision has yielded erratic and inconsistent results.

## II DATASET

Publicly accessible bulk datasets of trademark application and registration information are crucial for enabling comprehensive, data-driven research on

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<sup>62</sup> *Id.*; K. C. KAILASAM & RAMU VEDARAMAN, LAW OF TRADE MARKS & GEOGRAPHICAL INDICATIONS: WITH COMMENTARY ON THE TRADE MARKS ACT, 1999 & GEOGRAPHICAL INDICATIONS OF GOODS (REGISTRATION AND PROTECTION) ACT, 1999: LAW, PRACTICE & PROCEDURE (3 ed. 2013).

<sup>63</sup> The Trade and Merchandise Marks Act, 1958, §11(c) (India).

<sup>64</sup> *Id.*

<sup>65</sup> "Clause 28, while in different words, has in substance the same effect as section 114 of the [Trade Marks Act, 1905], but it relieves the Registrar of the court from the consideration of 'morality.'" *New South Wales Dairy Corp. v. Murray Goulburn Co-Op Co. Ltd.* (1990) 171 CLR 363 (Austl.).

<sup>66</sup> OFF. OF CONTROLLER GEN. PATS., DESIGNS & TRADE MARKS, *supra* note 61, at 60.

<sup>67</sup> For a more detailed explanation of the inconsistencies in the Manual, see Ram Mohan & Gupta, *supra* note 31.

the administration of trademark law, including morality-based restrictions. Such datasets allow researchers to systematically examine trends, predictability, and potential biases in how trademark provisions are applied. In this section, we outline the dataset we developed in order to analyze morality-based restrictions in Indian trademark law. This section also emphasizes the importance of trademark offices making their data publicly available in a structured format, and will highlight valuable opportunities for research to better understand the practical implementation of trademark regulations.

In 2015, India's Office of the Controller General of Patents, Designs and Trade Marks (CGPTDM) completed the digitization of their trade mark records.<sup>68</sup> All the details of trade mark applications, including their prosecution history and current status, have been made available to the general public free of charge through IP India's website.<sup>69</sup> The first digitized entry on the register dates back to June 1, 1942, where the mark BLACK & WHITE was registered by the Trade Marks Office at Kolkata.<sup>70</sup> Since 1942, the Registry has processed over 6.3 million applications, all of which have been digitized and are available on the CGPTDM's website.

The website provides extensive data-points, including the original trade mark application, the examination report, opposition notices, and replies thereto, along with all the notices for Show Cause Hearings and all the office orders issued by the Registrar of Trade Marks.<sup>71</sup> While the CGPTDM's completion of this herculean task is commendable, the portals which provide access have been designed to cater only to the applicants and the professionals involved in the trade mark prosecution process. The CGPTDM has not created any bulk datasets from its digitized corpus of 6.2 million applications.

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<sup>68</sup> OFF. OF CONTROLLER GEN. OF DESIGNS, TRADE MARKS & GEOGRAPHICAL INDICATION, ANNUAL REPORT 2013–2014, [https://ipindia.gov.in/writereaddata/Portal/IPOAnnualReport/1\\_91\\_1\\_1\\_29\\_1\\_annual-report-13-14-.pdf](https://ipindia.gov.in/writereaddata/Portal/IPOAnnualReport/1_91_1_1_29_1_annual-report-13-14-.pdf) [<https://perma.cc/CV3Y-XHJY>] (last visited Mar. 13, 2024).

<sup>69</sup> *Id.*

<sup>70</sup> Indian Trade Mark Application No. 10. This is the first digitized application. It is not clear why the applications filed prior to this are not available in the digitized database. For a review of the initial load of applications filed before the Trade Marks Registry, see W.C. Smith, *Recent Developments in Indian Trade-Marks Practice*, 41 TRADEMARK REP. 202, 203 (1951) (“The first applications were made on June 1st, 1942 and by September 30, 1950, over 145,000 applications had been made for registration and more than 1,650 Oppositions had been filed during the same period. These figures should give some idea of the immense pressure of work at the Trade-Marks Registry during these years.”).

<sup>71</sup> OFF. OF CONTROLLER GEN. OF PATS. DESIGNS & TRADE MARKS, <https://www.ipindia.gov.in> [<https://perma.cc/H89M-FKRV>] (last visited Apr. 13, 2024).

### A. *Existing Datasets in Other Countries and Possible Research Opportunities*

Many other trademark offices across the world have adopted progressive measures by establishing and providing access to comprehensive bulk datasets, facilitating streamlined access to essential information and data points relevant to trademarks. Notable examples include the USPTO Trademark Case Files Dataset,<sup>72</sup> the Canada Trademarks Dataset,<sup>73</sup> and the Australian TM-Link Dataset.<sup>74</sup> These datasets have emerged as invaluable resources for conducting extensive research, offering nuanced insights that have potentially reshaped the landscape of trademark laws on a global scale.<sup>75</sup> Their accessibility and utility have played a pivotal role in advancing scholarly discourse and informing policy decisions.

The open availability of these datasets has kindled research along three major praxes.<sup>76</sup> First, the information gathered from the datasets has been used to study the operation of economy. For example, Meindert Flikkema, Ard-Pieter De Man, and Carolina Castaldi examined a sample of 660 new Benelux trademarks to argue in favour of using the trademark data as an indicator of innovation for Small and Medium Enterprises.<sup>77</sup> The authors suggested that trademark counts allow for a better measurement of service innovation and provide important information

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<sup>72</sup> See generally Stuart J.H. Graham et al., *The USPTO Trademark Case Files Dataset: Descriptions, Lessons, and Insights*, 22 J. ECON. & MGMT. STRATEGY 669 (2013).

<sup>73</sup> For more details, see Jeremy N. Sheff, *The Canada Trademarks Dataset*, 18 EMPIRICAL LEGAL 908 (2021). This particular dataset was created by the author, but the bulk of underlying data is available openly from the Canadian trademarks office.

<sup>74</sup> See generally Stephen Petrie et al., *TM-Link: An Internationally Linked Trademark Database*, 53 AUSTL. ECON. REV. 254 (2021).

<sup>75</sup> One example of how empirical research in trademark law has affected trademark and policy can be traced to Professor Beebe and Professor Fromer’s amicus brief, which was cited by the U.S. Supreme Court in overruling the constitutional validity of prohibition against registration of “scandalous” and “immoral” marks. *Iancu v. Brunetti*, 588 U.S. 388, 395 (2019).

<sup>76</sup> See Petrie et al., *supra* note 74, at 255. The studies can also be classified between economic and non-economic studies. For a review of the economic studies, see Philipp Schautschick & Christine Greenhalgh, *Empirical Studies of Trade Marks—The Existing Economic Literature*, 25 ECON. OF INNOVATION & NEW TECH. 358 (2016). For a review of studies which operate in the legal spectrum, see Barton Beebe, *Empirical Studies of Trademark Law*, in RESEARCH HANDBOOK ON THE ECONOMICS OF INTELLECTUAL PROPERTY LAW 617 (Ben Depoorter & Peter S. Menell, eds., 2019).

<sup>77</sup> Meindert Flikkema, Ard-Pieter De Man & Carolina Castaldi, *Are Trademark Counts a Valid Indicator of Innovation? Results of an In-Depth Study of New Benelux Trademarks Filed by SMEs*, 21 INDUS. & INNOVATION 310, 310 (2014).

to measure the development and proliferation of technology-based innovation products.<sup>78</sup> Valentine Millot also argued in favour of using trademark data as an indicator of non-technological innovation.<sup>79</sup> She suggested that trademark data can provide important information to study innovation in service sectors.<sup>80</sup>

The second area where trademarks data can stimulate research is studying the branding and marketing strategies of firms. When companies aim to attract new customers and alter their market positioning, it can be beneficial for them to develop a new trademark.<sup>81</sup> Moreover, establishing new trademarks can also motivate a company to focus more on marketing innovation.<sup>82</sup> Alexander Krasnikov, Saurabh Mishra, and David Orozco suggested that trademarks can serve as indicators of firms' efforts to build brand awareness and associations among consumers, which in turn mitigate cash flow variability and enhance financial value.<sup>83</sup>

Lastly, trademark data has been extensively used to study the operations and efficacies of trademark systems. In 2018, Beebe and Fromer analysed the Trademark Case Files Dataset published by the USPTO to study if fewer trademarks are available due to existing registrations and if an increasing number of applications seek to claim marks which have already been claimed by previous proprietors.<sup>84</sup> They found that both of these trends have been increasing since the 1990s, and applications filed relatively recently favour complex, unique neologisms over standard English or common surnames.<sup>85</sup> Their study concluded that "ecology of the trademark system is breaking down, with mounting barriers to

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<sup>78</sup> *Id.* at 327.

<sup>79</sup> Valentine Millot, *Trademarks As An Indicator of Product and Marketing Innovations* 3 (OECD Sci., Tech. & Indus. Working Papers, Paper No. 2009/06), [https://www.oecd-ilibrary.org/science-and-technology/trademarks-as-an-indicator-of-product-and-marketing-innovations\\_224428874418](https://www.oecd-ilibrary.org/science-and-technology/trademarks-as-an-indicator-of-product-and-marketing-innovations_224428874418).

<sup>80</sup> *Id.*

<sup>81</sup> *Id.*

<sup>82</sup> *Id.* For a much broader and more comprehensive view, see Carolina Castaldi, *All the Great Things You Can Do with Trademark Data: Taking Stock and Looking Ahead*, 18 STRATEGIC ORG. 472 (2020).

<sup>83</sup> Alexander Krasnikov, Saurabh Mishra & David Orozco, *Evaluating the Financial Impact of Branding Using Trademarks: A Framework and Empirical Evidence*, 73 J. MARKETING 154, 154 (2009).

<sup>84</sup> Barton Beebe & Jeanne C. Fromer, *Are We Running Out of Trademarks? An Empirical Study of Trademark Depletion and Congestion*, 131 HARV. L. REV. 945, 947–48 (2017).

<sup>85</sup> *Id.* at 951–52. Beebe and Fromer's study opened up a larger conversation about the empirical effects of congestion and depletion on the trademark register. For further discussion of this issue, see Lisa Larrimore Ouellette, *Does Running out of (Some) Trademarks Matter?*, 131 HARV. L. REV. F. 116, 126 (2017) ("But given the lack of rigorous evidence regarding either the costs or the benefits of either depletion or congestion, much less the welfare effects of any particular policy change, it seems premature to recommend significant

entry, increasing consumer search costs, and an eroding public domain.”<sup>86</sup> Von Graevenitz, Greenhaigh, Helmers, and Schautschick studied a similar trend in the European context. They employed the openly available datasets to examine if trademark registers contain “such a large number of unused and overly broad trade marks that the costs of creating and registering new marks substantially increase for other applicants.”<sup>87</sup>

Apart from issues related to congestion and cluttering, various other scholars have empirically examined issues related to trademark registration. Gerhardt and McClanahan studied how the involvement and quality of legal representation, compared to when an applicant proceeds *pro se*, impacted their success rate for registration.<sup>88</sup> They identify that attorney-filed applications had a much higher chance of securing registration when compared to *pro se* applicants, especially in cases when the applications met with an Office action.<sup>89</sup>

In 2017, in *Matal v. Tam*, the U.S. Supreme Court held that the bar against disparaging marks violated the principles of the First Amendment and was therefore unconstitutional.<sup>90</sup> In the wake of this decision, the scholarly community alluded to the possibility that the decision could result in the filing and registration of marks which disparage and besmirch minorities.<sup>91</sup> However, empirical evidence

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action. Concerns about the exhaustibility of competitively effective marks might end up being no weightier than John Stuart Mill’s worries about the exhaustibility of musical combinations.”).

<sup>86</sup> Beebe & Fromer, *supra* note 85, at 948.

<sup>87</sup> GEORG VON GRAEVENITZ ET AL., TRADE MARK CLUTTERING: AN EXPLORATORY REPORT COMMISSIONED BY UKIPO 1 (2012); *see also* Georg von Graevenitz, *Trade Mark Cluttering—Evidence from EU Enlargement*, 65 OXFORD ECON. PAPERS 721, 722–23 (2013). For a similar study in the Australian context, see Haiyang Zhang, *Does Trade Mark Cluttering Exist in Australia?* (IP Australia, Research Paper No. 07, 2019).

<sup>88</sup> Deborah R. Gerhardt & Jon P. McClanahan, *Do Trademark Lawyers Matter?*, 16 STAN. TECH. L. REV. 583, 597 (2012).

<sup>89</sup> *Id.* at 607, 616, 622. During the period analyzed, attorney-filed applications had a higher publishing rate of 82% compared to *pro se* applications with a rate of 60%, especially when applications received an Office action from the USPTO, with rates of 72% and 45% respectively. Attorney-filed petitions had a registration percentage of 60%, which was much higher than the 42% registration rate for *pro se* applicants. The authors provide convincing and extensive evidence that higher levels of experience among both *pro se* and attorney-filed applicants are closely associated with higher publication and registration rates.

<sup>90</sup> *Matal v. Tam*, 582 U.S. 218, 246–47 (2017). *See also* Simon Tam, *First Amendment, Trademarks, and the Slants: Our Journey to the Supreme Court*, 12 BUFF. INTELL. PROP. L.J. 1, 15–16 (2018).

<sup>91</sup> *See, e.g.*, Gary Myers, *Trademarks & the First Amendment After Matal v. Tam*, 26 J. INTELL. PROP. L. 67, 95 (2019). Professor Myers suggests that one of the categories of applicants who would avail the benefits of the Supreme Court’s decision were “those who seek affirmatively to give offense or disparage.

suggests otherwise. First, Huang examined the data from the USPTO to identify trademark applications for racially-oriented marks and the effect of the Supreme Court's ruling on these applications.<sup>92</sup> Amongst a dataset of 4 million applications, she identified only 312 racially-oriented applications and concluded that there was no overall increase in the number of racially-oriented applications following the Supreme Court's decision.<sup>93</sup> Additionally, Goodyear extended this examination to queer trademarks and identified that while applications for queer trademarks had significantly increased, they were unanimously self-affirming.<sup>94</sup>

### *B. Building a Unique Dataset*

Given the lack of comparable large-scale datasets, empirical scholarship relating to trademarks in India remains very scarce.<sup>95</sup> This position is most critically visible in legal scholarship, empirically studying the functioning and efficacy of trademark systems in India. To fill this gap and contribute to the empirical literature examining trademark systems, we created a novel dataset by downloading and collecting examination reports from the online portal of the Trade Marks Registry. This exercise was conducted between October and December 2023, and 1.6 million applications filed between June 2018 and July 2022 were downloaded.<sup>96</sup>

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This last category of speakers were the natural targets of the Lanham Act's prohibitions, but the *Tam* ruling clearly establishes that they cannot be singled out for censorship, however offensive their intentions might be." Alternatively, there were other scholars who argued that given that trademarks operate in a free economy, the negative effects of registering disparaging marks would curtail the number of potentially disparaging marks. See Timothy T Hsieh, *The Hybrid Trademark and Free Speech Right Forged from Matal v. Tam*, 7 NYU J. J. INTELL. PROP. & ENT. L. 1, 20–23 (2017).

<sup>92</sup> Vicki Huang, *Trademarks, Race and Slur-Appropriation: An Inter-Disciplinary and Empirical Study*, 2021 U. ILL. L. REV. 1605, 1610 (2021).

<sup>93</sup> *Id.* at 1605, 1632.

<sup>94</sup> Michael P. Goodyear, *Queer Trademarks*, 2024 U. ILL. L. REV. 163, 200 (2024). Goodyear argued that the Supreme Court's decision facilitated the queer community to adopt self-affirming marks, rather than serving as a medium for out-groups to adopt queer marks as symbols of hate and disparagement.

<sup>95</sup> There are some individually created datasets, but they have been very limited. See, e.g., Mohit Yadav, *A Decade of Madrid Protocol: Learnings from the Indian Experience*, 7 J. INTELL. PROP. STUD. 54, 54 (2023); Mohit Yadav, *Who Watches the Watchmen? – Empirically Examining Examination Reports (Part 1)*, SPICYIP (Nov. 2, 2021), <https://spicyip.com/2021/11/who-watches-the-watchmen-empirically-examining-examination-reports-part-1.html> [https://perma.cc/2KKN-4ME2].

<sup>96</sup> Amongst the 1.6 million applications analyzed, only 1,596,987 Examination Reports could be downloaded. A possible reason for the discrepancy can be that Examination Reports for some marks are yet to be published or that some marks were withdrawn before the Examination Reports could be provided.

After accumulating the examination reports, we auto-coded the dataset to identify the applications that received an objection under Section 9(2)(c) for containing scandalous or obscene content. This exercise identified 140 examination reports where any combination of the words ‘scandalous,’ ‘obscene,’ or ‘9(2)(c)’ was mentioned.

After identifying the applications, the authors hand-coded various important attributes of the applications including, the proprietor’s name, goods descriptions, and the trademark office where the application was filed. The applications were also classified between device marks and word marks.<sup>97</sup> Amongst the 140 applications that received an objection under Section 9(2)(c), 91 applications were filed for securing registrations to device marks. To conduct a comparative analysis of the device marks, the authors used either the marks essential textual features<sup>98</sup> or their textual depiction as presented in the trademark application.<sup>99</sup> This exercise was conducted in February 2024, and any changes made to the applications after February have not been incorporated in the database.

The next section details some important trends and statistics which arise from the examination of the author’s novel dataset.

### III DESCRIPTIVE STATISTICS

Figure 1 provides the overall context for the study. As per the data collected from the Annual Reports of the CGPTDM, since the turn of the century, the number of applications filed for registration has been consistently increasing at

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<sup>97</sup> Word mark includes one or more words, letters, numerals or anything written in standard character. Device mark includes any label, sticker, monogram, logo or any geometrical figure other than word mark.

<sup>98</sup> *S.M. Dyechem Ltd. v. Cadbury (India) Ltd.*, (2000) 5 SCC 573. Here, the Court suggested that “[a] mark is said to be infringed by another trader if, even without using the whole of it, the latter uses one or more of its ‘essential features.’” Such an interpretation essentially means that the grant of registration for a mark not only protects the composite mark, but it also protects the essential features of the mark individually. For more details, see Aqa Raza & Ghayur Alam, *Theoretical Underpinnings of Trademark Law: Decisions of the Supreme Court of India*, 27 RIGHTS 351, 354–55 (2022). See also Aqa Raza & Ghayur Alam, *Trademark Law Declared by the Supreme Court of India in Twenty-First Century (2000–2009)* — I, 28 J. INTELL. PROP. 445, 449–50 (2023).

<sup>99</sup> Section 23 of the Trade Mark Rules 2017 mandate that if an applicant files for a device mark, he is required to “explain with sufficient precision, a description of words, of the trademark.” The Trade Marks Rules, 2017, Rule 23(2)(a) (India). Where required, we have used these descriptions as the essential features of the subject marks.

the rate of 8.66% annually. In the year 2000–01, 84,275 applications were filed for registration, and this number increased to 466,580 in 2022-23, effectively quintupling over the course of 22 years.

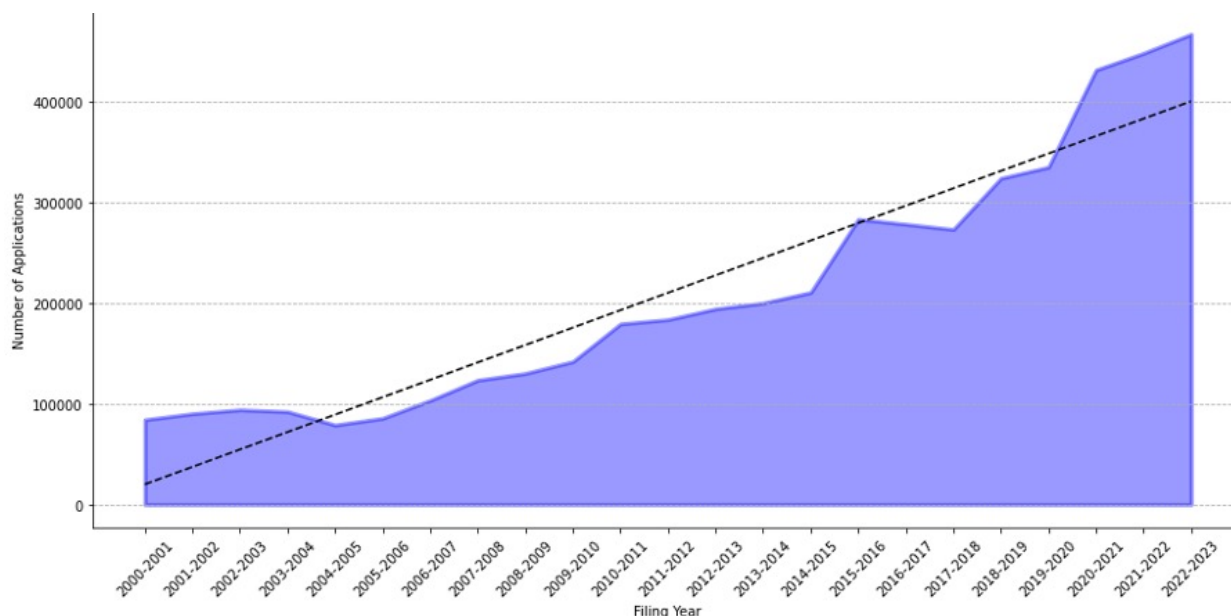


Figure 1: Number of applications filed annually

As discussed previously, the dataset for the present study encompasses the trademark applications filed between June 2018 and July 2022. Amongst the 1.6 million examination reports studied by the authors, only 140 applications were objected for containing scandalous or obscene matter, thereby attracting the mandate of Section 9(2)(c). Following the issuance of the Examination Report, the applicants are required to file a reply to the objections made in the Examination Report within 30 days. In case the applicant fails to provide a reply within the stipulated timeline, his application would be deemed abandoned due to non-prosecution.<sup>100</sup> In the database examined for the present study, no replies were filed for 15 applications. Surprisingly, only 3 of these were officially designated as ‘Abandoned’ by the Registry. The remaining 12, although meeting the criteria for abandonment, did not receive formal abandonment orders.<sup>101</sup>

<sup>100</sup> Section 33 of the Trade Marks Rules of 2017 states, “If, within one month from the date of receipt of the examination report, the applicant fails to respond to the communication, the Registrar may treat the application as abandoned.” The Trade Marks Rules, 2017, Rule 33(4) (India).

<sup>101</sup> The latest examination report within these 12 applications was published on April 10, 2023 and corresponds to the following applications: Indian Trade Mark Application No. 4,230,985 (filed July 10,

After a reply to the examination report is filed, if the Registrar of Trade Marks is not convinced with the submissions made therein, they can require the applicant to appear in a 'Show Cause Hearing.' During the hearing, an applicant is required to justify why their application should be allowed to proceed.<sup>102</sup> Until such a hearing is completed, and the Registrar passes an order to the effect, the application is considered 'Objected.' Alternatively, applicants have the option to withdraw their application within 30 days of the Examination Report.<sup>103</sup>

After the reply to the Examination Report is filed and the Show Cause hearing is conducted, if the Registrar is satisfied with the submissions made therein, the objections are waived and the application is advertised in the Trade Marks Journal.<sup>104</sup> Alternatively, if the Registrar is not convinced with the submissions made, the objections are sustained, and the application for registration is Refused. In the author's dataset, an advertised mark is denoted 'Accepted' or 'Accepted and Advertised,' and if the application is refused, the status reflects 'Refused.' In the time period examined for the present study, only 1 application was withdrawn, 38 were accepted, 47 were refused and 30 are currently under objection, awaiting either acceptance or refusal.

Once a trademark is Accepted and Advertised in the Trade Marks Journal, the general public is invited to oppose the application within 4 months from the date of advertisement.<sup>105</sup> During the time that an opposition is pending, the application status reflects 'Opposed' in the author's dataset. If no oppositions are filed against

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2019); Indian Trade Mark Application No. 4,455,581 (filed Feb. 27, 2020); Indian Trade Mark Application No. 4,510,750 (filed May 26, 2020); Indian Trade Mark Application No. 4,546,877 (filed June 27, 2020); Indian Trade Mark Application No. 4,614,403 (filed Aug. 18, 2020); Indian Trade Mark Application No. 4,823,848 (filed Jan. 18, 2021); Indian Trade Mark Application No. 4,826,742 (filed Jan. 19, 2021); Indian Trade Mark Application No. 4,826,743 (filed Jan. 19, 2021); Indian Trade Mark Application No. 5,124,517 (filed Sept. 9, 2021); Indian Trade Mark Application No. 5,230,482 (filed Dec. 1, 2021); Indian Trade Mark Application No. 5,251,506 (filed Dec. 17, 2021); Indian Trade Mark Application No. 5,279,876 (filed Jan. 11, 2021).

<sup>102</sup> Trade Marks Rules, 2017, Rule 33(6) (India) ("If the response to the examination report is not satisfactory or where the applicant has requested for hearing, the registrar shall provide an opportunity of hearing to the applicant and the same shall be conducted as per rule 115.").

<sup>103</sup> Trade Marks Rules, 2017, Rule 35 (India) ("A notice of withdrawal of an application for the registration of a trademark under sub-section (2) of section 133, for the purpose of obtaining repayment of any fee paid on the filing of the application, shall be given in writing within one month from the date of the receipt of communication mentioned in sub-rule (2) of rule 33.").

<sup>104</sup> Trade Marks Act, 1999, § 20(1) (1999) (India); Trade Marks Rules, 2017, Rule 33 (India).

<sup>105</sup> Trade Marks Rules, 2017, Rule 43 (India).

the application, it proceeds to be 'Registered.' In the present dataset, 3 applications are going through opposition proceedings, while 25 have been registered. Figure 2 visually explains the prosecution process for a trademark application in India.

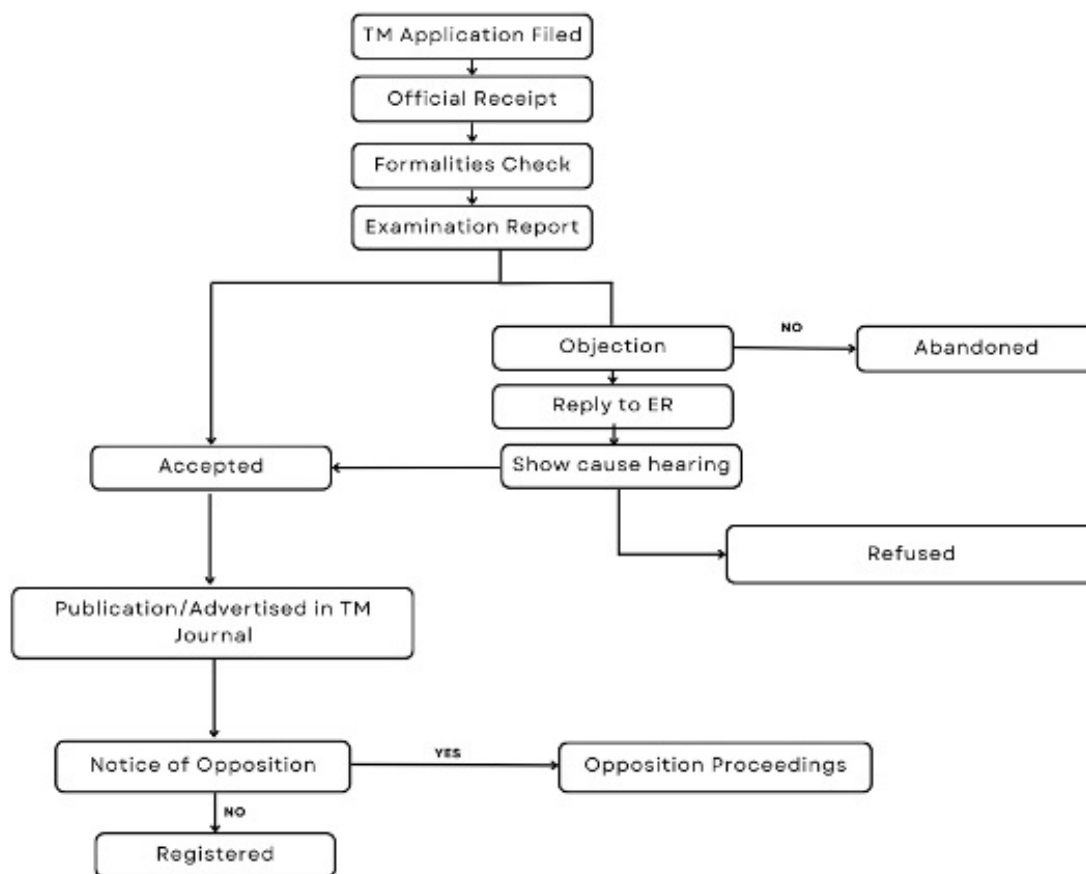


Figure 2: Procesution Process

Figure 3 visualizes the progress of the applications that received an objection under Section 9(2)(c), through the trademark prosecution process. Amongst the 140 applications which were issued an objection under Section 9(2)(c), only 125 applicant filed responses to the objections raised in the Examination Report. Amongst the 125, 30 applications remain objected, and 1 has been withdrawn. In due time, the 30 applications currently under objections would either be Withdrawn, Refused or Accepted. For the remaining 95 applications, 47 were Refused, while 38 were Accepted. Amongst the 38 Accepted applications, 10 are open for Opposition, 3 have been Opposed and 25 have been Registered.

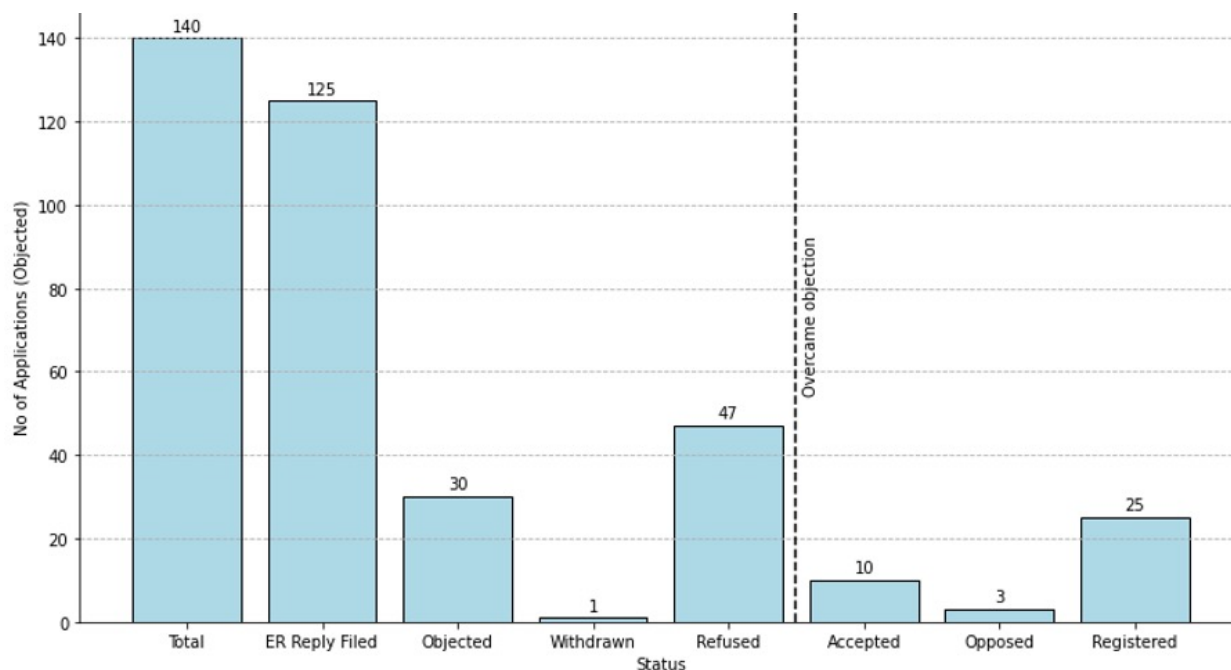


Figure 3: Prosecution history of applications which received a 9(2)(c) objection

Figure 4 illustrates the number of applications that received an objection under Section 9(2)(c), presented alongside the applications that successfully overcame the objection. The tally for applications where objections were withdrawn only includes applications that were advertised in Trade Marks Journal after being objected under Section 9(2)(c) as of February 2024.

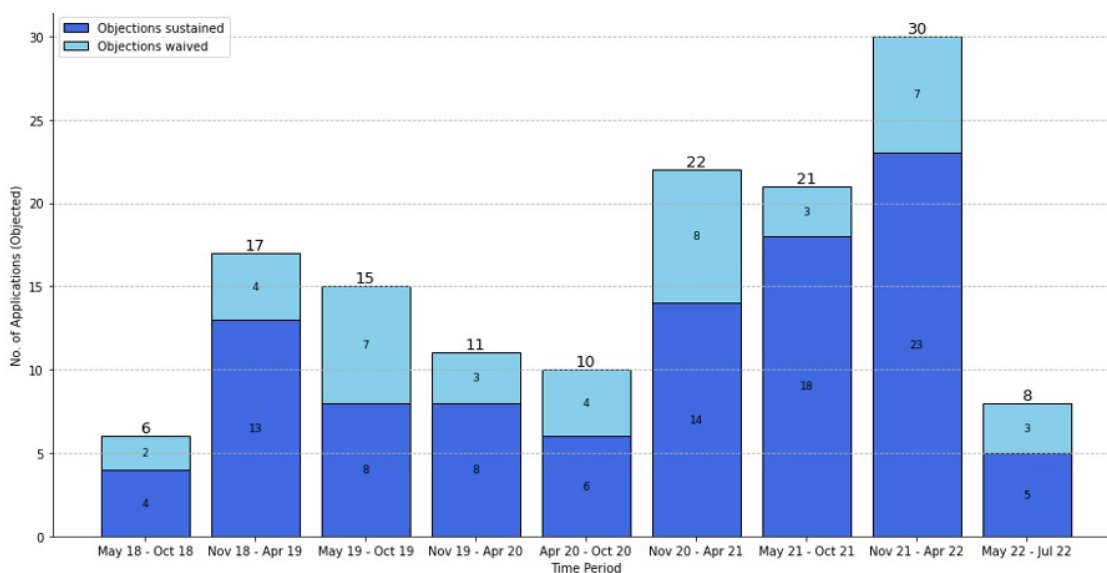


Figure 4: Number of objections raised and waived on a 6 month basis

As has been shown in Figure 1, the number of applications filed each year has been steadily increasing. However, Figure 4 only represents the data on a bi-annual basis. It does not accommodate if there was an increase in the absolute number of objections which were issued during that period. Figure 5 has been included to address this and examines the number of objections issues, waived and sustained in intervals of 100,000 applications.<sup>106</sup> It also analyzes how this rate varies depending on the time period in which the objections were raised.

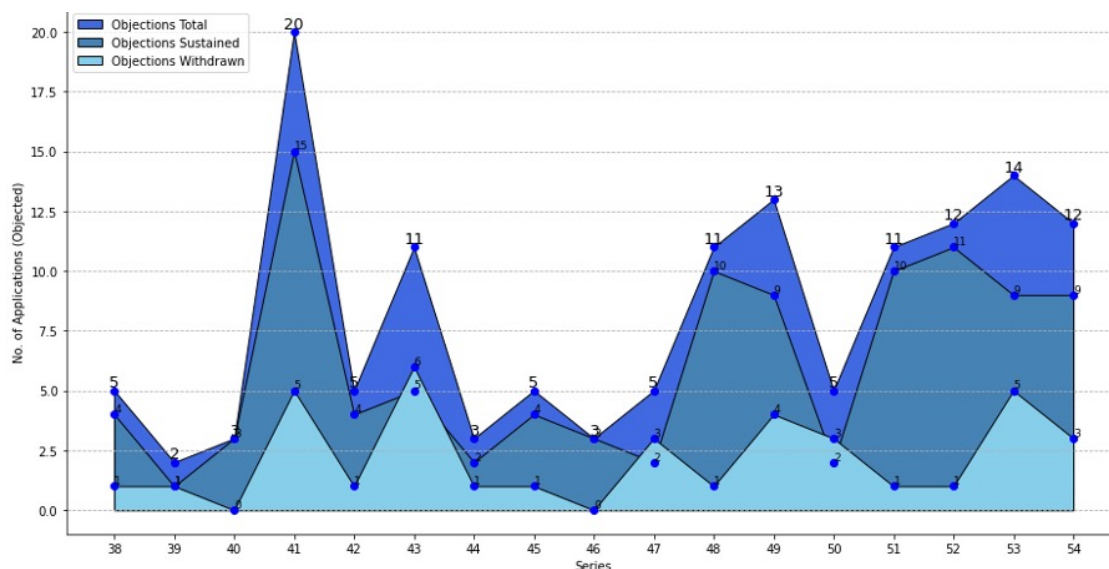


Figure 5: Number of objections issued, sustained and waived per 100,000 applications

Figure 6 presents the total number of objections raised, withdrawn and sustained under Section 9(2)(c), across various trademark classes. It reveals a striking trend: objections under Section 9(2)(c) are predominantly concentrated in three classes. Class 3 (Bleaching Preparations), Class 5 (Pharmaceutical and Veterinary products), and Class 25 (Apparel Goods) collectively yield 76 objections, eclipsing 50% of all objections. Interestingly, classes pertaining to services yield fewer objections, amounting to only 29 objections, which is less than 20% of the total objections issues under Section 9(2)(c).<sup>107</sup>

<sup>106</sup> The horizontal axis in the figure corresponds to the series of applications numbers. For example, series 42 covers marks with application number between Indian Trade Mark Application No. 4,200,000 (filed June 7, 2019) and Indian Trade Mark Application No. 4,299,999 (filed Sept. 21, 2019).

<sup>107</sup> For multiclass applications which are classified as Class 99, the authors have counted each of these as one entry in the corresponding classes. There were 6 multiclass applications: Indian Trade Mark Application

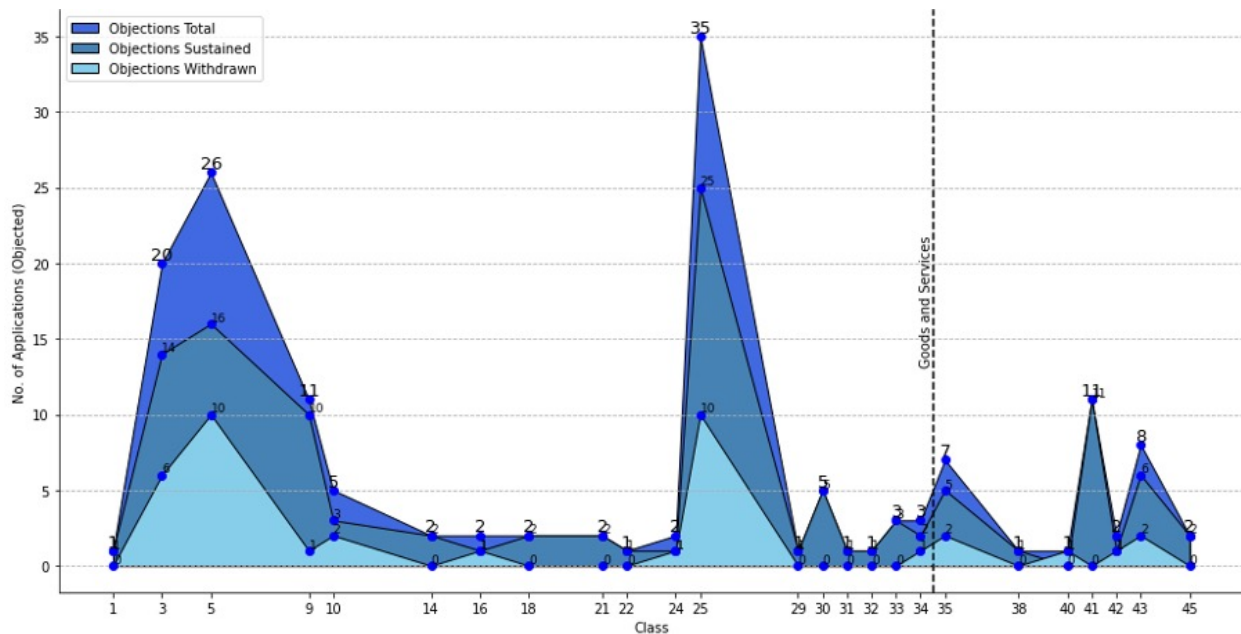


Figure 6: Number of objections issued, sustained and waived per class

The data presented in Figure 6 reveals some striking trends when compared to the total number of applications filed in each class. Out of the 1.6 million applications studied, only 120,367 were filed in Class 25 (Apparel Goods). Yet, these Class 25 applications account for 35 objections issued for containing scandalous or obscene content. This means that while Class 25 applications make up only 7.54% of the total applications, they are responsible for over 22% of the objections received under Section 9(2)(c). Similar trends can be witnessed in Class 3 (Bleaching Preparations), and Class 35 (Services for advertising and other office functions). Figure 7 further compares the percentage of applications filed in each class with the number of objections under Section 9(2)(c) within that class. These findings suggest disproportionately high rates of morality-based objections in certain trademark classes, warranting further investigation into potential reasons for such high proportions.

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No. 4,185,754 (filed May 24, 2019) which was applied for Classes 3, 24, 25; Indian Trade Mark Application No. 4,188,747 (filed May 27, 2019), which was applied for Classes 3, 9, 14, 18, 25; Indian Trade Mark Application No. 4,741,941 (filed November 11, 2020) which was applied for Classes 3, 35; Indian Trade Mark Application No. 4,823,848 (filed Jan. 18, 2021) which was applied for Classes 9, 45; Indian Trade Mark Application No. 4,863,251 (filed Feb. 15, 2021) which was applied for Classes 9, 16, 35, 38, 41, 42; and Indian Trade Mark Application No. 5,251,506 (filed Dec. 17, 2021) which was applied for Classes 35, 41, 43. Given these redundancies, the total count for the following figure is 155.

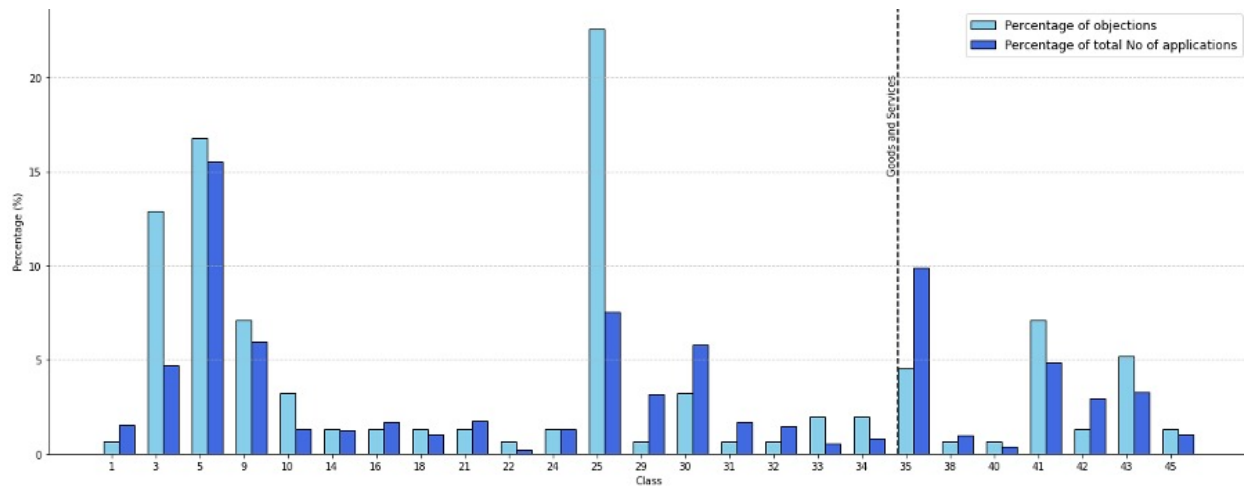


Figure 7: Comparison of percentage of total applications filed and percentage of objections issued by class

Figure 8 presents the total number of objections raised, withdrawn and sustained under Section 9(2)(c), across the different Trade Mark Offices.

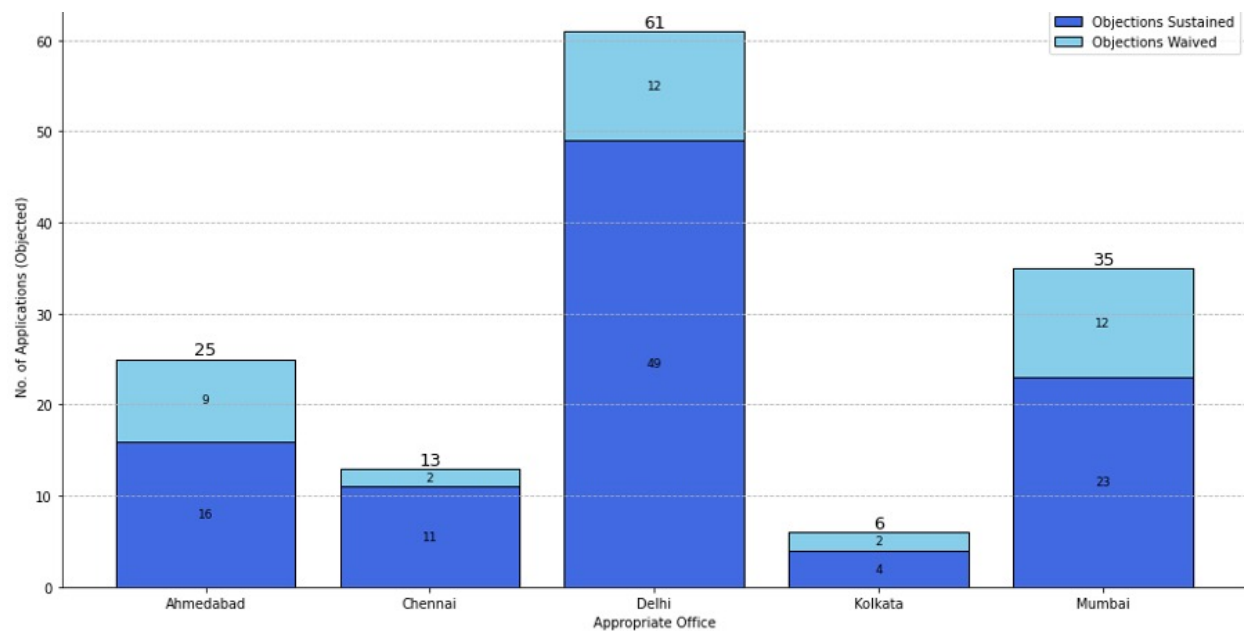


Figure 8: Comparison of objections sustained and waived across offices

The table shown below provides a comparison between the proportion of total objections issued by each office and the absolute number of applications submitted during May 2018 to July 2022 for prosecution before that office.

Appropriate Office	Number of applications filed	Percentage of applications filed	Number of applications objected under 9(2)(c)	Percentage of objections issued under S. 9(2)(c)
Ahmedabad	228,686	14.2%	25	17.86%
Chennai	312,101	19.51%	13	9.29%
Delhi	591,517	36.97%	61	43.57%
Kolkata	98,251	6.14%	6	4.29%
Mumbai	369,445	23.09%	35	25.00%

#### IV

#### TRADE MARK REGISTRY’S APPLICATION OF SECTION 9(2)(C)

As discussed in Part 1, in a previous study, we examined the scope and potential interpretation of Section 9(2)(c) by analyzing the jurisprudential lineage of the provision.<sup>108</sup> The guidelines identified through the doctrinal study were then anecdotally tested by creating a purposive sample. This sample was generated by studying the existing literature to identify potentially scandalous and obscene terms. Using these terms, the authors conducted representative searches on the Trade Marks Register to observe how such potentially objectionable content was treated in practice.

This preliminary exploration provided valuable insights into the practical application of the morality-based restrictions outlined in Section 9(2)(c). Building on these earlier findings, this part presents a comprehensive, data-driven analysis of the administration of morality-based trademark objections, using author’s dataset.

To explain the findings in a cohesive manner, the authors adopt the methodology suggested by Beebe and Fromer. In a pioneering study published in 2019, Beebe and Fromer shed light on the administration of the morality-based proscriptions in the American Trademark Law.<sup>109</sup> In order to provide evidence

<sup>108</sup> See generally Ram Mohan & Gupta, *supra* note 31.

<sup>109</sup> See generally Beebe & Fromer, *supra* note 16.

of inconsistency on the American Trademark Register, they provide three sets of evidence:<sup>110</sup>

1. Instances where relative and absolute grounds for objection were used concurrently,
2. Marks that successfully navigated morality-based objections by using vague grounds,
3. Potentially scandalous or immoral marks that evaded objections altogether.

*A. Combined Section 9(2)(c) and Section 11 objections*

After an application for registration of a trade mark is submitted, it undergoes an examination process. During the examination process, a Trade Marks Examiner scrutinizes the application based on two key criteria: absolute and relative grounds. Absolute grounds, covered by Section 9, pertain to inherent qualities of a mark that may render it objectionable.<sup>111</sup> For instance, Section 9(2)(c) prohibits the registration of marks that contain ‘scandalous’ or ‘obscene’ matter.<sup>112</sup> On the other hand, relative grounds for refusal, governed by Section 11, are attracted when the potential registration of the mark could lead to confusion in the marketplace and encroach upon rights of other proprietors.<sup>113</sup> Section 11(1) prevents the registration of mark which are similar or identical to pre-existing marks on the Trade Marks Register and are sought to be applied in reference to goods that are also similar or identical.<sup>114</sup> Section 11(2) extends the extends this protection to well-known marks, even if applied to dissimilar goods.<sup>115</sup>

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<sup>110</sup> *Id.* at 182–96.

<sup>111</sup> Trade Marks Act, 1999, § 9 (1999) (India) (Absolute grounds for refusal of registration).

<sup>112</sup> Trade Marks Act, 1999, § 9(2)(c) (1999) (India).

<sup>113</sup> Trade Marks Act, 1999, § 11 (1999) (India) (Relative grounds for refusal of registration).

<sup>114</sup> Trade Marks Act, 1999, §11(1) (India) (“(1) Save as provided in section 12, a trade mark shall not be registered if, because of—

(a) its identity with an earlier trade mark and similarity of goods or services covered by the trade mark; or  
(b) its similarity to an earlier trade mark and the identity or similarity of the goods or services covered by the trade mark, there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark.”).

<sup>115</sup> Trade Marks Act, 1999, §11(2) (India) (“(2) A trade mark which—

(a) is identical with or similar to an earlier trade mark; and  
(b) is to be registered for goods or services which are not similar to those for which the earlier trade mark is registered in the name of a different proprietor, shall not be registered if or to the extent the earlier trade

When an examination report combines Section 9(2)(c) and Section 11 to object to an application, it hints at a contradiction within the Registry's decision-making process.<sup>116</sup> By citing Section 9(2)(c), the Trade Marks Registrar objects to the presence of scandalous and obscene matter in the *applied-for* mark.<sup>117</sup> By also invoking Section 11 and citing the existence of a similar registered mark, the Registrar implies an inconsistency. How can a mark, having navigated the prosecution process, be deemed confusingly similar to the *applied-for* mark potentially containing scandalous or obscene elements? This raises questions about the scrutiny applied during prosecution. Therefore, by its own admission, the Trade Marks Registry is administering Section 9(2)(c) in an inconsistent manner.

Between July 2018 and June 2022, the Trade Marks Registrar combined Section 9(2)(c) with Section 11 for 32 applications.<sup>118</sup> Comparing this to American trademark practices, it highlights a concerning trend. In Beebe and Fromer's research, out of 1901 instances where morality-based restrictions were applied, only 114 times were they combined with relative grounds for refusal, making up less than 0.6%.<sup>119</sup> However, here, in the Indian context, this proportion increases to 2.2%.<sup>120</sup>

For instance, in March 2019, an application for registration of the mark CHOR BAZAR was filed in reference to services related to hotels and resorts (Class 43).<sup>121</sup> Objecting to the registration of the mark under Section 9(2)(c), the Trade Marks Examiner suggested that the mark contains scandalous or obscene content.<sup>122</sup> The

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mark is a well-known trade mark in India and the use of the later mark without due cause would take unfair advantage of or be detrimental to the distinctive character or repute of the earlier trade mark.”).

<sup>116</sup> The concomitant use of § 9 and § 11 is a common practice of the Indian Trade Marks Registrar. While it invokes a larger question, given the limited scope of research on this issue, the authors comment on the limited question of the interaction between Trade Marks Act, 1999, §§ 9(2)(c), 11(1), 11(2) (India).

<sup>117</sup> The term *applied-for* mark refers to the mark which has been submitted for registration.

<sup>118</sup> For a list of all the applications which received a conjoint objection under Trade Marks Act, 1999, §§ 9, 1, see Appendix 1.

<sup>119</sup> Beebe & Fromer, *supra* note 16, at 182–89.

<sup>120</sup> It should be noted that unlike Beebe and Fromer's dataset, the present dataset includes device marks and composite marks. In some instances, the objection for relative grounds depends on words or images in the mark, which are not potentially scandalous. For example, in case of the mark FUCK CABARNET, the similar mark cited in the examination report was CABARNET SAUVIGNON. Therefore, while the scandalous part of the mark is the word 'FUCK,' the relative objection for the mark stems from the word, CABARNET.

<sup>121</sup> Indian Trade Mark Application No. 4,134,601 (filed Mar. 30, 2019).

<sup>122</sup> Indian Trade Mark Application No. 4,134,601, Examination Report (June 28, 2019).

Examiner also suggested that the applied-for mark was confusingly similar to a previous mark registered in Class 43, CHOR BIZARRE, and therefore the mark could not be registered.<sup>123</sup> Interestingly, when the cited mark, CHOR BIZARRE, was examined in 2012, no objections under Section 9(2)(c) were raised.<sup>124</sup>

Similarly, the mark SAX VIDEO encountered an objection due to its alleged scandalous and obscene content when proposed to be used in reference to scientific instruments, electrical devices, computers, media, and fire extinguishers (Class 9).<sup>125</sup> Additionally, it also faced objection under Section 11(1) for its perceived similarity to the registered mark SAX VIDEO PLAYER, used for computer software in Class 9.<sup>126</sup> Notably, SAX VIDEO PLAYER underwent examination just 18 months prior to the applied-for mark and did not receive any objections for containing scandalous or obscene matter.<sup>127</sup>

In 2019, an application was made to register the mark NEUD XPOSE YOURSELF for pharmaceutical and veterinary preparations (Class 5).<sup>128</sup> Despite opposing the mark for containing scandalous or obscene matter, the Examiner suggested that the mark was confusingly similar to a mark NUDE, which was already registered for a variety of healthcare goods (Class 5).<sup>129</sup>

Interestingly, the cited mark NUDE did not encounter objections for being scandalous when it underwent examination in 2008.<sup>130</sup> However, since then, it has been used as a basis for objecting to the registration of numerous marks incorporating the word 'NUDE' in Class 5, such as NUDE HAIR,<sup>131</sup> NUDE

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<sup>123</sup> *Id.*

<sup>124</sup> Indian Trade Mark Application No. 2,048,839 (filed Nov. 2, 2010); Indian Trade Mark Application No. 2,048,839, Examination Report (Jan. 23, 2012).

<sup>125</sup> Indian Trade Mark Application No. 4,298,319 (filed Sept. 19, 2019); Indian Trade Mark Application No. 4,298,319, Examination Report (Dec. 10, 2020).

<sup>126</sup> *Id.*

<sup>127</sup> Indian Trade Mark Application No. 4,176,758 (filed May 15, 2019); Indian Trade Mark Application No. 4,176,758, Examination Report (June 24, 2019).

<sup>128</sup> Indian Trade Mark Application No. 4,144,265 (filed Apr. 11, 2019); Indian Trade Mark Application No. 4,144,265, Examination Report (Aug. 8, 2022).

<sup>129</sup> Indian Trade Mark Application No. 1,556,058 (filed May 7, 2007); Indian Trade Mark Application No. 1,556,058, Examination Report (May 6, 2008).

<sup>130</sup> *Id.*

<sup>131</sup> Indian Trade Mark Application No. 3,730,705 (filed Jan. 18, 2018); Indian Trade Mark Application No. 3,730,705, Examination Report (Feb. 22, 2018).

WHEY,<sup>132</sup> and NUDEC.<sup>133</sup> Such a usage of Section 9(2)(c) by the Registrar of Trade Marks raises important questions. First, NUDE was not deemed scandalous or obscene in 2007 but was considered so in 2019. Does this suggest a potential shift towards more stringent moral standards over time? Second, the registration of a potentially scandalous or obscene word in 2007 has led to the subsequent refusal of many similar marks in the same class under Section 11. This trend can potentially hint at congestion within the Trade Marks Register, a phenomenon also observed in the American Register by Beebe and Fromer.<sup>134</sup>

In addition to the three marks discussed earlier, there are another 29 instances within the 49-month period examined in this study where Section 9(2)(c) has been invoked alongside Section 11.<sup>135</sup> Some noteworthy instances are discussed below:

- An applicant applied for the mark DICKS in reference beverage and food essentials (Class 30).<sup>136</sup> Along with an objection under Section 9(2)(c), the examiner suggested that the mark was confusingly similar to an earlier mark, DEEKS, which was used in reference to bread & pastry assortment.<sup>137</sup> The applications for the two marks were submitted with only a 25-month interval, and the application for DEEKS was passed without any objection under Section 9(2)(c).
- In March 2021, an applicant applied for a device mark, an essential feature of which was LAZYBUMS, for clothing and apparel.<sup>138</sup> The Examiner objected that the mark contains scandalous and obscene content, while also citing another mark with an identical essential feature, LAZY BUM.<sup>139</sup> The cited

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<sup>132</sup> Indian Trade Mark Application No. 4,059,541 (filed Jan. 17, 2019); Indian Trade Mark Application No. 4,059,541, Examination Report (Jan. 25, 2019).

<sup>133</sup> Indian Trade Mark Application No. 2,845,848 (filed Nov. 18, 2014); Indian Trade Mark Application No. 2,845,848, Examination Report (Jan. 12, 2016).

<sup>134</sup> Beebe & Fromer, *supra* note 85, at 1021.

<sup>135</sup> Further details for the other marks can be found in Appendix 1.

<sup>136</sup> Indian Trade Mark Application No. 5,285,293 (filed Jan. 14, 2022); Indian Trade Mark Application No. 5,285,293, Examination Report (Feb. 10, 2022).

<sup>137</sup> *Id.*

<sup>138</sup> Indian Trade Mark Application No. 4,909,601 (filed Mar. 18, 2021); Indian Trade Mark Application No. 4,909,601, Examination Report (May 4, 2021).

<sup>139</sup> *Id.*

mark was examined only 4 months prior to the subject mark, yet the former was not objected to for containing scandalous or obscene matter.<sup>140</sup>

*B. Applications that overcame an objection under Section 9(2)(c)*

Once the reply to an Examination Report is submitted, and the Show Cause Hearing is conducted, if the Trade Marks Registrar is convinced by the submissions made by the applicant, his application is accepted and moves forward in the prosecution. Subsequently, it will be published in the Trade Marks Journal for public notification. A review of the various Replies to the Examination Reports filed by the applicants provides further evidence that the conduct of the Trade Marks Registrar is arbitrary and inconsistent in the administration of Section 9(2)(c).<sup>141</sup>

Amongst the 140 applications in the dataset that received an objection under Section 9(2)(c), only 38 applications managed to overcome the objection,<sup>142</sup> while 47 applications were refused by the Registrar of Trade Marks. However, the criteria used by the Registrar to evaluate the responses from applicants defending their marks against objections under Section 9(2)(c) remain vague and erratic. This issue is further exacerbated by the fact that the orders issued by the Trade Marks Registrar are summaries in nature and do not provide any explanations as to the merit or content of the marks.

This ambiguity is most clearly exemplified in the prosecution record for the mark KISS MARY, which was applied for registration in the cosmetics and toiletry preparations category (Class 3) in March 2021.<sup>143</sup> The Registrar of Trade Marks objected to its registration, citing the presence of scandalous and obscene

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<sup>140</sup> Indian Trade Mark Application No. 4,827,491, Examination Report (Jan. 30, 2021).

<sup>141</sup> One variable that cannot be accommodated in the present dataset is the arguments made by the applicant in a Show-Cause Hearing before the Registrar. There are no digitized records of the arguments made by the applicant if the Registrar schedules a Show-Cause Hearing.

<sup>142</sup> This proportion is significantly higher than the one explained in Beebe and Fromer's paper. In their dataset, 140 applications out of a pool of 1,901 moved beyond the stage of objection. This means that around 7% of the applications that received an objection for containing scandalous or immoral content were able to overcome it, and only 91 applications (less than 5%) proceeded to registration. In the present dataset, the success rate for overcoming an objection under Section 9(2)(c) is significantly higher, at 27%. See Beebe & Fromer, *supra* note 16, at 172.

<sup>143</sup> Indian Trade Mark Application No. 4,901,606 (filed Mar. 12, 2021); Indian Trade Mark Application No. 4901606, Examination Report (Mar. 26, 2021).

material.<sup>144</sup> However, in the applicant's response, they failed to address this specific objection. The only objection highlighted in the Examination Report pertained to Section 9(2)(c). The Registrar did not make any references to Section 11, and no confusingly similar marks were cited in the Examination Report. Despite the only objection relating to absolute grounds, the reply mischaracterized the objection and defended the mark against the cited marks in the examination report, even though no such marks were cited by the Registrar. The applicant failed to defend against any objections related to Section 9, let alone Section 9(2)(c) specifically. Despite the erroneous Reply, the Registrar accepted the application on January 24, 2024, and it was advertised in the Trade Marks Journal on February 5, 2024.<sup>145</sup>

Within the cohort of 47 applications, a recurring theme emerges concerning objections under Section 9(2)(c). Applicants frequently resort to invoking the distinctiveness of their mark. However, this strategy does not consistently sway the Registrar's decision, leading to inconsistencies in the application process.

For example, in March 2019, an applicant applied for the mark NUDES for providing services as an Architectural Firm (Class 42).<sup>146</sup> The Registrar cited Section 9(2)(c) and objected to the mark for containing scandalous or obscene content.<sup>147</sup> The applicant defended the mark by claiming that the mark was a coined and invented term, which had no reference to the services offered under the mark. These submissions should have no bearing on whether the mark contains scandalous or obscene matter. Regardless, the mark was accepted by the Registrar and was published in the Trade Marks Journal.<sup>148</sup> Similar ambiguity is apparent in the cases of various other marks, such as HORNI, which was applied for registration concerning medicinal and pharmaceutical preparations (Class 5),<sup>149</sup> CEX,<sup>150</sup> BOOBS & BUDS,<sup>151</sup> and RIBALD THE NEECH,<sup>152</sup> all of which were applied for registration relating to clothing and apparel (Class 25).

<sup>144</sup> Indian Trade Mark Application No. 4,901,606, Examination Report (Mar. 26, 2021).

<sup>145</sup> Indian Trade Mark Application No. 4,901,606 (filed Mar. 12, 2021).

<sup>146</sup> Indian Trade Mark Application No. 4,116,164 (filed Mar. 13, 2019); Indian Trade Mark Application No. 4,116,164, Examination Report (Apr. 23, 2019).

<sup>147</sup> *Id.*

<sup>148</sup> Indian Trade Mark Application No. 4,116,164 (filed Mar. 13, 2019).

<sup>149</sup> Indian Trade Mark Application No. 4,148,440, Examination Report (May 31, 2019).

<sup>150</sup> Indian Trade Mark Application No. 4,391,659, Examination Report (Jan. 16, 2020).

<sup>151</sup> Indian Trade Mark Application No. 5,335,706, Examination Report (Mar. 29, 2022).

<sup>152</sup> Indian Trade Mark Application No. 5,290,558, Examination Report (Feb. 15, 2022).

Conversely, appeals to distinctiveness have remained unsuccessful in many cases. For example, in March 2021, an applicant applied for the registration of the mark NUDE ROMANCE, to be used in reference to non-medicated cosmetics and toiletry preparations (Class 3).<sup>153</sup> When the application was objected to for containing scandalous or obscene content, the applicant invoked the inherent distinctiveness of the mark, claiming that the mark was a coined term and did not bear any inherent connection to or meaning for the goods in reference to which it was adopted.<sup>154</sup> However, the Registrar was not convinced by the applicant's submissions and the application was refused.<sup>155</sup>

Identical treatment has been afforded to various other marks. In April 2019, an applicant applied for the registration of three marks, FUCK CHARDONNAY,<sup>156</sup> FUCK MERLOT<sup>157</sup> and FUCK CABERNET,<sup>158</sup> in reference to alcoholic preparations. All three applications were objected to for containing scandalous or obscene content. In their reply, the applicant appealed to the inherent and applied distinctiveness of the marks. The Registrar refused to waive the objections and held that:

[T]he content of the mark being "FUCK" means have sexual intercourse with (someone). I found this content of mark scandalous. The applicant failed to overcome the objections under section 9(2) (c) raised in the examination report, hence, refused.<sup>159</sup>

Similarly, when the registration for the mark SANSKARI SEX was objected to for containing scandalous or obscene content, the applicant appealed to the inherently distinctive nature of the mark.<sup>160</sup> However, the Registrar refused the application and held that "[t]he applicant submitted that the applied mark is coined, innovative, unique combination and distinctive. It does not designate any characteristics of

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<sup>153</sup> Indian Trade Mark Application No. 4,921,530 (filed Mar. 25, 2021); Indian Trade Mark Application No. 4,921,530, Examination Report (Apr. 16, 2021).

<sup>154</sup> Indian Trade Mark Application No. 4,921,530, Examination Report (Apr. 16, 2021).

<sup>155</sup> Indian Trade Mark Application No. 4,921,530 (filed Mar. 25, 2021).

<sup>156</sup> Indian Trade Mark Application No. 4,158,615 (filed Apr. 26, 2019).

<sup>157</sup> Indian Trade Mark Application No. 4,158,636 (filed Apr. 26, 2019).

<sup>158</sup> Indian Trade Mark Application No. 4,158,869 (filed Apr. 26, 2019).

<sup>159</sup> Indian Trade Mark Application No. 4,158,636, Refusal Notice (Dec. 23, 2019). Acceptance or Refusal orders are usually unreasoned and only include the final decision of the Registrar. Only a few orders provide explicit reasons for the acceptance or refusal. The authors have extracted the said reasons where available.

<sup>160</sup> Indian Trade Mark Application No. 4,344,760, Virtual Hearing Cell Order (July 20, 2023).

the applied services. Therefore, prayed for acceptance of the mark. However, the applied mark consists of obscene or scandalous matters which is prohibited u/s 9(2)(c) of the Trade Marks Act, 1999. Hence, refused.”<sup>161</sup>

The analysis of the dataset reveals that appeals to the distinctiveness of a mark represent just one approach among many that applicants employ in responding to objections under Section 9(2)(c). The outcomes are inconsistent—for some marks, such appeals to distinctiveness were sufficient for the Trademark Registrar to overcome the morality-based objection, while in other cases, they were not successful. This suggests that the standards and decision-making criteria used by the Registrar to evaluate responses to Section 9(2)(c) objections remain unclear and unpredictable. The lack of a consistent, reasoned approach undermines the transparency and fairness of the trademark registration process.

*C. Applications for potentially Scandalous and Obscene marks that never received an objection under Section 9(2)(c)*

The inconsistency in the conduct of the Trade Marks Registry is not limited to waiver of objections, it also extends to the issuance of objections. For applications filed between June 2018 and July 2022, the Trade Marks Registry did not issue objections under Section 9(2)(c) to significant number of applications that, based on the Registry's own standards, should have been considered immoral and scandalous. In order to identify such applications, the authors studied the Trade Marks Journal to identify applications which were similar to the marks intercepted by the Registry for containing scandalous and obscene content.

For example, in November 2018, an applicant applied for registration of the mark NAKED AND RAW COFFEE FACE WASH in reference to cosmetics and toiletries (Class 3).<sup>162</sup> The Mumbai Trade Marks Office opposed the registration of the mark under Section 9(2)(c).<sup>163</sup> However, when the same applicant applied

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<sup>161</sup> *Id.*

<sup>162</sup> Indian Trade Mark Application No. 3,992,781 (filed Nov. 5, 2018).

<sup>163</sup> Indian Trade Mark Application No. 3,992,781, Examination Report (Dec. 3, 2018). The objection was subsequently waived after the applicant submitted a Reply to the Examination Report, in which he claimed that “the word NAKED should be read in conjunction with RAW, COFFEE and FACE WASH and when read conjointly it does not amount to any obscene or scandalous matter because the word NAKED is used as a general term to denote coffee. It may further be pleaded that mere using of word NAKED doesn't amount to the attraction of Section 9(2)(c) of Trademark Act as it is not obscene and scandalous because the word Naked means anything expressing or suggesting unchaste and lustful ideas which means for a word to come

for the marks NAKED & RAW COFFEE FACE SCRUB<sup>164</sup> and NAKED & RAW COFFEE BODY SCRUB<sup>165</sup> in the same class before the same office, no objections under Section 9(2)(c) were raised. There was only a difference of seven days between the publication of the examination report for the first mark and the remaining two. In fact, the same applicant also applied for the mark NAKED AND RAW in Class 3 before the Mumbai Trade Marks Office, and the mark proceeded to registration without any objection under Section 9(2)(c).<sup>166</sup> Furthermore, there are many other marks with the constituent word NAKED already registered in Class 3, including NAKED TRUTH BY MYGLAMM,<sup>167</sup> NAKED URBAN DECAY,<sup>168</sup> and NAKED SKIN.<sup>169</sup> None of these marks received any objections for containing scandalous or obscene content.

A similar case can be highlighted in reference to Tobacco Products in Class 34. An applicant applied for two device marks, the essential textual elements of which were HASH<sup>170</sup> and HASH LIGHTS.<sup>171</sup> Both marks were filed before the Delhi Office and were examined within a 16-month interval. Yet while the second mark was objected for containing scandalous and obscene content,<sup>172</sup> the first mark received no such objection.<sup>173</sup> This was also noted by the applicant in his Reply to the Examination Report for the second mark.<sup>174</sup>

Such a treatment can also be witnessed when the applied-for marks contain non-English words. In March 2019, the mark CHOR BAZAR, was applied

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under the definition of obscenity, it must not arouse sexual desire which is absent in the instant application as this application is for a face wash only which do not contain any such abovementioned ingredients.”

<sup>164</sup> Indian Trade Mark Application No. 3,992,780, Examination Report (Dec. 11, 2018).

<sup>165</sup> Indian Trade Mark Application No. 3,992,779, Examination Report (Dec. 11, 2018).

<sup>166</sup> Indian Trade Mark Application No. 5,610,348 (filed Sept. 15, 2022).

<sup>167</sup> Indian Trade Mark Application No. 4,425,513 (filed Jan. 30, 2020); Indian Trade Mark Application No. 4,425,513, Examination Report (Feb.13, 2020).

<sup>168</sup> Indian Trade Mark Application No. 2,440,524 (filed Dec. 11, 2012); Indian Trade Mark Application No. 2,440,524, Examination Report (Dec. 12, 2013).

<sup>169</sup> Indian Trade Mark Application No. 2,440,525 (filed Dec. 11, 2012); Indian Trade Mark Application No. 2440525, Examination Report (Dec. 12, 2013).

<sup>170</sup> Indian Trade Mark Application No. 4,432,682 (filed Feb. 6, 2020); Indian Trade Mark Application No. 4,432,682, Examination Report (Mar. 4, 2020).

<sup>171</sup> Indian Trade Mark Application No. 5,053,495 (filed July 21, 2021); Indian Trade Mark Application No. 5,053,495, Examination Report (Aug. 5, 2021).

<sup>172</sup> Indian Trade Mark Application No. 5,053,495, Examination Report (Aug. 5, 2021).

<sup>173</sup> Indian Trade Mark Application No. 4,432,682, Examination Report (Mar. 4, 2020).

<sup>174</sup> Indian Trade Mark Application No. 5,053,495, Reply to Examination Report (July 21, 2021).

in reference to providing services related to hotels, resorts, etc. (Class 43).<sup>175</sup> The Chennai Trade Marks Office objected the mark under Section 9(2)(c).<sup>176</sup> Interestingly, not only did the Registrar suggest that the mark was confusingly similar to a previously existing mark, CHOR BIZAREE,<sup>177</sup> they also omitted to consider the fact that there were various other marks registered in the same class which did not receive an objection for containing scandalous and obscene content. Some of these marks are MAAKHAN CHOR,<sup>178</sup> BIRYANI CHOR<sup>179</sup> and KAAMCHOR.<sup>180</sup>

One of the clearest enunciations of the inconsistency in administration of Section 9(2)(c) can be witnessed by studying marks where a composite component is the word SEXY. For example, between June 2018 and July 2022, the Registrar of Trade Marks objected four marks with the constituent word SEXY: I'MSEXY,<sup>181</sup> JUSTSXY,<sup>182</sup> FEEL SEXY WITH POP CULTURE,<sup>183</sup> and SEXY BRA.<sup>184</sup> Within this time period, there were five other applications which passed the examination stage without being objected under Section 9(2)(c): SEXYBEAST,<sup>185</sup> SEXYBUST,<sup>186</sup> SEXYFISH,<sup>187</sup> PLAY SEXY,<sup>188</sup> and LA SENZA 24 SEXY.<sup>189</sup>

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<sup>175</sup> Indian Trade Mark Application No. 4,134,601 (filed Mar. 30, 2019).

<sup>176</sup> Indian Trade Mark Application No. 4,134,601, Examination Report (June 28, 2019).

<sup>177</sup> *Id.*

<sup>178</sup> Indian Trade Mark Application No. 2,896,645 (filed Feb. 9, 2015).

<sup>179</sup> Indian Trade Mark Application No. 3,046,361, Examination Report (May 27, 2016).

<sup>180</sup> Indian Trade Mark Application No. 3,485,330, Examination Report (Mar. 3, 2017).

<sup>181</sup> Indian Trade Mark Application No. 4,185,753 (filed May 24, 2019); Indian Trade Mark Application No. 4,185,753, Examination Report (July 4, 2019).

<sup>182</sup> Indian Trade Mark Application No. 4,185,754 (filed May 24, 2019); Indian Trade Mark Application No. 4,185,754, Examination Report (July 4, 2019).

<sup>183</sup> Indian Trade Mark Application No. 4,928,075 (filed Mar. 31, 2021); Indian Trade Mark Application No. 4,928,075, Examination Report (May 12, 2021).

<sup>184</sup> Indian Trade Mark Application No. 4,957,580 (filed Apr. 27, 2021); Indian Trade Mark Application No. 4,957,580, Examination Report (May 25, 2021).

<sup>185</sup> Indian Trade Mark Application No. 5,041,399 (filed July 12, 2021); Indian Trade Mark Application No. 5,041,399, Examination Report (July 22, 2021).

<sup>186</sup> Indian Trade Mark Application No. 4,673,633 (filed Sept. 25, 2020); Indian Trade Mark Application No. 4,673,633, Examination Report (Oct. 19, 2020).

<sup>187</sup> Indian Trade Mark Application No. 4,200,537 (filed June 7, 2019); Indian Trade Mark Application No. 4,200,537, Examination Report (Aug. 5, 2019).

<sup>188</sup> Indian Trade Mark Application No. 4,111,366 (filed Mar. 8, 2019); Indian Trade Mark Application No. 4,111,366, Examination Report (Mar. 29, 2019).

<sup>189</sup> Indian Trade Mark Application No. 3,349,743 (filed Aug. 30, 2016); Indian Trade Mark Application No. 3,349,743, Examination Report (Dec. 12, 2020).

Another trend that can be witnessed relates to moral paternalism and how it affects the decisions made by Trade Marks Examiners. In January 2021, an application for registration of the mark ONE DOLLAR SEX CLUB was filed before the Delhi Trade Marks Office in reference to dating and matchmaking services under Class 9 and 45.<sup>190</sup> The concerned examiner issued an objection under Section 9(2)(c), suggesting that the mark contained scandalous and obscene matter.<sup>191</sup> The decision of the Registrar is difficult to reconcile with the fact that there are many marks in Class 45 which include the constituent word SEX. Some examples include, SSS STOP SEX SLAVERY, applied in reference to “providing social services in relation to prevention of human slavery and exploitation,”<sup>192</sup> PROJECT SAMVAAD: CREATING A SAFE SPACE FOR SEXUAL AND SOCIO-EMOTIONAL WELLBEING,<sup>193</sup> and SAFE SEX WEEK<sup>194</sup> applied for providing legal, personal and social services.

The varying treatment of marks within the same class suggests that Trade Marks Examiners base their moral standards on the specific goods and services associated with the mark. Such a nuanced approach is important for determining morality-based proscriptions in trademark law.<sup>195</sup> However, it is important that any discretion awarded to the Trade Marks Examiners is constrained by broad guidelines and principles for its determination. As highlighted in the previous study, such guidelines are completely absent as is evidenced by the conduct of the Trade Marks Registry. Such discretion can lead to inconsistent results. As the present dataset reveals, only 25% of the applications that received an objection under Section 9(2)(c) successfully navigated the objections. The remaining 36% remain stuck in the objection process, while 32% were refused. Therefore, an office objection under Section 9(2)(c) poses a significant barrier to registration of a trademark and needs to be administered consistently and methodologically.

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<sup>190</sup> Indian Trade Mark Application No. 4,823,848 (filed Jan. 18, 2021).

<sup>191</sup> Indian Trade Mark Application No. 4,823,848, Examination Report (Jan. 22, 2021).

<sup>192</sup> Indian Trade Mark Application No. 2,045,207 (filed Oct. 27, 2010); Indian Trade Mark Application No. 2,045,207, Examination Report (Mar. 9, 2012).

<sup>193</sup> Indian Trade Mark Application No. 4,882,994 (filed Feb. 27, 2021); Indian Trade Mark Application No. 4,882,994, Examination Report (Mar. 10, 2021).

<sup>194</sup> Indian Trade Mark Application No. 4,068,024 (filed Jan. 25, 2019); Indian Trade Mark Application No. 4,068,024, Examination Report (Feb. 9, 2019).

<sup>195</sup> In a previous study, we have strongly argued in favor of such a nuanced analysis. Ram Mohan & Gupta, *supra* note 31, at 22–29. *See also* Scardamaglia, *supra* note 54, at 629.

## DISCUSSION AND CONCLUSION

The examination of morality-based proscriptions in trademark law, both internationally and within the Indian context, highlights the complexities and inconsistencies inherent in such regulations. The previous study conducted by the authors revealed the lack of clear definitional and guiding standards to govern the application Section 9(2)(c) of the Indian Trade Marks Act 1999.<sup>196</sup> By creating and leveraging a novel dataset, this study provides empirical evidence of the inconsistencies in the administration of the provision. While these complexities are innate to the nature of morality-based provisions, acknowledging their existence is the crucial first step towards mitigating them.

While engaging with this issue, it should be noted that trademark laws assimilate a complex paradox. On the one hand, it regulates commercial expression, and it is aimed at improving market efficiencies and reducing consumer search costs. On the other hand, trademarks can become powerful expressions of political, social, and expressive speech.<sup>197</sup> Professor Katyal suggests that this complexity arises because of trademark law’s inherent conflict between two metaphors: the marketplace of goods and the marketplace of ideas.<sup>198</sup> While the marketplace of goods is premised on fixed nature of property rights, the marketplace of ideas is premised on dynamism and fluidity.<sup>199</sup> Thus, trademarks can have a fixed meaning for use in trade but also an expressive meaning which is fluid, and can take on different meanings.

This dynamism is best explained by reference to one of the trademark applications intercepted by the authors’ dataset. In February 2022, Isha Yadav, a doctoral student from a public university in India, applied for the trademark MUSEUM OF RAPE THREATS AND SEXISM.<sup>200</sup> She applied the mark in reference to training, education, entertainment and cultural services. Possibly because the word “rape” forms part of the trademark, the Registry cited an

<sup>196</sup> Ram Mohan & Gupta, *supra* note 31, at 29.

<sup>197</sup> For example, see the potential of the Barbie mark. From an important commercial moniker for Mattel to an immutable social icon, the Barbie trademark is the prototypical example of this tension. See M. P. Ram Mohan & Aditya Gupta, *Litigating Barbie: Trademark Infringement, Parody, and Free Speech*, 47 DEL. J. CORP. L. 33, 35–36 (2022).

<sup>198</sup> Sonia K. Katyal, *Trademark Intersectionality*, 57 UCLA L. REV. 1601, 1601 (2010).

<sup>199</sup> *Id.* at 1605.

<sup>200</sup> Indian Trade Mark Application No. 5,331,306 (filed Feb. 16, 2022).

objection under Section 9(2)(c).<sup>201</sup> However, a basic search of the context in which the mark is applied reveals that Ms. Yadav has been engaged in memorializing and documenting instances of violence against women in digital formats.<sup>202</sup> In one of her social media posts, she explains her project and says:

I'm looking for women who've received sexist comments, misogynist slurs, rape threats or unsolicited genitalia, or have been violated and harassed on any social media platforms, either in comment sections or inboxes.

I'm collecting these screenshots and curating a digital installation, where I'm creating a digital collage of \*all the shit womxn go through\*, online, only for being themselves.

I hope to memorialise the verbal violence, visualize the effect of this violence, and explore the sense of solidarities among women and this part of our lives. The exhibitions serves as a space of intervention into the ideas of consent, coercion, harassment, and assault. I invite views to engage with the act of violation, power politics, and the inflicted trauma of verbal violence, and tethered sense of agency, through the medium of screenshots in the installation.<sup>203</sup>

Ms. Yadav's case serves as the prototypical example of the inherent conflict in trademark law. The remit of her mark is not limited to its commercial function, it embodies a powerful social and political comment. Despite its potentiality, the mark is now stuck in an administrative tussle, and, as the present study would imply, she has only a 27% chance of navigating this tussle successfully.

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<sup>201</sup> Indian Trade Mark Application No. 5,331,306, Examination Report (Mar. 24, 2022).

<sup>202</sup> See Anjani Chadha, *Lifting the Vile Veil*, INDULGE (Jan. 15, 2022, 1:58 AM), <https://www.indulgexpress.com/msociety/2022/Jan/15/lifting-the-vile-veil-38492.html> [https://perma.cc/KKF9-JKJW]; Aamna, *Part Woolf/Part Gogh: A Peek at Isha Yadav's Life-Sized Canvas*, FEMINISM IN INDIA (Jun. 30, 2020), <https://feminisminindia.com/2020/06/30/peek-at-isha-yadavs-life-sized-canvas> [https://perma.cc/UU25-UFR5].

<sup>203</sup> MuseumofRapeThreats&Sexism (@museumofrapethreats), INSTAGRAM (Nov. 25, 2019), [https://www.instagram.com/p/B5St9XYB6fo/?img\\_index=4](https://www.instagram.com/p/B5St9XYB6fo/?img_index=4) [https://perma.cc/ELY9-EDJ3].

APPENDIX<sup>204</sup>

**Appendix 1:** Applications which received concomitant objections under Section 9(2)(c) and Section 11

TM applied for (Class)	Application No(Date of application)	Similar mark (Class)	Similar mark app no (Date of application)
POROGARA-1– Class: 5	3847916 Date: 31/05/2018	PROGRA Class: 5	1422140 Date: 17/02/2006
Easy Life Ultra Class: 5	3948141 Date: 18/09/2018	Easylife Class: 5	1047087 Date: 24/09/2001
		Easylife Fresh Class: 5	2458751 Date: 11/01/2013
		Easy To Life Class: 5	3373617 Date: 28/09/2016
Chor Bazar Class: 43	4134601 Date: 30/03/2019	Chor Bizzare Class: 43	2048839 Date: 02/11/2010
NEUD XPOSE YOURSELF Class: 5	4144265 Date: 11/04/2019	Xpose Class: 5	960725 Date: 04/10/2000
		Nude Class: 5	1556058 Date: 07/05/2007
FUCK CABERNET Class: 33	4158869 Date: 26/04/2019	Cabarnet Saubignon(label) Class: 33	1519793 Date: 22/11/2006
Kamashastr Class: 5	4175585 Date: 14/05/2019	Kamashastram Class: 5	3175335 Date: 03/02/2016
KickAss Class: 3	4217864 Date: 26/06/2019	Kick Class: 3	2535905 Date: 22/05/2013
		Kick Class: 3	2781774 Date: 28/07/2014
INDIE MODA Class: 25	4249938 Date: 29/07/2019	Indi Moda Class: 25	4169270 Date: 07/05/2019
SAX VIDEO Class: 9	4298319 Date: 19/09/2019	Sax Class: 9	3754007 Date: 20/10/2017

<sup>204</sup> More details on the trademarks included in the dataset can be found in the appendices of the former version of this paper. See Ram Mohan & Gupta, *supra* note 31, at 36–72 (listing the trademark applications included in this dataset that were abandoned after receiving the Examination Report, the trademark applications which overcame an objection under Section 9(2)(c), the applications which received an objection under Section 9(2)(c) between June 2018 and July 2022, and the applications for potentially Scandalous and Obscene marks that never received an objection under Section 9(2)(c)).

		Sax video player Class: 9	4138425 Date: 05/04/2019
		Sax Video Player Logo Class: 9	4176758 Date: 15/05/2019
HORNY GRA Class: 5	4301361 Date: 23/09/2019	Horni Class: 5	4148440 Date: 16/04/2019
SANSKARI SEX Class: 41	4344761 Date: 12/11/2019	Sanskas (Label) Class: 41	1528436 Date: 06/02/2007
		Sanskas Class: 41	1838719 Date: 13/07/2009
		Sanskas with device of kids Class: 41	2702579 Date: 20/03/2014
		Each alphabet is represented in different colored squares Class: 41	3515739 Date: 28/03/2017
While London Class: 3	4455581 Date: 27/02/2020	Whites of London (Label) Class: 3	1487249 Date: 13/09/2006
JONA APPETITE POWER Class: 5	4463714 Date: 05/03/2020	Jona Class: 5	2279487 Date: 08/02/2012
PRAMOVIT+ Class: 5	4658286 Date: 16/09/2020	Promovit Class: 5	2627260 Date: 13/11/2013
TALATIN 30 Class: 5	4704748 Date: 16/10/2020	Talapin Class: 5	1876542 Date: 26/10/2009
MURLI BLACK MAGIC Class: 3	4778977 Date: 13/12/2020	Black Magic Class: 3	926013 Date: 22/05/2000
		Black Magic Incense Sticks (label) Class: 3	986019 Date: 25/01/2001
		Murli Dhoop Class: 3	1368186 Date: 01/07/2005
		Murli Class: 3	1968300 Date: 19/05/2010
		Murli (Device) Class: 3	2341058 Date: 31/05/2012
		Murli Class: 3	2516529 Date: 19/04/2013
Lazybums Class: 25	4909601 Date: 17/03/2021	Device Mark Class: 25	4827491 Date: 20/01/2021

Feel Sexy With Pop Culture Class: 25	4928075 Date: 31/03/2021	Sexy Silk Class: 25	3490332 Date: 23/02/2017
		Sexy and Broke Class: 25	3593890 Date: 18/07/2017
		Sexy and Broke Class: 25	3593891 Date: 18/07/2017
		Sexy Bust Class: 25	3661801 Date: 24/10/2017
		Sexy Fish Class: 25	4200537 Date: 07/06/2019
		Sexy Flexy Class: 25	4354462 Date: 21/11/2019
1857REVOLTEA CAFE FOR THE REVOLUTIONARY ORGASM Class: 25	4962348 Date: 01/05/2021	1857 Class: 25	4088622 Date: 15/02/2019
		1857 Supply & Co. Class: 25	4155683 Date: 23/04/2019
Pemi Class: 25	5078928 Date: 07/08/2021	Pami Class: 25	1311780 Date: 28/09/2004
Kamatoy's: Unizip for more happiness Class: 10	5082265 Date: 10/08/2021	Kama Sutra Class: 10	607037 Date: 17/09/1993
		Kama Sutra Exotica Class: 10	1052185 Date: 15/10/2001
		KamaSutra(label) Class: 10	1517212 Date: 03/01/2007
		Kamasutra (special form writing) Class: 10	1517215 Date: 03/01/2007
		Kama Sutra Class: 10	1517216 Date: 03/01/2007
		Kamagni Class: 10	1838907 Date: 13/07/2009
		KAMASUTRATOYS Class: 10	4042679 Date: 31/12/2018
		KamaSutra Class: 10	4227345 Date: 06/07/2019
		Kama Class: 10	4696956 Date: 10/10/2020
		Kamamoods Class: 10	4766227 Date: 03/12/2020
		Kamajoy: A ride to euphoria Class: 10	4769301 Date: 05/12/2020

Rapchik Class: 5	5120990 Date: 07/09/2021	Rapicheck Class: 5	1366994 Date: 27/06/2005
		Rapichek Class: 5	1420031 Date: 08/02/2006
She Angel Class: 25	5124517 Date: 09/09/2021	Angel Class: 25	580049 Date: 31/08/1992
		Angels Class: 25	608563 Date: 05/10/1993
		Angels (label) Class: 25	955278 Date: 12/09/2000
		Angel Sarees Class: 25	2330295 Date: 11/05/2012
		Angel Class: 25	4509946 Date: 26/05/2020
DD DRUNK N DRIVE DRINK HEALTHY . DRIVE SAFELY Class: 43	5175813 Date: 16/10/2021	O & M'S DRINK & DRIVE Class: 43	4429543 Date: 04/02/2020
		DND Drink & Dine Class: 43	4679913 Date: 29/09/2020
Linga Class: 31	5279876 Date: 11/01/2022	LINGA Class: 31	5202992 Date: 09/11/2021
Afroasia V-18 Class: 5	5282887 Date: 13/01/2022	V-18 Long & Safe Class: 5	4663576 Date: 19/09/2020
Dicks Class: 30	5285293 Date: 14/01/2022	Deeks Class: 99	4188451 Date: 05/03/2019
Rocket Man 100 Class: 5	5312073 Date: 03/02/2022	Rocketm Class: 5	3135386 Date: 22/12/2015
		Rocketgun Class: 5	4170659 Date: 08/05/2019
Alira Beauty Class: 25	5347803 Date: 27/02/2022	Ellira Class: 25	4957098 Date: 26/04/2021
		Elira Class: 25	5268906 Date: 31/12/2021
RIBVA Class: 3	5382090 Date: 24/03/2022	Riba Class: 3	3751784 Date: 13/02/2018
		Ribha Class: 3	3783476 Date: 20/03/2018
STANMARK'S Class: 5	5384366 Date: 25/03/2022	Stanmark Class: 5	933241 Date: 20/06/2000
		KABZRELIEF Class: 5	4707615 Date: 18/10/2020
		Kabjrelief Class: 5	5266554 Date: 29/12/2021

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BEYOND PRIVACY: REGULATING CHATGPT FOR YOUNG  
ADULTS IN EDUCATIONAL CONTEXTS

YESEUL DO\*

*Conversations about artificial intelligence (AI) regulation in lawmaking and legal scholarship typically focus on data privacy issues. This Note breaks from that tendency, engaging AI regulation from an educational perspective that focuses instead on the pedagogical implications of AI use. In particular, it examines the role of ChatGPT in educational settings for young adults, a group that is often overlooked in regulatory discussion. Unlike other arguments that emphasize the privacy risks posed by AI, this Note argues that AI regulation is too privacy focused, to the detriment of overlooking other important risks that young adults face in educational settings. In fact, there is too little attention given to regulating ChatGPT for young adults and in education, especially in recognizing the risks of inequitable access to these technologies. Despite recognition by regulators, policymakers, educators, and students of the disruptive potential of ChatGPT in secondary classrooms, many of the concerns raised by lawmakers do not align with those of educators. In recognizing these challenges, I offer several strategies to begin thinking about how to effectively regulate ChatGPT by harnessing the technology's benefits while simultaneously safeguarding against its risks.*

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## INTRODUCTION<sup>1</sup>

Brian, my seventeen-year-old, high school student cousin, asked me to look over his college entrance essay for the Common App. However, upon reading the first few sentences, something felt amiss. The sentences were grammatically correct, and there was not a single typo throughout the essay. Perhaps it was that, due to my former experience working as a high school English teacher, I knew how seventeen-year-olds normally write, or maybe it was just my innate intuition that the writing sounded off. I couldn't quite put my finger on exactly why, but it was clear after reading the first two paragraphs that Brian was not the author. As I skimmed through the rest of the essay, I paused and asked Brian, “did you use ChatGPT to write this?” Bewildered, my teenage cousin responded, “is it that obvious?”

My experience with Brian's essay is neither unusual nor rare. An online survey of around a thousand high school students in fall of 2023 showed that one in five teenagers have used ChatGPT for school assignments.<sup>2</sup> Brian's sheepish reaction to me asking if his essay was AI-generated also affirms a finding from the same survey, which showed that 57% of these teens felt it was not acceptable to write essays using ChatGPT.<sup>3</sup> My anecdote with Brian opens up the door to an entire slew of questions and concerns – how are young adults using AI? Is AI safe? Do teachers know about it? Is independent essay writing a thing of the past?

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<sup>1</sup> As a former high school special education teacher who taught between 2019-2021, I bring a practical perspective to the legal concepts discussed in this paper. I was inspired to pursue my J.D. after teaching during the Covid-19 pandemic and seeing the failures of technology in the realm of K-12 education. My background in teaching allows me to demonstrate how legal regulatory methods function in the classroom, and I hope to bring to light the challenges in education regulation, especially as it pertains to EdTech (educational technologies).

<sup>2</sup> Olivia Sidoti & Jeffrey Gottfried, *About 1 in 5 U.S. Teens Who've Heard of ChatGPT Have Used It for Schoolwork*, PEW RSCH. CTR. (Nov. 16, 2023), <https://www.pewresearch.org/short-reads/2023/11/16/about-1-in-5-us-teens-whove-heard-of-chatgpt-have-used-it-for-schoolwork/> [https://perma.cc/K9AZ-2XR2].

<sup>3</sup> *Id.*

A deeper dive into AI regulation in schools shows that research in this area is very limited, and the research that does occur from the legal space focuses nearly exclusively on information privacy questions. There is surprisingly little about AI's effects on education and young adults in legal discourse. On the other hand, schools and the education space are largely focused on pedagogical questions, such as how AI fits into teaching students and concerns about academic integrity. There is also a significant disconnect between policymakers' views of AI and educators' concerns surrounding AI. Part I of this Note begins by discussing the current educational landscape and its approach to technology as schools begin to grapple with and manage the availability of AI. In this section, I also offer different definitions of AI and explore the challenges that come with defining the technology, along with explaining how ChatGPT (currently the most widely-used generative AI chatbot app) functions.

Part II discusses the multifaceted risks that AI poses for young adults in educational settings beyond the commonly discussed privacy concerns. This includes concerns about accessibility, AI literacy, pedagogical effectiveness, and ethical use.

Part III explores the current regulatory and legislative landscape for AI and criticizes AI regulation's narrow obsession with privacy concerns. I argue that the current regulatory environment for AI is overly preoccupied with privacy issues, at the expense of addressing a broader spectrum of ethical, social, and pedagogical challenges presented by AI technologies. This oversight becomes increasingly evident when scrutinizing AI regulation for young adults in educational contexts.

Part IV sets forth suggestions for future AI regulation for young adults in educational contexts, utilizing the 2023 Biden Executive Order on AI as a baseline. By drawing on the 2023 Biden Executive Order's guiding principles, this section lays out strategies in formulating effective regulation of ChatGPT and other generative AI apps for the future.

## I

### CURRENT EDUCATIONAL LANDSCAPE FOR YOUNG ADULTS

#### A. *The Recent EdTech Landscape*

K-12 schools have experienced rapid technological developments thanks to being forced into virtual learning by the COVID-19 pandemic. Had it not been for the pandemic, many schools would have technologically remained decades behind,

where laptops were only seldom used during class time, but students would all be Snapchatting their friends on smartphones during bathroom breaks.

However, despite the necessity of virtual learning having forced some schools to integrate more technology into their classrooms, the world of secondary education remains resistant to change. While many young adults (ages 13-17) seem to own a smartphone, many also struggled to adapt when education moved online. When the world was forced to move to solely digital communication in the lockdowns of March 2020, I personally saw many of my students struggle.

Most classes at my school did not use laptops in the classroom prior to the pandemic, and I observed firsthand my high school students' poor technological literacy. Due to a lack of familiarity with computers and online classroom tools, students struggled to use basic internet tools during the pandemic. For example, I regularly had students send entire emails in the subject line. Gen Z and Gen Alpha young adults are presumed to be more tech-savvy because this generation grew up with screens from a young age, but my experience as a teacher illuminated that technological literacy remains extremely low.<sup>4</sup> Most of my students in my English I class (ages 13-17) frequently fell for phishing scams and did not know how to use the Google search bar.

My school also had serious bars to technological access. Despite my school not qualifying for Title I funding (federal financial assistance to schools that record at least 40% of their students as low-income status),<sup>5</sup> nearly none of my students had access to a computer during the pandemic shutdowns of March 2020. My students logged into class on Google Meets on their phones, and the few who were lucky enough to have access to a computer frequently had network connectivity issues or had to disconnect from the call midway, as their siblings also needed to use the single computer in the house to attend their respective classes.

The technology access issue was so bad that the Hawaii Department of Education (HIDOE) made school optional for the rest of that school year. In the

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<sup>4</sup> The surprising lack of technological literacy among young adults is a growing concern. See Aaron Skonnard, *The Next Generation of Workers Is Less Tech Savvy Than We May Think*, FORBES (June 23, 2023), <https://www.forbes.com/councils/forbestechcouncil/2023/06/23/the-next-generation-of-workers-is-less-tech-savvy-than-we-may-think/> [https://perma.cc/HD7R-Q9QF].

<sup>5</sup> Title I, NAT'L CTR. FOR EDUC. STATS., <https://nces.ed.gov/fastfacts/display.asp?id=158#fr3> [https://perma.cc/9RZD-7A3K] (last visited Apr. 8, 2025).

span of weeks, learning moved from my classroom of thirty desk chairs to just five students logging onto Google Meets. The state purchased pre-loaded freshman English curricula on Blackboard, an online education management system, that ended up being unsuitable for my integrated classroom with disabled and non-disabled students. Neither myself nor my students could figure out how to navigate Blackboard's clunky interface, and the investment into Blackboard thus felt like a huge waste of money. Sadly, my experience during the pandemic was not unique. My classroom was just one of thousands experiencing this type of difficulty nationwide.<sup>6</sup>

Today, student learning and teaching in some schools is more or less the same as its pre-pandemic status. When speaking with my former colleagues, teachers share that many schools have returned to a fully in-person environment. Classrooms remain largely technology free when it comes to learning. Students still access their smartphones in their free time to socialize or contact their families, but Chromebooks are not used much besides for word processing or an occasional research project.<sup>7</sup> Although a post-Covid policy report showed that more homes now have access to broadband internet access,<sup>8</sup> that is only one step towards increasing technological access for young adults.

### B. *Education's Resistance to Change*

Despite the rapid switch to virtual learning during the pandemic, education is typically a very stagnant space where things are extremely resistant to change. Education's resistance to innovation has been documented across all levels, from

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<sup>6</sup> See, e.g., *Delivery Delays Likely for Chromebooks, iPads Under COVID-19, Analyst Predicts*, EDUC. WK. (Apr. 27, 2020), <https://www.edweek.org/technology/delivery-delays-likely-for-chromebooks-ipads-under-covid-19-analyst-predicts/2020/04> [https://perma.cc/HHU8-DU93].

<sup>7</sup> This statement is based on my conversations and anecdotes from my former colleagues who have remained in K-12 education. However, the challenges of integrating technology into the classroom, especially post-pandemic, have been discussed by education writers. See, e.g., Verland Coker, *Pandemic Highlights Longtime Tech-Integration Failures for Public Schools*, SOURCE N.M. (Sept. 14, 2021), <https://sourcenm.com/2021/09/14/pandemic-highlights-longtime-tech-integration-failures-for-public-schools/> [https://perma.cc/8P2Z-UNX6].

<sup>8</sup> Nathan Burroughs, *U.S. Children Have Increased Access to Broadband, Shrinking the "Digital Divide"*, PUB. POL'Y ASSOCS. (Feb. 23, 2023), <https://publicpolicy.com/news/press-release-u-s-children-have-increased-access-to-broadband-shrinking-the-digital-divide/> [https://perma.cc/N693-A9VV].

secondary to higher education.<sup>9</sup> Teachers are often suspicious of new innovations, not because they lack value, but because they introduce additional workload such as extensive training. Teaching is already a difficult profession, notorious for requiring that teachers juggle a number of endless tasks, and with innovation follow more responsibilities, often without sufficient support for teachers.<sup>10</sup>

Education's resistance to change is also rooted in cost concerns. School funding is historically lacking, making it challenging for institutions to justify experimenting with unproven tools. Implementing new technology demands significant investments in teacher training and an evaluation period to assess its effectiveness. Schools tend to be risk-averse, afraid of investing already scarce resources in a new technology that ends up being impractical to implement or pedagogically ineffective.<sup>11</sup> Consequently, schools are wary of wasting time, energy and money on an initiative that results in its abandonment.

These change-averse attitudes in education contribute to the odd EdTech landscape, explaining why EdTech lags so far behind as the rest of society speeds ahead. Students, especially those from poorer school districts, continue to fall behind in tech literacy because schools with fewer resources are even less able to take risks with new educational tools. This situation exacerbates the digital divide between wealthier and poorer schools, widening the gap in education opportunities and outcomes.

Illustrating this dynamic, special education records are still filed by paper in Hawaii and shredded annually to ensure student privacy. This careful approach reflects the serious commitment to federally mandated protections for students,

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<sup>9</sup> See John W. Maag, *Resistance to Change: Overcoming Institutional and Individual Limitations for Improving Student Behavior Through PLCs*, J. AM. ACAD. OF SPECIAL EDUC. PROS. 41, 43–44 (2009); Susan Fine, *Facing the Future: The Urgent Need for Innovation in Higher Education*, HARV. ADVANCED LEADERSHIP INITIATIVE SOC. IMPACT REV. (Sept. 19, 2023) (reviewing BRIAN ROSENBERG, *WHATEVER IT IS, I'M AGAINST IT: RESISTANCE TO CHANGE IN HIGHER EDUCATION* (2023)), <https://www.sir.advancedleadership.harvard.edu/articles/facing-future-urgent-need-for-innovation-higher-education> [<https://perma.cc/Z3ZL-HFA7>].

<sup>10</sup> Peggy A. Ertmer et al., *Teacher Beliefs and Technology Integration Practices: A Critical Relationship*, 59 COMPUTS. & EDUC. 423, 425 (2012), <https://doi.org/10.1016/j.compedu.2012.02.001> [<https://perma.cc/4E2N-B6P4>] (“The most cited reason for lack of implementation of new technology is lack of professional development.”) (citation omitted).

<sup>11</sup> See, Peter Long, *Using Data to Drive EdTech Adoption in Schools*, MCH STRATEGIC DATA (Dec. 16, 2024), <https://www.mchdata.com/blog/using-data-to-drive-edtech-adoption-in-schools> [<https://perma.cc/TA6X-NCR2>].

especially special needs students with IEPs and 504 plans.<sup>12</sup> While it's important that student privacy is taken very seriously, this also leads to a strange archaic system of physical document handling. Years' worth of IEPs are stored in giant cabinets, and paper copies are painstakingly transferred between schools whenever a student transfers to another institution.

This juxtaposition of balancing stringent student privacy requirements alongside outdated technology reveals the reality of our secondary education system. While this paper-based system ensures student privacy, it feels incredibly antiquated. Sensitive data is transferred across multitudes of industries and institutions (such as law firms and hospitals) via more technologically advanced cloud management systems. The lack of technological advancement in schools is frustrating and reflects the lack of resources and challenges affecting the education system, rather than a commitment to student privacy.

The variation in how teachers utilize technology in classrooms is also affected by socioeconomic factors surrounding the schools. More affluent schools have more resources, with certain private schools even renting out computer devices to each student during the school year, whereas classrooms like mine with underserved populations had a computer cart that was shared across four other classrooms of 400 students. I was lucky to have the laptop cart "housed" permanently in my classroom, but it was usually borrowed by other teachers. Teachers fought for laptops, with students knocking at my door from neighboring classrooms asking if they could take the laptop cart.

### *C. The Advent of ChatGPT in Schools*

Within this strange post-Covid world of education, schools and students are encountering what seems like a magic tool: ChatGPT. A 2023 national survey showed that around 20% of young adults have used ChatGPT for schoolwork.<sup>13</sup>

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<sup>12</sup> Under the Individuals with Disabilities Education Act (IDEA), the U.S. requires that all students have the right to a free and appropriate public education (FAPE) from birth through high school graduation or age 21 (whichever comes first). Under IDEA, students with disabilities may qualify for an Individualized Education Program (IEP) or 504 plan, which are documents that lay out students' instructional directions, supports, and special services based on their individualized needs. Due to the sensitive nature of these documents, student privacy is extremely important. *See* Off. of Special Educ. and Rehab. Servs., *A Guide to the Individualized Education Program*, U.S. DEP'T OF EDUC. 1 (July 2000), <https://www.ed.gov/sites/ed/files/parents/needs/speced/iepguide/iepguide.pdf> [<https://perma.cc/AFU5-7XNR>].

<sup>13</sup> Sidoti & Gottfried, *supra* note 2.

AI seems to be touching a part of everyone's lives, so it is no surprise that it is also affecting schools and young adults. There are, most prominently, concerns that kids are using ChatGPT to write their papers and cheat on schoolwork, along with fears over the future of education.<sup>14</sup>

### 1. *Defining ChatGPT*

ChatGPT is a large language model (LLM) developed by OpenAI which functions as a generative AI chatbot, meaning it can generate new content based on what the app is trained on. In contrast to basic chatbots that many of us have experienced, such as customer support on a product's website, ChatGPT's data-driven approach allows it to continually improve its output over time as the app is exposed to more data. Because ChatGPT relies on vast amounts of text data to "learn" (identifying patterns, making predictions, and generating responses based on the data it processes), this enables the app to handle a wider range of queries with greater accuracy.

ChatGPT essentially functions as an advanced word predictor, and the technology is good at predicting words because it is trained on all publicly available text on the internet.<sup>15</sup> It is so good at predicting what word is going to appear next statistically that its output of word sequences is in remarkably coherent sentences, as if you are chatting with another person. So despite popular notions surrounding how "smart" ChatGPT seems to be, and popular tendencies to anthropomorphize the chatbot, ChatGPT does not "understand" our conversations or "learn" like the human brain.

OpenAI, the non-profit that created ChatGPT, offers free and paid versions of its chatbot service. GPT 4-o mini is the most recent freely available version of ChatGPT and is easily accessed with a web browser and internet connection. GPT 4-o, the newest version as of May 2024, is described on OpenAI's website

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<sup>14</sup> See, e.g., Carrie Spector, *What Do AI Chatbots Really Mean for Students and Cheating?*, STAN. GRADUATE SCH. OF EDUC. (Oct. 31, 2023), <https://ed.stanford.edu/news/what-do-ai-chatbots-really-mean-students-and-cheating> [https://perma.cc/N9K6-49F3].

<sup>15</sup> *How ChatGPT and Our Language Models Are Developed*, OPENAI, <https://help.openai.com/en/articles/7842364-how-chatgpt-and-our-language-models-are-developed> [https://perma.cc/LP93-C9FL] (last visited Mar. 31, 2025).

as being “faster,” and as the “newest flagship model.”<sup>16</sup> Although all free tier users can access all three versions (GPT 4, 4-o mini, and 4-o), free users can only use GPT 4-o a limited number of times a day, beyond which free users are then automatically reverted to the 4-o mini.<sup>17</sup> Greater access to GPT-4o requires an individual \$20/month “Plus” subscription and improves accuracy by integrating Bing search results. GPT 4 and 4o are more factually accurate than GPT 3.5 from 2023 which only uses pre-trained data sets. There is additionally the highest “Pro” subscription tier for \$200/month which gives users “the highest level of access.”<sup>18</sup>

The immense computing power ChatGPT uses is parlayed to the browser instead of a device’s hard drive, so one can access ChatGPT on a desktop, laptop, or the convenience of a smartphone. However, there are other free LLMs. OpenAI’s rivals include other chatbots like Google’s Gemini and Meta’s Llama2. Unless specified, from here on all references to “ChatGPT” mean GPT4-o or the most recent freely accessible version.

ChatGPT has enjoyed its place in the relatively new AI chatbot space, with approximately 400 million users weekly in 2025.<sup>19</sup> ChatGPT has become a valuable tool for summarizing text and generating written content, and users can interact with ChatGPT for various tasks, such as creating workout plans or meal suggestions.

## 2. *Social Definitions of AI*

While AI is technically defined by its algorithms, data, and computing power, AI embodies a significant social dimension that influences how it is perceived and accepted by the general public. Thanks to ChatGPT’s recent popularity, the broader

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<sup>16</sup> *How Can I Access GPT-4, GPT-4 Turbo, GPT-4o, and GPT-4o Mini?*, OPENAI, <https://help.openai.com/en/articles/7102672-how-can-i-access-gpt-4-gpt-4-turbo-and-gpt-4o> [https://perma.cc/JC9U-PLZ8] (last visited June 2, 2024).

<sup>17</sup> *Using ChatGPT’s Free Tier - FAQ*, OPENAI, <https://help.openai.com/en/articles/9275245-using-chatgpt-s-free-tier-faq> [https://perma.cc/4473-TCUR] (last visited June 2, 2024).

<sup>18</sup> *Pricing*, OPENAI, <https://openai.com/chatgpt/pricing/> [https://perma.cc/RK5A-32HN] (last visited Mar. 7, 2025).

<sup>19</sup> *OpenAI’s Weekly Active Users Surpass 400 Million*, REUTERS (Feb. 20, 2025), <https://www.reuters.com/technology/artificial-intelligence/openais-weekly-active-users-surpass-400-million-2025-02-20/> [https://perma.cc/69YH-3QF9]; Jon Porter, *ChatGPT Continues to Be One of the Fastest-Growing Services Ever*, VERGE (Nov. 6, 2023), <https://www.theverge.com/2023/11/6/23948386/chatgpt-active-user-count-openai-developer-conference> [https://perma.cc/WQN5-5J8R].

social perception of AI centers around generative AI chatbots like ChatGPT that help people compose essays, create to-do lists, and generate images from textual prompts.

Another side to the social definition of AI is that it is often categorized as something almost mystical or “outside-worldly,” a perception shaped not just by what AI can do, but also by how it’s presented and understood in popular culture and media. This phenomenon is also recognized as Tesler’s Theorem, referring to the famous phrase by Larry Tesler: “AI is whatever hasn’t been done yet.”<sup>20</sup> Tesler’s Theorem reflects a moving goal post when it comes to AI and technological innovations generally – once a particular technology becomes commonplace, it is no longer seen as “AI” in the mystical sense.

For example, Google Translate is, definitionally, an advanced generative AI application. Google Translate’s algorithm implements machine learning by continually improving its translation service based on user input data.<sup>21</sup> A decade ago, Google Translate’s ability to break down language barriers by translating text in real-time would have been considered AI. Imagine if you time traveled and told your friend in 2000 that there was a way to translate text in real-time – they would have found it miraculous or even frightening. Yet, many of us today do not think of Google Translate when AI is mentioned in conversations. Thanks to the ChatGPT boom, Google Translate is likely not the first thing regulators are scrutinizing when discussing AI law. As Tesler’s Theorem suggests, when AI technology evolves and becomes more integrated into our everyday lives, the public’s perception shifts.

Thus, it is important for regulators to understand ChatGPT and other AI apps by both their technical and social definitions. With these various definitions affecting our perceptions of what qualifies as AI in the minds of the public, it is exceedingly difficult to create laws around it. For those who are not familiar with the technological underpinnings of ChatGPT, these social definitions muddle people’s understanding of AI. There is more to AI than ChatGPT, but lawmakers, and much of the world, are caught in the ChatGPT craze, obscuring their views on how to effectively regulate AI.

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<sup>20</sup> DOUGLAS HOFSTADTER, GÖDEL, ESCHER, BACH: AN ETERNAL GOLDEN BRAID, 600–01 (1979).

<sup>21</sup> Isaac Caswell & Bowen Liang, *Recent Advances in Google Translate*, GOOGLE RSCH. BLOG (June 8, 2020), <https://blog.research.google/2020/06/recent-advances-in-google-translate.html> [<https://perma.cc/952N-3NYU>].

To regulate AI effectively, whether through existing legal frameworks or new ones, lawmakers need to think beyond just ChatGPT and understand both the technological and social impacts of AI, as well as the direction that AI is headed. Regulators should not be misled by the hype surrounding AI nor allow these perceptions of AI to affect the urgency and focus of regulatory measures.

#### *D. ChatGPT in Education*

The AI explosion has affected educators as well, as they confront questions about whether AI could replace teachers and transform the way schools are run. At the classroom level, overworked teachers want guidance on AI, like whether their students are allowed to use it and for what purposes. The ChatGPT obsession in education also follows the cyclical tendencies and trends of fearmongering surrounding new technologies. First, we were afraid of calculators and the internet, leaving teachers with pedagogical questions about whether there was still a purpose in teaching children how to do arithmetic. Teachers were worried that calculators would make math class obsolete in the 1970s, but that is far from true today.<sup>22</sup> Currently, schools are having similar worried reactions to ChatGPT, leading some to implement outright bans of the technology.

New York City Public Schools' decision to ban ChatGPT on school devices illustrates common concerns about AI in education.<sup>23</sup> The spokesperson for the school system cited "negative impacts on student learning," emphasizing that ChatGPT provides quick answers but does not foster critical thinking skills.<sup>24</sup> This concern reflects a broader apprehension about the role of AI in education: that it might diminish essential cognitive skills rather than enhance them.

Interestingly, there is a disconnect between regulation of AI use in K-12 schools versus in the professional world. Although some professionals are being warned not to use ChatGPT, such as lawyers being disciplined for misusing the

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<sup>22</sup> Sarah A. Banks, A Historical Analysis of Attitudes Toward the use of Calculators in Junior High and High School Math Classrooms in the United States Since 1975 (June 28, 2011) (M.A. thesis, Cedarville University School of Graduate Studies), <https://files.eric.ed.gov/fulltext/ED525547.pdf> [<https://perma.cc/VR8C-JNQ9>].

<sup>23</sup> Michael Elsen-Rooney, *NYC Education Department Blocks ChatGPT on School Devices, Networks*, CHALKBEAT N.Y. (Jan. 3, 2023), <https://www.chalkbeat.org/newyork/2023/1/3/23537987/nyc-schools-ban-chatgpt-writing-artificial-intelligence/> [<https://perma.cc/9UXA-8HKR>].

<sup>24</sup> *Id.*

chatbot,<sup>25</sup> many companies have provided no guidelines for their workforce.<sup>26</sup> There are even jobs where using ChatGPT has become an essential tool because it has made working so much easier (e.g., management consulting, software engineering, marketing, etc.).<sup>27</sup> From updating a resume to coming up with talking points for client slide decks, ChatGPT has made work much simpler for some professions. Studies show that many young adults in the workforce use AI to assist with their work,<sup>28</sup> but teens are often not allowed to use it in school.

Higher education's approach towards AI tools also differs from secondary education's. Higher education tends to skew more in favor of allowing students to use ChatGPT in certain contexts,<sup>29</sup> whereas secondary education has been more entirely against its use. ChatGPT use may be more acceptable in higher education because, in contrast to their younger high school peers, college-aged students are more mature and may have better judgment when it comes to using these tools ethically.

There are many divided views on whether ChatGPT should be allowed in the classroom in secondary education.<sup>30</sup> These attitude differences towards AI tools in secondary and higher education create a strange paradigm for young adults –

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<sup>25</sup> Sara Merken, *New York Lawyers Sanctioned for Using Fake ChatGPT Cases in Legal Brief*, REUTERS (June 26, 2023), <https://www.reuters.com/legal/new-york-lawyers-sanctioned-using-fake-chatgpt-cases-legal-brief-2023-06-22/> [https://perma.cc/H4UZ-6EXL].

<sup>26</sup> Tom Starnier, *Most Orgs Still Don't Have Generative AI Policies. Why?*, HR EXEC. (Nov. 1, 2024), <https://hrexecutive.com/most-orgs-still-dont-have-generative-ai-policies-why/> [https://perma.cc/K22Q-EZC2].

<sup>27</sup> Lindsey Wilkinson, *ChatGPT, Grammarly Top List of Most-Used Generative AI Apps*, CIO DIVE (Jan. 12, 2024), <https://www.ciodive.com/news/top-generative-ai-apps-for-employees/704371/> [https://perma.cc/YZX3-PZHE].

<sup>28</sup> Jackson Walker, *Nearly One-Third of Young Americans Use ChatGPT at Work*, CBS AUSTIN (Mar. 26, 2024), <https://cbsaustin.com/news/nation-world/nearly-one-third-of-young-americans-use-chatgpt-at-work-poll-shows-artificial-intelligence-ai-technology-tech-chatbot-pew-research-center> [https://perma.cc/C4L8-MLBW].

<sup>29</sup> See Lauren Coffey, *New ChatGPT Version Aiming at Higher Ed*, INSIDE HIGHER ED (May 31, 2024), <https://www.insidehighered.com/news/tech-innovation/artificial-intelligence/2024/05/31/new-chatgpt-zeroes-higher-ed> [https://perma.cc/7BMG-UR5W] (several American universities partnered with OpenAI to assist in the development of an enterprise version of ChatGPT for higher education).

<sup>30</sup> Different schools have different approaches. See, e.g., Julian Shen-Berro, *New York City Schools Blocked ChatGPT. Here's What Other Large Districts Are Doing*, CHALKBEAT (Jan. 6, 2023), <https://www.chalkbeat.org/2023/1/6/23543039/chatgpt-school-districts-ban-block-artificial-intelligence-open-ai/> [https://perma.cc/3L8G-A7MD]; Ashleigh Davis, *ChatGPT Banned in WA Public Schools in Time for Start of School Year*, ABC News (Jan. 23, 2023), <https://www.abc.net.au/news/2023-01-30/>

some young adults may have not been allowed to use ChatGPT at all in K-12 school, up until they reach adulthood and post-secondary education where they are suddenly encouraged or even expected to use the tool. A student who had ChatGPT fully integrated into their classroom will have a very different attitude towards the technology than a peer whose school district banned ChatGPT.

One survey suggests that these differences in use and perception of AI tools are also correlated with race and socioeconomic status. 72% of White teens had heard about ChatGPT, compared to 64% of Hispanic and 56% of Black teens, and a greater percentage of teens from households making at least \$75,000 annually had heard of ChatGPT than their peers from lower income backgrounds.<sup>31</sup> The “digital divide” is highly documented in socio-education research,<sup>32</sup> and the decisions that schools make in restricting access to ChatGPT are likely to further exacerbate the technological divide between students of different socioeconomic backgrounds.

### 1. *Education’s Misunderstanding of ChatGPT*

Education research on AI has received significant attention in the past five years. Large governmental organizations have conducted education research as policy drivers to determine guidelines for AI use in education, including the Office of Educational Technology at the U.S. Department of Education (US DOE) and UNESCO.<sup>33</sup> However, a significant flaw in these AI guides is that there is an assumption of a certain level of technological literacy in students. For example, the US DOE mentions cultivating AI literacy, but does not mention the prerequisite technological literacy for effective AI literacy.<sup>34</sup> This guide only addresses those

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chatgpt-to-be-banned-from-wa-public-schools-amid-cheating-fears/101905616  
E2ML-G733].

[<https://perma.cc/E2ML-G733>].

<sup>31</sup> Sidoti & Gottfried, *supra* note 2.

<sup>32</sup> See, e.g., Ariel Sacks, *The Digital Divide Is a Pain in My Classroom*, ASS’N FOR SUPERVISION AND CURRICULUM DEV. (July 10, 2010), <https://www.ascd.org/el/articles/the-digital-divide-is-a-pain-in-my-classroom> [<https://perma.cc/3UUC-P9TF>]; Lauren Chapman et al., *Do Digital Divisions Still Persist in Schools? Access to Technology and Technical Skills of Teachers in High Needs Schools in the United States of America*, 36 J. OF EDUC. FOR TEACHING 239 (Mar. 17, 2010), <https://www.tandfonline.com/doi/full/10.1080/02607471003651870> [<https://perma.cc/Q4MN-3F7E>].

<sup>33</sup> U.S. DEP’T OF EDUC.: OFFICE OF EDUC. TECH., ARTIFICIAL INTELLIGENCE AND THE FUTURE OF TEACHING AND LEARNING: INSIGHTS AND RECOMMENDATIONS (May 2023), <https://www.ed.gov/sites/ed/files/documents/ai-report/ai-report.pdf> [<https://perma.cc/4WBE-CJCB>]; FENGCHUNG MIAO ET AL., UNESCO AI AND EDUCATION: GUIDANCE FOR POLICY-MAKERS 23 (2021), <https://doi.org/10.54675/PCSP7350> [<https://perma.cc/8JZ2-J65G>].

<sup>34</sup> U.S. DEP’T OF EDUC.: OFFICE OF EDUC. TECH., *supra* note 33, at 49.

who are already at a certain level of technological literacy and assumes the ability to teach efficient AI usage.

NCER (National Center for Education Research) also shows dozens of funded opportunities to research AI's pedagogical efficacy in K-12 classroom learning.<sup>35</sup> They are especially focused on developing AI Chatbots and other types of AI apps to be integrated into classroom learning. There has also been an explosion of published education research on ChatGPT in particular, with 357 articles being published between 2022-2023, a steep increase from 148 in 2021-2022.<sup>36</sup> Popular topics include developing and scaling AI tutoring applications and teachers using AI to reduce their workload via AI-powered grading.<sup>37</sup>

However, much of the education research on AI is misguided, reflecting a sector-wide misunderstanding of how ChatGPT and other generative AI tools work. Too many studies look at how accurate ChatGPT is in answering prompts about specific subjects such as science or language education. Although ChatGPT's factual accuracy is a valid concern, these types of studies do not meaningfully capture what the technology is capable of or how it should be evaluated. For example, one study criticized ChatGPT's accuracy in answering science-related questions for having factually inaccurate outputs and the app's tendency to fabricate

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<sup>35</sup> See, e.g., *Optimizing AI-Based Tutoring Software for Middle-School Mathematics on Smartphones*, NAT'L CTR. FOR EDUC. RSCH. (2022), <https://ies.ed.gov/use-work/awards/optimizing-ai-based-tutoring-software-middle-school-mathematics-smartphone> [https://perma.cc/2S8B-VG6A] (a 2022-2026 study developing AI-based tutoring software on smartphones for classrooms received \$2 million in funding); *AI-Driven Digital Platforms to Expand and Accelerate STEM Learning in PreK-12 Settings, Theme 6 Track A of the NSF National Artificial Intelligence Institute Competition*, INST. EDUC. SCIS. (2022), <https://ies.ed.gov/ncer/projects/program.asp?ProgID=2121> [https://perma.cc/UN5J-7P98].

<sup>36</sup> *Education Resources Information Center (ERIC)*, U.S. DEP'T. OF EDUC.: INST. OF EDUC. SCIS., <https://eric.ed.gov/> [https://perma.cc/9NJ2-YLRS] (last visited Mar. 31, 2025) (information searched and calculated by author).

<sup>37</sup> See, e.g., Chenjia Zhu et al., *How to Harness the Potential of ChatGPT in Education?*, 15(2) KNOWLEDGE MGMT. & ELEARNING 133, 146 (June 2023), <https://doi.org/10.34105/j.kmel.2023.15.008> [https://perma.cc/4ZMG-6DR9]; "Intelligent Tutoring" – *Training in Experimental Design: Developing Scalable and Adaptive Computer-based Science Instruction*, NAT'L CTR. FOR EDUC. STATS. (June 1, 2022), <https://ies.ed.gov/use-work/awards/training-experimental-design-developing-scalable-and-adaptive-computer-based-science-instruction> [https://perma.cc/LCG6-FL5F]; Marcos Sanchez-Gonzalez & Mark Terrell, *Flipped Classroom with Artificial Intelligence: Educational Effectiveness of Combining Voice-Over Presentations and AI*, 15(11) CUREUS (Nov. 6, 2023), <https://doi.org/10.7759/cureus.48354> [https://perma.cc/P252-9937].

sources.<sup>38</sup> Although the paper's introduction briefly explained how ChatGPT's technology works, the research itself in the rest of the paper demonstrates a lack of AI literacy by focusing on the accuracy of a chatbot's output. These "factual accuracy" types of studies are useless because this overlooks that ChatGPT is a constantly evolving technology. Because these AI chatbots are regularly updated through user feedback, yesterday's ChatGPT results may not reflect ChatGPT's performance tomorrow. Thus, these AI "accuracy" studies dominating the education research scene demonstrate the education researchers' misunderstanding of generative AI technology.

### *E. Unique Challenges to Regulating Education*

Regulating AI in education involves navigating historical, social, and legal complexities. Effective regulation must balance federal oversight with the need for local autonomy, ensuring that policies are both practical and sensitive to the diverse needs of various schools.

First, the disconnect between educators and lawmakers creates challenges in education policymaking. Many education policymakers lack classroom experience and do not understand the daily realities faced by teachers. Consequently, even well-intentioned legislative efforts can backfire or face protest from teachers. For example, in 2017 the Hawaii Department of Education approved funding for solar-powered air-conditioning units at a local high school without realizing the school's electrical system could not handle the upgrades.<sup>39</sup> Although the state aimed to improve the concentration of students and quality of classrooms, they overlooked the fact that the high school was located in a small town with limited electricity generation. Thus, millions of dollars were wasted.

Second, lawmakers tend to avoid micromanaging schools, often only providing broad curricular requirements. Specific teaching methods and content delivery are left to individual teachers to address the diverse educational needs across different communities. Attempting to regulate AI use through one sweeping

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<sup>38</sup> Grant Cooper, *Examining Science Education in ChatGPT: An Exploratory Study of Generative Artificial Intelligence*, 32 J. OF SCI. EDUC. AND TECH. 442, 445–46 (Mar. 2023), <https://doi.org/10.1007/s10956-023-10039-y> [<https://perma.cc/3CQ2-EKRF>].

<sup>39</sup> Rick Daysog, *Investigation Finds DOE Wasted Millions on Solar-powered AC Systems*, HAW. NEWS NOW (June 29, 2023), <https://www.hawaiinewsnow.com/2023/06/30/investigation-finds-doe-wasted-millions-solar-powered-ac-systems/> [<https://perma.cc/V2F5-WMFH>].

education law could overstep into an area usually self-regulated. Furthermore, education laws can prove very difficult to enforce. For example, during COVID-19, Hawaii's attempt to implement a single online curriculum plan for all public schools failed to meet varied classroom needs and was not implemented successfully across the state.<sup>40</sup> I recall not using the state-provided English curriculum because it was not suited to the needs of my special education students, and this caused them to fall behind in the coursework. A broad AI law would likely face similar challenges in execution and application, mirroring the issues during the pandemic.

Regulating education at the federal level is also challenging because of the sheer number of schools across the country. Each school has unique needs and contexts, making one-size-fits-all regulations impractical. This diversity not only challenges broad regulatory efforts but also highlights the difficulties in implementing consistent standards across such a varied landscape. For example, the federal landmark education law, The No Child Left Behind Act, faced criticism and pushback from educators and families alike.<sup>41</sup> Stakeholders highlighted the difficulties of satisfying diverse education needs when these types of sweeping education laws put too much emphasis on standardized testing. It is difficult to satisfy such a large number of affected constituents with overarching federal education legislation.

## II

### AI RISKS FOR YOUNG ADULTS IN EDUCATION

#### A. *Overlooked and Under-Protected: Young Adults as a Protected Group*

Young adults, which I define as ages 13-17, are overlooked in education and legal regulation, perhaps because they occupy an awkward space between childhood and adulthood and display a wide range of maturity levels. This

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<sup>40</sup> See Ashley Mizuo, *Hawaii English Learners Falter Under COVID-19 Distance Learning*, HAW. PUB. RADIO (June 16, 2020), <https://www.hawaiipublicradio.org/local-news/2020-06-16/hawaii-english-learners-falter-under-covid-19-distance-learning> [https://perma.cc/A2H6-A8ZN]; Suevon Lee, *Special Ed Students Have Been 'Left Out' From Distance Learning in Hawaii*, CIV. BEAT (Oct. 15, 2021), <https://www.civilbeat.org/2021/10/special-ed-students-have-been-left-out-completely-from-distance-learning-in-hawaii/> [https://perma.cc/7WC9-X628].

<sup>41</sup> Alyson Klein, *No Child Left Behind: An Overview*, EDUC. WK. (Apr. 10, 2015), <https://www.edweek.org/policy-politics/no-child-left-behind-an-overview/2015/04> [https://perma.cc/6Z95-B7TJ].

developmental stage is marked by significant variability, as a 13-year-old might still look and behave like a child, while a 17-year-old may be on the cusp of adulthood.

One reason for the under-regulation of young adults stems from societal attitudes toward parenting and education. Once young adults reach high school, many parents mistakenly believe that they require less supervision. As a result, young adults are often delegated adult-like duties, like working part-time jobs or caring for younger siblings. This perception that young adults are “grown” can lead adults to treat them as adults prematurely, despite their ongoing development. Psychologists note that young adults often suffer from being “given too much responsibility at too early a stage of their development” due to misguided expectations from parents.<sup>42</sup>

Although young adults are generally more developed than children under 13, they still lack the full cognitive and emotional maturity of legal adults over 18. While young adults can exhibit cognitive capacities similar to adults, such as when providing informed consent, their decision-making skills are not fully developed due to the ongoing maturation of the prefrontal cortex.<sup>43</sup>

The law also recognizes the need to treat young adults differently from younger children, especially in juvenile sentencing. For example, the Supreme Court has recognized that juveniles, defined as individuals under 18 or 21 in some cases, have developmental differences from adults.<sup>44</sup> This acknowledgement has led to the rejection of extreme sentencing for youth, noting the ongoing development of young adults.

Critics may point out that defining an exact age group for regulation is difficult because maturity varies widely amongst young adults. Child developmental experts highlight the unpredictability of how “much a young person can manage on her

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<sup>42</sup> Terri Apter, *Foothold in the Adult World*, in *THE MYTH OF MATURITY: WHAT TEENAGERS NEED FROM PARENTS TO BECOME ADULTS* 176, 186 (2002).

<sup>43</sup> See, e.g., Debbie Schachter et al., *Informed Consent and Adolescents*, 50(9) *CANADIAN J. OF PSYCHIATRY* 534, 534–35 (Aug. 2005), <https://pubmed.ncbi.nlm.nih.gov/16262108/> [<https://perma.cc/V34S-YDJ7>].

<sup>44</sup> See *Roper v. Simmons*, 543 U.S. 551 (2005) (regarding the juvenile death penalty); *Graham v. Florida*, 560 U.S. 48 (2010) (regarding life without parole for juveniles).

own,”<sup>45</sup> while also disagreeing on whether adolescence is a “distinctive stage” or a “matter of gradual progression.”<sup>46</sup> Others may fear that regulating young adults could be perceived as over-policing, infringing on their growing independence.

Another challenge is how different laws define the age of majority for different purposes. This existing patchwork of laws that have different ages of consent for teens and what constitutes a legal adult is challenging. While 18 is widely accepted as the age of majority, the Children’s Online Privacy Protection Act (COPPA) defines children as those under 13, while the age of consent also varies across states depending on the subject matter, such as for marriage, sexual activity, and medical procedures.<sup>47</sup>

However, the fact that young adults are still developing is precisely the reason we need to have separate regulation considerations for them. The in-between status of young adults calls for regulations uniquely tailored to their developmental stage, rather than an approach that lumps them in with either young children under 13 or legal adults. The regulatory mechanisms that I suggest for young adults are specific to education contexts and do not require overly harsh parental monitoring of every AI interaction. It is really a matter of whether young adults can adequately understand the risks and benefits of ChatGPT and whether they are old enough to consent to the processing of their data when they use AI tools.

### *B. Protecting Young Adults Through Educational Contexts*

The best way to protect young adults from generative AI’s risks is by addressing these issues within the education context. My earlier story with Brian is not an unusual situation. Young adults represent a significant user base for ChatGPT, and they are likely to continue using similar generative AI tools in their post-secondary education, especially because ChatGPT is already an integral part

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<sup>45</sup> Apter, *supra* note 42, at 186 (“[T]he brain . . . often keeps its adolescent characteristics until the age of twenty-six . . . some young people are not prepared, physiologically, to take on adult responsibilities involving self-control . . .”).

<sup>46</sup> DAVID BUCKINGHAM, *YOUTH, IDENTITY, AND DIGITAL MEDIA* 3 (1st ed. 2008) (“Of course, it is possible to debate the validity of such stage-based theories: is adolescence in fact a distinctive stage with a beginning and an end, or is human development more appropriately seen as a matter of gradual progression?”).

<sup>47</sup> Using Hawaii as an example, minors 14 years or older in Hawaii are allowed “to consent to outpatient mental health services without the consent, knowledge or participation of their parents,” while the age of consent for sexual activity is for persons at least 16 years old. *Compare* 2020 HAW. SESS. LAWS 330, *with* HAW. REV. STAT. § 707–730 (2021).

of many jobs. Thus, the best place to begin managing AI risks for young adults is where young adults spend most of their time – in educational settings like school.

Although younger students may have the capacity to use ChatGPT, I hypothesize that older students would use ChatGPT more because you need a certain level of literacy, both written and technological, to type inputs into ChatGPT. It would be helpful for regulators to survey K-12 children or secondary students on their ChatGPT or other AI tool use, determining which apps students feel familiar with, which age groups use AI tools, and how students are using AI tools. Furthermore, integrating AI tools into school curricula would also align with the pedagogical movement towards teaching relevant, 21st-century life skills.<sup>48</sup>

### *C. An Educator's Perspective on the Benefits and Risks of ChatGPT*

As a former high school teacher, I recognize both benefits of and concerns about ChatGPT's usage by young adults. However, my risk analysis diverges from the current focus of lawmakers and other legal scholars on data privacy and content moderation. The privacy risks that current AI regulations seek to address are valid, as training, running, and using AI apps like ChatGPT involves a gargantuan amount of data processing. Content moderation concerns are valid as well, since ChatGPT has the ability to generate harmful content. However, I argue that the intense focus on privacy as a means to regulate AI is too narrow-minded.

The digital transformation of our world has made us realize how much information is generated, stored, processed, and flows through digital systems. Consequently, privacy law has become the law of everything – a catch-all framework because data underpins so much of our information-based society. Privacy issues related to AI include consensual data collection and implications of scraping in training AI systems, as well as automated decision-making by AI systems to potentially make harmful inferences about data subjects.

It makes sense that concerns about regulating AI are so focused on privacy legislation, as we are in a moment that tends to define privacy broadly. Scholars like Ryan Calo critique this method, calling for a more concrete understanding

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<sup>48</sup> See Charles Kivunja, *Teaching Students to Learn and to Work Well with 21st Century Skills: Unpacking the Career and Life Skills Domain of the New Learning Paradigm*, 4(1) INT'L J. OF HIGHER EDUC. 1, 1–2 (2015), <https://doi.org/10.5430/ijhe.v4n1p1> [<https://perma.cc/GU23-TXVH>].

of privacy law and privacy harms.<sup>49</sup> Nevertheless, the emphasis on privacy overlooks other harms to young adults (mis)using AI, including inequitable access, educational harms, developmental harms, and unethical use.

### 1. *ChatGPT's Benefits*

New York City made headlines when its public schools banned ChatGPT from school devices, only to reverse the ban three months later.<sup>50</sup> I speculate that this reversal indicates that New York's public schools recognized the impracticality of prohibiting its use, but also began to recognize ChatGPT's benefits. ChatGPT is undeniably advantageous for young adults to learn to use.

One of ChatGPT's greatest potentials is to lessen the workload of teachers while enhancing student learning. Numerous education studies are exploring how AI can transform learning outcomes, such as by developing AI-powered tutoring chatbots in specific subjects.<sup>51</sup> For example, ChatGPT has been studied for its potential to tutor students in subjects, providing individualized learning experiences and improving academic performance. This support is particularly beneficial for students with disabilities, as ChatGPT's scaffolding abilities can break learning into digestible chunks and offer tailored tools to help varied learners more effectively.<sup>52</sup> Additionally, teachers may hope to use ChatGPT to create and grade assignments, saving time and allowing them to focus on more important tasks like in-class instructions and professional development opportunities.

However, much of these benefits seem to focus on how teachers can utilize ChatGPT, with students receiving residual benefits from having more efficient

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<sup>49</sup> María P. Angel & Ryan Calo, *Distinguishing Privacy Law: A Critique of Privacy as Social Taxonomy*, 124 COLUM. L. REV. 507, 511–12 (2023).

<sup>50</sup> Alyson Klein, *180 Degree Turn: NYC District Goes from Banning ChatGPT to Exploring AI's Potential*, EDUC. WK. (Oct. 5, 2023), <https://www.edweek.org/technology/180-degree-turn-nyc-schools-goes-from-banning-chatgpt-to-exploring-ais-potential/2023/10> [https://perma.cc/X3M6-CD55].

<sup>51</sup> See, e.g., *Optimizing AI-Based Tutoring Software for Middle-School Mathematics on Smartphones*, *supra* note 35; *AI-Driven Digital Platforms to Expand and Accelerate STEM Learning in PreK–12 Settings*, *supra* note 35 (describing “a new funding initiative to encourage scientists to focus on research and development of AI-driven innovations to radically improve human learning and education.”).

<sup>52</sup> Lucas Memmert et al., *Learning by Doing: Educators' Perspective on an Illustrative Tool for AI-Generated Scaffolding for Students in Conceptualizing Design Science Research Studies*, 34(3) J. INFO. SYS. EDUC., 279, 280 (Sept. 15, 2023), <https://jise.org/Volume34/n3/JISE2023v34n3pp279-292.pdf> [https://perma.cc/8TEN-EKTE].

educators. What is less emphasized is the direct benefit to young adults using ChatGPT. From my observations while teaching during the pandemic, it is a critical life skill for young adults to learn to use current technologies. Regardless of a young adult's career trajectory, technological literacy will be important as technology becomes more enmeshed in our everyday lives.

While it's easy to take technological literacy for granted, I observed many of my high school students struggle with basic digital skills in 2019. These 14-year-olds did not know how to use Google Search or a word processor. A digital literacy program must include how AI tools like ChatGPT work, as well as guidance on how to use AI tools effectively. This knowledge is critical for every young adult's educational experience in order to prepare them for a technology-driven future.

## 2. *ChatGPT's Risks*

While ChatGPT offers promising educational benefits, its usage also poses several risks. Beyond the mainstream privacy and content moderation risks percolating the existing AI regulatory space, I recognize four additional risks related to young adults and education: accessibility of AI technologies, pedagogical harms, developmental harms, and AI misuse.

### 2.1. AI Access and Literacy

One of the foremost challenges is ensuring equitable access to AI technologies like ChatGPT. OpenAI markets its image as a company aiming for digital equity by making its technology as accessible as possible.<sup>53</sup> ChatGPT is currently a very popular product, but what happens when the next best AI product is prohibitively expensive? From an educator's perspective, AI's accessibility to young adults is concerning. AI accessibility has two parts: availability of the product, and an understanding of how to use the product effectively. The fact that an educational tool is available to a student does not mean that the student knows how to use it. Without proper integration and use guidelines, AI's introduction and integration into the K-12 education space will only exacerbate the digital divide in education. Schools around the world will experience a repetition of the pandemic-caused shift

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<sup>53</sup> OpenAI's mission is "to ensure that artificial general intelligence benefits all of humanity." *About*, OPENAI, <https://openai.com/about/> [<https://perma.cc/5BUB-F8UN>] (last visited Aug. 1, 2024).

to digital learning, with students from underserved communities not being able to fully utilize the benefits of AI in education due to the lack of resources.

Barriers to AI (hardware, technology, geographic, financial, etc.) will prevent young adults' access to ChatGPT and other AI tools. For instance, while a basic version of GPT is available for free now, advanced iterations like GPT-4o require payment, limiting access to wealthier students. Additionally, although ChatGPT is accessible at the convenience of a smart phone and internet access now, the need for different hardware (such as more powerful computers versus smartphones) and software (browser compatibility) may further exacerbate access issues as the technology advances. These barriers may prevent a uniform educational experience for young adults across different socioeconomic demographics and regions, thereby worsening existing educational inequities.

Second, the misguided content of ChatGPT studies suggests that education researchers lack a fundamental understanding of ChatGPT's functions. If they understood the utility of the tool, they would not be testing the accuracy of ChatGPT's outputs. Misunderstanding ChatGPT is dangerous because it leads to inefficient use. People often treat it like a search engine (though it is not optimized for that purpose) and therefore many education studies attempt to record the factual accuracy of ChatGPT's output. One study misguidedly looks at the efficacy of ChatGPT in TESOL (teaching English as secondary language), stating that ChatGPT is useful for compiling information and learning about unfamiliar topics for language learners because it "scours information on a common topic."<sup>54</sup> Unfortunately, much of this type of research overlooks that ChatGPT was designed to "interact in a conversational way," and not for precise fact-checking or serving as an exhaustive knowledge source.<sup>55</sup>

Studies on ChatGPT's pedagogical effectiveness demonstrate the researchers' lack of technological literacy on how generative AI chatbots work. Thus, even if the best AI EdTech companies release AI-powered products, young adults (and the

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<sup>54</sup> Austin Pack & Jeffrey Maloney, *Using Generative Artificial Intelligence for Language Education Research: Insights from Using OpenAI's ChatGPT*, 57(4) TESOL Q. 1571, 1573–74 (Dec. 2023), <https://doi.org/10.1002/tesq.3253> [<https://perma.cc/MZ2Z-QFDS>].

<sup>55</sup> *Introducing ChatGPT*, OPENAI (Nov. 30, 2022), <https://openai.com/index/chatgpt/> [<https://perma.cc/4W7D-ZQH2>].

adults educating them) will not be able to benefit from these tools unless AI access and AI literacy are incorporated into them.

## 2.2. Pedagogical Harms

Students may also face educational harm due to improper use of AI tools like ChatGPT. The current skepticism against ChatGPT stems from concerns that students will not learn critical thinking skills adequately if they become over-reliant on AI to provide easy answers. Students may also query and take in inappropriate information, as well as misunderstand the limitations and nature of AI. Another critical concern is the teacher's over-reliance on ChatGPT: if teachers design lessons with ChatGPT, students use ChatGPT for completing assignments, and teachers then use ChatGPT again for grading, how much genuine education is happening? This may be more of a critique on the education system rather than ChatGPT itself, but the goal should be to teach students the subject matter, not to teach kids how to make the most efficient searches to extract the response they want from ChatGPT.

A third risk of ChatGPT use in education for young adults is bias in ChatGPT's output, stemming from both the training data and the developers' biases. OpenAI states that ChatGPT is trained on publicly available internet text,<sup>56</sup> which often reflects demographic imbalances in content creation. This leads to a question of the demographics of content creators on the internet. For instance, although the internet is lauded as a space where everyone is allowed to post and become "equal," educational research on digital inequity suggests that white populations, due to greater access to broadband internet, are more able to produce online content, rather than merely consume it.<sup>57</sup> The skewed demographics of internet content in combination with the algorithm developer's bias inevitably forms an AI technology with biased output.

Despite developmental research and legal precedent pointing to young adults being distinct from younger children and adults, young adults remain overlooked in platform regulation through privacy and AI laws. However, improper and

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<sup>56</sup> *How ChatGPT and Our Language Models are Developed*, *supra* note 15.

<sup>57</sup> FRANCELLO OCHILLO, THE ECONOMIC CONSEQUENCES AND GENERATIONAL IMPACT OF THE DIGITAL DIVIDE 4 (May 17, 2022), [https://www.belfercenter.org/sites/default/files/pantheon\\_files/files/publication/TAPP-Francella\\_Impact%20of%20the%20Digital%20Divide\\_Final.220516.pdf](https://www.belfercenter.org/sites/default/files/pantheon_files/files/publication/TAPP-Francella_Impact%20of%20the%20Digital%20Divide_Final.220516.pdf) [<https://perma.cc/W47J-VLWW>].

overbroad regulation such as a ban will cause more harm than good. When schools penalize students for using AI tools, this causes students to lag behind in technological literacy, leaving them increasingly unprepared for the digital workforce where such tools are increasingly expected to be used. Inconsistent guidelines on ChatGPT usage can also lead to uneven disciplinary actions among students, causing confusion and unfair punishment.<sup>58</sup> As some schools encourage AI use while others prohibit it, the lack of clear rules about educational AI use creates inconsistent enforcement both within and across schools. Adding to the confusion for K-12 teachers, many higher-education institutions have declined to ban ChatGPT.<sup>59</sup> Rather than solving the pedagogical concerns that teachers fear over AI use (like cheating and output bias), simple bans create more problems down the line for educators. Instead, proper guidance should include training both teachers and students on understanding how AI chatbots process data, how to recognize that chatbot outputs may be biased or inaccurate, and how to teach students to integrate AI tools with their own critical thinking.

### 2.3. Developmental Harms

From a developmental perspective, there is also the risk of students forming emotional attachments to AI systems and misunderstanding them as human interactions, which could impact their social development and understanding of human relationships. ChatGPT does not actually “know” anything or differentiate between true and false information. Rather, ChatGPT generates text based on statistical probabilities, leading to human-like but sometimes inaccurate responses. This tendency to anthropomorphize AI can be misleading, as we must be reminded that ChatGPT is not capable of true intelligence as we know humans to be.<sup>60</sup>

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<sup>58</sup> Mark Keierleber, *ChatGPT Is Landing Kids in the Principal's Office, Survey Finds*, 74 MILLION (Sept. 20, 2023), <https://www.the74million.org/article/chatgpt-is-landing-kids-in-the-principals-office-survey-finds/> [<https://perma.cc/A2EQ-3KTJ>] (“Half of teachers say they know a student at their school who was disciplined or faced negative consequences for using – or being accused of using – generative artificial intelligence like ChatGPT to complete a classroom assignment. . . . The proportion was even higher, at 58%, for those who teach special education.”).

<sup>59</sup> Eari Nakano, *Universities Still Grapple with ChatGPT Use Ahead of New Year*, GOVERNING (Aug. 17, 2023), <https://www.governing.com/policy/universities-still-grapple-with-chatgpt-use-ahead-of-new-year> [<https://perma.cc/7KE9-FYML>].

<sup>60</sup> Arleen Salles et al., *Anthropomorphism in AI*, 11(2) AJOB NEUROSCI. 88, 90 (2020), <https://doi.org.10.1080/21507740.2020.1740350> [<https://perma.cc/8GHD-K5L3>].

This risk warrants further research on how young adult attachment to human-like technology impacts their development.

## 2.4. Unethical AI Misuse

Young adults will also continue to misuse AI without the proper guardrails from adults. Like the anecdote of my cousin using ChatGPT to write college essays, there are serious concerns about whether generative AI's usage in life-altering documents like college applications is ethical, raising questions about the integrity of a young adult's capabilities.

Another concern is using AI to promote violence or bullying. There have been incidents where teenagers have used generative AI to bully others by creating deep fake pornography.<sup>61</sup> Young adults need continuous guidance from adults to explain which uses of AI are unethical, so these horrible incidents can be reduced.

### *D. A Critical Look on AI Regulation – Continued Onus on Teachers*

One criticism of regulating AI through education is that regulating education often really means regulating the adults working in the schools. Teachers are already overburdened, and this continues the onus on teachers to determine AI usage standards. Individual teachers deciding how AI tools should be utilized in their classrooms can also lead to a lack of uniformity in how AI is integrated into educational practices, causing inconsistency across educational institutions.

Although burdensome on teachers, AI regulation remains crucial because young adults lack the maturity to recognize the risks of AI use themselves. Without proper guidance, young adults are unable to use AI tools effectively or ethically, leading to issues like academic dishonesty. With proper training, teachers can help students use tools like ChatGPT in their learning. ChatGPT is an excellent tool for summarizing long text and brainstorming ideas, but many young adult students are still developing critical thinking skills and technological literacy.

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<sup>61</sup> See Natasha Singer, *Teen Girls Confront an Epidemic of Deepfake Nudes in Schools*, N.Y. TIMES (Apr. 8, 2024), <https://www.nytimes.com/2024/04/08/technology/deepfake-ai-nudes-westfield-high-school.html> [<https://perma.cc/MH8G-KVVH>]; BRACKET FOUND., GENERATIVE AI, A NEW THREAT FOR ONLINE CHILD SEXUAL EXPLOITATION AND ABUSE 12–13 (2024), <https://unicri.org/sites/default/files/2024-09/Generative-AI-New-Threat-Online-Child-Abuse.pdf> [<https://perma.cc/AF3K-F6PP>].

The potential risks of AI in education warrant a structured regulatory approach. Regulation can help ensure that all students have equal access to these technologies, preventing a digital divide. It can also set standards for ethical use, safeguarding against misuse that could disadvantage or unfairly penalize students. Thoughtful regulation can prevent schools from lagging in technological literacy, ensuring that students are adequately prepared for a future where AI plays a prominent role.

### III

#### CURRENT AI REGULATIONS AND THEIR GAPS IN PROTECTING YOUNG ADULTS

Regulatory bodies are not immune to the AI craze sweeping across all parts of our society. The rapid advancement and widespread adoption of generative AI technologies like ChatGPT have introduced new challenges and risks, particularly in the realms of data security and content moderation. AI requires a nuanced regulatory approach to ensure that the benefits of AI can be realized while minimizing potential harms. However, regulating AI is uniquely difficult because AI can be so broadly used. This can be analogized to data privacy regulation – we live in a data economy, where everything we do generates “data” of some sort in this virtual world. Similarly, AI feels so disruptive as a product because it can be applied in so many different areas.

Beyond the four Executive Orders (E.O.) – two issued by President Joe Biden<sup>62</sup> and two by President Donald Trump (one of which revoked Biden’s first E.O.)<sup>63</sup> – the United States has yet to pass any federal legislation specifically targeting AI. Some states have broader information privacy laws that also encompass AI, given the technology’s data-heavy nature and related need for transparency in how information is collected, stored, and processed. Although

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<sup>62</sup> Exec. Order No. 14,110, 88 Fed. Reg. 75191 (Oct. 30, 2023), <https://www.federalregister.gov/documents/2023/11/01/2023-24283/safe-secure-and-trustworthy-development-and-use-of-artificial-intelligence> [<https://perma.cc/EBH2-4FYU>]; Exec. Order No. 14,141, 90 Fed. Reg. 5469 (Jan. 14, 2025), <https://www.federalregister.gov/documents/2025/01/17/2025-01395/advancing-united-states-leadership-in-artificial-intelligence-infrastructure> [<https://perma.cc/RVW6-J39J>].

<sup>63</sup> Exec. Order No. 13859, 84 Fed. Reg. 3967 (Feb. 11, 2019), <https://www.federalregister.gov/documents/2019/02/14/2019-02544/maintaining-american-leadership-in-artificial-intelligence> [<https://perma.cc/J9Z7-9GBM>]; Exec. Order No. 14,179, 90 Fed. Reg. 8741 (Jan. 23, 2025), <https://www.federalregister.gov/documents/2025/01/31/2025-02172/removing-barriers-to-american-leadership-in-artificial-intelligence> [<https://perma.cc/7H3D-FK9Y>].

information privacy and security of AI systems are valid concerns, I argue that this focus on privacy overlooks the other risks AI poses to young adults, particularly within educational contexts.

The regulation of AI in education is not merely a precaution but a necessity. It is crucial to address these issues proactively, setting guardrails that will protect and enhance the educational experiences of young adults. By doing so, we can harness the benefits of AI while mitigating its risks, ensuring it serves as a tool for educational enhancement rather than a source of inequality or ethical breaches.

#### *A. Federal Education Privacy Laws' Shortcomings: COPPA and FERPA*

There is no federal law regulating AI directly, but there are a few federal laws that touch on AI use by young adults or in education broadly. As we see with COPPA and FERPA, current laws end up regulating AI despite not being AI-specific. However, the laws currently encompassing AI regulation either fail to adequately protect young adults or do not adequately protect against AI's educational risks. Existing legal mechanisms such as the Biden E.O. (prior to its revocation), state privacy laws, and content moderation laws also fall short of effectively protecting young adults. Below, I discuss laws that are proposed to specifically regulate AI, as well as laws which arguably happen to encompass AI because of a feature of AI technology.

##### *1. FERPA*

In 1974, Congress passed the Family Educational Rights and Privacy Act (FERPA), an educational privacy law to give parents control over their children's privacy through a student's educational records. FERPA treats students under 18 as a protected class and does not clarify the difference between "student" and "children."<sup>64</sup> When a student turns 18 or enters a postsecondary institution at any age, the rights under FERPA transfer from the parent to the student.<sup>65</sup>

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<sup>64</sup> 20 U.S.C. § 1232g.

<sup>65</sup> U.S. DEP'T OF EDUC., PROTECTING STUDENT PRIVACY, <https://studentprivacy.ed.gov/faq/what-ferpa> [<https://perma.cc/WW96-YEGY>] (last visited Apr. 2024).

FERPA has been criticized for its lack of protection regarding students' educational privacy in practice.<sup>66</sup> Furthermore, FERPA is more so a law about how adults in a young adults' life can delegate control over the young adult's educational data. Young adults cannot consent for themselves when it comes to educational records, and parents or guardians are supposed to consent on their behalf.

Although FERPA covers young adults, it is not clear whether AI is implicated. FERPA has been criticized for its shortcomings when it comes to technological infrastructure in EdTech because educators are overwhelmed by data tracking practices, leading to an unsustainable system that burdens students, parents, and educators while failing to ensure "meaningful transparency, accountability, and scrutiny over schools' information practices."<sup>67</sup> FERPA doesn't adequately address AI risks. FERPA's potential AI application involves schools and adults inputting young adult data into an AI system, rather than young adults themselves using the AI. FERPA does, however, raise the concern of how an adults' use of an AI tool can implicate a young adult's data.

## 2. COPPA

The Children's Online Privacy Protection Act (COPPA) is a federal children's privacy regulation that defines "children" as being under 13 and regulates digital platforms because of the COPPA's restrictions on children's data collection.<sup>68</sup> As a result of COPPA's definition of children as those under age 13, COPPA creates a gap for young adults aged 13-17. Young adults are instead treated as adults who can consent for themselves without parental involvement for the purposes of online services. Given that AI's main regulatory mechanism is currently through privacy law, COPPA's gap in young adult privacy regulation translates to a gap in young adult AI regulation.

COPPA is also confusingly inconsistent with FERPA when defining who qualifies as a young adult.<sup>69</sup> Reading FERPA and COPPA together presumes an age distinction between "child" and "student," as COPPA defines "child" as under

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<sup>66</sup> See Elana Zeide, *Student Privacy Principles for the Age of Big Data: Moving Beyond FERPA and FIPPS*, 8 DREXEL L. REV. 339, 377–78 (2016), <https://drexel.edu/~media/Files/law/law%20review/v8-2/V8-2%20-%20Zeide.ashx> [<https://perma.cc/4U2D-UDYS>] (online corrected).

<sup>67</sup> *Id.* at 340.

<sup>68</sup> 15 U.S.C. § 6501(1).

<sup>69</sup> See 20 U.S.C. § 1232g.

13 while FERPA defines students as under 18. This protected class distinction between “child” and “student” under COPPA and FERPA seems arbitrary. For example, FERPA gives parents full power over their 14-year-old’s educational data, but COPPA gives them no legal power to look at the data their 14-year-old has shared with an online service or video game.

For COPPA, protecting children’s privacy effectively translates to giving parents control over their children’s privacy. The legislative history shows that Congress developed COPPA intending for parents to be in control of their children’s data.<sup>70</sup> Furthermore, even if we come to an agreement that young adults do have the cognitive capacity to provide their own consent, it does not matter in educational contexts because schools can consent on behalf of the parents, for their students.<sup>71</sup> Because young adults fall outside of COPPA’s protections but remain under parental or institutional authority until the age of 18 or high school graduation, it is unclear what privacy rights young adults can actually exercise in educational contexts. Merely broadening the definition of “child” under COPPA to capture all minors under 18 would also not adequately protect young adults because privacy laws will not address the educational risks of AI for young adults (i.e., the developmental, pedagogical, and accessibility risks identified in Part II).<sup>72</sup> COPPA’s scope is also limited to online services targeting children, and it is unclear whether ChatGPT or other AI chatbots would fall under this definition. Interestingly, OpenAI’s privacy policy has a section titled “Children,” which contains a disclaimer explicitly stating that “[o]ur Services are not directed

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<sup>70</sup> Protecting children’s privacy online has been a priority for the Commission since 1998, when the Commission recommended ‘that Congress develop legislation placing parents in control of the online collection and use of personal information from their children.’” FTC, POLICY STATEMENT OF THE FEDERAL TRADE COMMISSION ON EDUCATION TECHNOLOGY AND THE CHILDREN’S ONLINE POLICY PROTECTION ACT 1 (May 19, 2022), [https://www.ftc.gov/system/files/ftc\\_gov/pdf/Policy%20Statement%20of%20the%20Federal%20Trade%20Commission%20on%20Education%20Technology.pdf](https://www.ftc.gov/system/files/ftc_gov/pdf/Policy%20Statement%20of%20the%20Federal%20Trade%20Commission%20on%20Education%20Technology.pdf) [https://perma.cc/ZCY4-9T9D] (citing FTC, PRIVACY ONLINE: A REPORT TO CONGRESS 42 (June 1998)).

<sup>71</sup> Guidance from the Federal Trade Commission during the pandemic advised that Ed Tech companies may “get consent from the school instead of from the parent,” which again moves students’ control over their data processing rights to a different entity. Students under 13 effectively have no control over their data processing rights, since it is either the school or parent who decide. Lisa W. Schifferle, *COPPA Guidance for Ed Tech Companies and Schools During the Coronavirus*, FTC BUS. BLOG (Apr. 9, 2020), <https://www.ftc.gov/business-guidance/blog/2020/04/coppa-guidance-ed-tech-companies-and-schools-during-coronavirus> [https://perma.cc/8DS2-CU2X].

<sup>72</sup> See *supra* Part II.C.2.

to, or intended for, children under 13,” and that users between 13 and 18 years of age “must have permission from their parent or guardian to use our Services.”<sup>73</sup> OpenAI’s privacy policy regarding children is clearly influenced by COPPA and exemplifies how private companies have little incentive to create AI protections for young adults over the age of 13.

### *B. The 2023 Biden AI Executive Order*

On October 30, 2023, President Joe Biden signed Executive Order 14110 (hereinafter the “Biden E.O.”), titled “Safe, Secure, and Trustworthy Development and Use of AI,” taking a more sectoral approach to AI regulation.<sup>74</sup> Although the Biden E.O. was ultimately revoked by President Trump in January 2025, the Biden E.O. still warrants discussion for being the only Executive Order to explicitly acknowledge AI’s role in education (albeit only briefly). In this section, I examine the Biden E.O. and its shortcomings to highlight areas where future AI regulation can be improved beyond the Biden Administration’s efforts. By analyzing its approach and gaps, I aim to show how AI policy in education can be more comprehensive in addressing the unique challenges that young adults face when using AI technologies.

By formally naming education as a focus area of AI’s impact, the Biden E.O. established an important foundation for how future administrations may tackle AI in schools. Though no longer in place, it also offers policymakers and schools a glimpse into how the executive branch may use the law to shape AI governance in education. Given the overall lack of legal guidance on AI regulation in education, examining the Biden E.O.’s intentions – even in retrospect – serves as a valuable starting point for developing a framework that acknowledges the unique risks posed by AI in educational contexts.

Section 8 of the Biden E.O., titled “Protecting Consumers, Patients, Passengers, and Students,” notably dedicated a subsection to the Secretary of Education. Subsection (d) mandates that the Secretary of Education “develop resources, policies, and guidance” regarding the “safe, responsible, and

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<sup>73</sup> *Privacy Policy*, OPENAI (Nov. 4, 2024), <https://openai.com/policies/privacy-policy/> [<https://perma.cc/R4X-PGPG>].

<sup>74</sup> Exec. Order No. 14,110, 88 Fed. Reg. 75191 (Oct. 30, 2023), <https://www.federalregister.gov/documents/2023/11/01/2023-24283/safe-secure-and-trustworthy-development-and-use-of-artificial-intelligence> [<https://perma.cc/EBH2-4FYU>].

nondiscriminatory use of AI in education” and recognized a need to focus on the impact on vulnerable and underserved communities.<sup>75</sup> The order also called for the development of an “AI toolkit” for education leaders, which included guidelines for human review of AI decisions, AI systems designed to enhance trust and safety, and alignment with privacy laws and regulations in the educational context.<sup>76</sup>

The Biden E.O. Fact Sheet further explained that one of Section 8’s goals was to “[s]hape AI’s potential to transform education by creating resources to support educators deploying AI-enabled educational tools, such as personalized tutoring in schools.”<sup>77</sup> It is promising that the Biden E.O. recognized the need to support educators in using AI tools, yet also disappointing that the order did not seem to recognize the need to make these tools more readily accessible for all educators and students.

Although Section 8 explicitly addressed the use of AI in education, the Biden E.O. still felt frustratingly vague with its lack of concrete details. As with the rest of the document, the E.O. contained a lot of “fluff” – there were broad strokes touching on policy issues, but few actionable steps. And of the entire E.O., only one sentence was dedicated to education. Besides directing the Secretary of Education to come up with this “AI toolkit,” there was no other commentary on AI’s impact on education or how Section 8 should specifically guide the Secretary of Education’s AI Toolkit. Educators and students were left to wait a year for a response from the Secretary of Education, while school continued and ChatGPT became more integrated within our society.

Near the end of the Biden presidency, on October 24, 2024, the Department of Education’s Office of Educational Technology published an AI Toolkit pursuant to the 2023 Biden E.O.<sup>78</sup> The now revoked Toolkit was divided into three sections: *Mitigating Risk*, *Building a Strategy for Integration*, and *Maximizing Opportunity*

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<sup>75</sup> *Id.* at 75216 (§ 8(d)).

<sup>76</sup> *Id.*

<sup>77</sup> *Fact Sheet: President Biden Issues Executive Order on Safe, Secure, and Trustworthy Artificial Intelligence*, WHITE HOUSE ARCHIVES (Oct. 30, 2023), <https://bidenwhitehouse.archives.gov/briefing-room/statements-releases/2023/10/30/fact-sheet-president-biden-issues-executive-order-on-safe-secure-and-trustworthy-artificial-intelligence/> [https://perma.cc/45PT-C7PT].

<sup>78</sup> OFF. OF EDUC. TECH., EMPOWERING EDUCATION LEADERS: A TOOLKIT FOR SAFE, ETHICAL, AND EQUITABLE AI INTEGRATION 3 (Oct. 2024), <https://web.archive.org/web/20241214102220/https://tech.ed.gov/files/2024/10/ED-OET-EdLeaders-AI-Toolkit-10.24.24.pdf> [https://perma.cc/UCV8-S934]; *see also*

*and Guiding Effective Use.*<sup>79</sup> The AI Toolkit seemed to provide a guide for teachers on designing curricular content around AI, making AI safe for students, and addressing the potential barriers for students accessing AI. It was promising to see that the AI Toolkit incorporated issues of access and pedagogical effectiveness, a departure from the initial Biden E.O. that generally focused on the information privacy aspects of AI technology.

However, the AI Toolkit was revoked alongside the Biden E.O. when President Donald Trump took office and is no longer available online.<sup>80</sup> It is unclear whether the AI Toolkit had any discernible practical impact, as it was released at the very end of Biden's presidency, and then immediately revoked on Trump's first day back in office.<sup>81</sup> Nonetheless, the AI Toolkit's brief publication still highlights the urgent need for a federal resource or directive to help schools navigate AI in the classroom.

Complementing the Biden E.O., the White House Office of Science and Technology Policy under the Biden Administration also introduced the Blueprint for an AI Bill of Rights, a white paper report outlining five key principles as a framework for designing, using, and executing ethical AI systems:<sup>82</sup>

- (1) safe and effective systems;
- (2) algorithmic discrimination protections;
- (3) data privacy;
- (4) notice and explanation; and
- (5) human alternatives, consideration, and fallback.

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*USDE Releases AI Toolkit for Schools*, NAT'L ASSOC. OF PUPIL SERV. ADMIN. (Oct. 2024), <https://www.napsa.com/usde-releases-ai-toolkit-for-schools/> [<https://perma.cc/F9UA-AT6W>].

<sup>79</sup> OFF. OF EDUC. TECH., *supra* note 78.

<sup>80</sup> David Shepardson, *Trump Revokes Biden Executive Order on Addressing AI Risks*, REUTERS (Jan. 21, 2025), <https://www.reuters.com/technology/artificial-intelligence/trump-revokes-biden-executive-order-addressing-ai-risks-2025-01-21/> [<https://perma.cc/5XLP-JH9U>].

<sup>81</sup> The AI Toolkit was only available for 88 days. It was published on October 24, 2024, and President Trump revoked the Biden E.O. on January 20, 2025, his first day in office. It would be enlightening to conduct an educational survey on schools' responses to the Toolkit and if its publication and repeal had any effects on schools' responses to AI.

<sup>82</sup> *Blueprint for an AI Bill of Rights*, WHITE HOUSE ARCHIVES (Oct. 2022), <https://bidenwhitehouse.archives.gov/ostp/ai-bill-of-rights/> [<https://perma.cc/C8TW-29X7>].

Since the AI Bill of Rights is not an Executive Order or a legally-binding document, there is no indication that the AI Bill of Rights has been revoked.<sup>83</sup> As of now, it remains available as a guiding framework. But again, besides signaling to the public that AI regulation is on America's agenda, the Bill of Rights remains vague and general like the revoked E.O. – these statements lay the groundwork for future policies but lack specific, actionable directives.

The “EducateAI” initiative, an update to Section 8, was launched to help fund educators creating high-quality, inclusive AI educational opportunities at the K-12 through undergraduate levels.<sup>84</sup> However, EducateAI also seemed to be tied to another part of the Biden E.O. focusing on labor goals, specifically “to prioritize AI-related workforce development.”<sup>85</sup> Like the initial Trump Executive Order in 2019, the Biden E.O. highlighted a recurring theme of prioritizing the short-term economic benefits of labor and employment over long-term benefits of educational transformation. Given that the Biden E.O. has been revoked, it also remains unclear whether EducateAI remains active or if the millions of dollars already invested in the initiative will be withdrawn.<sup>86</sup>

A future Executive Order inspired by Section 8 of the Biden E.O. would require more detailed guidelines to be truly effective. The integration of AI

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<sup>83</sup> The AI Bill of Rights contains a legal disclaimer stating that is “non-binding and does not constitute U.S. government policy.” OFF. OF SCI. AND TECH. POL’Y, BLUEPRINT FOR AN AI BILL OF RIGHTS 2, (Oct. 2022), <https://marketingstoragerags.blob.core.windows.net/webfiles/Blueprint-for-an-AI-Bill-of-Rights.pdf> [https://perma.cc/NST8-7844].

<sup>84</sup> *NSF Launches EducateAI Initiative*, U.S. NAT’L SCI. FOUND. (Dec. 5, 2023), <https://www.nsf.gov/news/nsf-launches-educateai-initiative> [https://perma.cc/83D3-WKQC].

<sup>85</sup> *Fact Sheet: Biden-Harris Administration Announces Key AI Actions Following President Biden’s Landmark Executive Order*, WHITE HOUSE ARCHIVES (Jan. 29, 2024), <https://www.whitehouse.gov/briefing-room/statements-releases/2024/01/29/fact-sheet-biden-harris-administration-announces-key-ai-actions-following-president-bidens-landmark-executive-order/> [https://perma.cc/YAS4-M7KM].

<sup>86</sup> As of March 7, 2025, the most recent web page for EducateAI has not been updated, which raises questions about its current status. This could suggest that the initial funds allocated to EducateAI have already been dispersed, or that the initiative remains unaffected by the Trump administration’s revocation of the Biden E.O. because the initiative is an action by U.S. National Science Foundation, an “independent federal agency that supports science and engineering.” *About NSF*, U.S. NAT’L SCI. FOUND., <https://www.nsf.gov/about> [https://perma.cc/RR55-SKEX] (last visited Mar. 7, 2025); *see also NSF Investing Nearly \$8M in EducateAI Awards to Develop Next Generation of Well-Trained AI Workforce*, U.S. NAT’L SCI. FOUND. (Sept. 4, 2024), <https://www.nsf.gov/news/nsf-investing-nearly-8m-educateai-awards-develop-next> [https://perma.cc/NWL6-M3ZJ].

in education needs to address risks beyond children's data privacy, algorithmic fairness, and AI's impact on the labor force. We must also tread carefully in creating regulatory guardrails to ensure effective AI integration and equitable access to AI technologies through educational systems.

Yet, I acknowledge the benefits of these broad types of executive orders. AI is such a fast-growing space that hasty and narrow regulations may inadequately address new technologies. With the time it takes for a regulation to pass through legislative processes, the technology is likely to have advanced and changed. Given education's historical challenges with federal regulation, a more flexible guideline approach that a regulation like the AI Executive Order promises is going to be more effective than a strict formal law that restricts particular uses of AI in education. The malleable nature is helpful, and in Section IV, I offer factors that the Secretary of Education and other local education regulators should consider in thinking about the types of AI guidelines that would be most helpful for their classrooms or schools.

### *C. State Laws*

In a regulatory landscape without federal or state AI legislation, state laws covering data privacy, children's privacy, and social media moderation fill some gaps in regulating AI use among young adults. However, given the heavy privacy focus on regulating AI, the existing state laws that encompass AI remain inadequate in addressing risks such as ensuring accessibility and developmental considerations for young adults.

#### *1. Privacy Laws*

Most AI-related regulations are primarily found within the realm of information privacy. Yet, there remain ongoing debates among privacy scholars on what constitutes a "privacy" concern in this growing legal area. Helen Nissenbaum's theory of contextual integrity offers one perspective, characterizing privacy as the appropriate flow of information within specific contexts.<sup>87</sup> In contrast, Daniel Solove categorizes different types of privacy harms, reflecting

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<sup>87</sup> Under the contextual integrity framework, privacy concerns arise when information moves inappropriately between these contexts. See Helen Nissenbaum, *Privacy as Contextual Integrity*, 79 WASH. L. REV. 119, 136–38 (2004).

the complexity of privacy issues.<sup>88</sup> Recently, Angel and Calo criticized Solove's social-taxonomic approach, suggesting that the wide range of information-based harms, such as consumer manipulation and algorithmic bias, has diluted the core principles of privacy law.<sup>89</sup>

Given the extensive data processing involved in AI technology, as well as privacy law's tendency to encroach on every aspect of our lives, understanding privacy concerns and desiring transparency around data processing are integral to understanding AI's legal challenges. State privacy laws are crucial, as generative AI models like ChatGPT require vast amounts of data to function effectively, often incorporating personal and sensitive information.<sup>90</sup> Consequently, state data privacy laws directly impact how AI technologies can be developed and used.

For instance, the California Consumer Privacy Act (CCPA) and its successor, the California Privacy Rights Act (CPRA), set rules for companies engaged in data collection, storage, and processing.<sup>91</sup> These laws require companies to disclose what data they collect and allow consumers to opt out of data sharing.<sup>92</sup> Such regulations ensure that AI developers implement robust privacy measures, safeguarding user data from misuse or unauthorized access.

However, the application of these laws to AI technologies is not helpful for addressing the specific educational and developmental risks posed to young adults. Laws like the CCPA and CPRA regulate how companies collect, store, and share personal data, but they do not address the ways AI tools affect critical thinking, introduce algorithmic bias, or create unclear consent requires for young adults. State privacy laws also typically include a carve-out for COPPA, so that the state law does not face a preemption issue. Needing to comply with COPPA carve-outs continues the issues mentioned earlier about the disjunction between children under 13 having full parental oversight over their data versus being treated like an adult despite being under the age of 18, thus overlooking the unique developmental needs

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<sup>88</sup> Daniel Solove & Danielle Keats Citron, *Privacy Harms*, 102 B.U. L. REV. 793, 830 (2022).

<sup>89</sup> Angel & Calo, *supra* note 49.

<sup>90</sup> AI WORKING GRP., CONFEDERATION OF EUR. DATA PROT. ORG., GENERATIVE AI: THE DATA PROTECTION IMPLICATIONS 6 (Oct. 15, 2023), <https://cedpo.eu/wp-content/uploads/generative-ai-the-data-protection-implications-16-10-2023.pdf> [<https://perma.cc/2F34-FV4J>].

<sup>91</sup> California Consumer Privacy Act of 2018, Cal. Code Regs. tit. 1.81.5, § 1798.100 (2021) (amended 2023).

<sup>92</sup> *Id.*

of young adults. Furthermore, existing data protection frameworks do not address the unethical uses of AI tools by its users.

Lastly, in the educational context, state education surveillance laws, as well as Fourth Amendment jurisprudence, show that K-12 students have a lesser expectation of privacy in schools.<sup>93</sup> School officials are allowed to search students within reason, as well as have surveillance cameras in classrooms. This leaves open a question of whether young adults will be allowed to have separate protections as more advanced technologies like AI become more integrated into school surveillance systems.<sup>94</sup>

## 2. *Child Design Laws and Social Media Moderation*

Several states have attempted to pass laws addressing children's privacy and teen social media and gaming use to address risks like harmful content exposure, addictive app design, and data-sharing practices.<sup>95</sup> However, these child design and social media laws only provide indirect regulation of AI and do not sufficiently address the risks to young adults I describe in relation to the educational context.

One example is California's Age-Appropriate Design Code Act (CAADCA), which regulates online services and products used by children by requiring specific privacy protections.<sup>96</sup> Although the future of CAADCA is uncertain due to First Amendment concerns, it is worth noting that CAADCA is one of the first to recognize that different age groups amongst minors have different needs for protection.<sup>97</sup> Unlike COPPA which only defines a child as under 13, CAADCA

<sup>93</sup> See, e.g., *New Jersey v. T.L.O.*, 469 U.S. 325, 326 (1985).

<sup>94</sup> As technology advances and AI becomes more integrated into school surveillance, I worry that schools become increasingly ripe for abuses of student privacy. The increased surveillance of American schoolchildren has been criticized as overly intrusive. Elana Zeide cautions that schools should be careful in implementing new technologies, which can exacerbate the existing high levels of surveillance in the education system. See Elana Zeide, *Big Proctor: Online Proctoring Problems and How FERPA can Promote Student Data Due Process*, 3(1) NOTRE DAME J. OF EMERGING TECH. 74, 136 (Jan. 2023).

<sup>95</sup> NAT'L CONF. OF STATE LEGIS., SOCIAL MEDIA AND CHILDREN 2024 LEGISLATION, [https://www.ncsl.org/technology-and-communication/social-media-and-children-2024-legislation#:~:text=Creates%20the%20Adult%20Content%20Age,subject%20to%20civil%20penalties%20if\[https://perma.cc/49SQ-3563\]](https://www.ncsl.org/technology-and-communication/social-media-and-children-2024-legislation#:~:text=Creates%20the%20Adult%20Content%20Age,subject%20to%20civil%20penalties%20if[https://perma.cc/49SQ-3563]) (last visited June 14, 2024).

<sup>96</sup> CAL. CIV. CODE § 1798.99.30 (West 2023).

<sup>97</sup> CAADCA recognizes five different age groups for distinct protections: "0 to 5 years of age or 'preliterate and early literacy'; 6 to 9 years of age or 'core primary school years'; 10 to 12 years of age or 'transition

tailors its safety measures to different age groups and acknowledges that different online products and services will be accessed depending on a minor's age group.

But otherwise, CAADCA's primary protection mechanism focuses on privacy controls for minors.<sup>98</sup> It may be interesting to follow how AI technologies become integrated into social media and gaming platforms, such as Meta AI being integrated into Instagram's search feature, but this does not touch upon the specific educational context which is the focus of this Note.

Similarly, Florida, Utah, and Montana have attempted to pass laws restricting access to certain social media platforms or content deemed harmful to children or teenagers, rather than addressing how AI might shape their educational experience.<sup>99</sup> While social media laws inadvertently regulate AI to the extent that social media platforms and online gaming utilize AI-driven algorithms,<sup>100</sup> again these laws are not designed with education in mind and thus do not offer the nuanced regulatory approach I call for regarding young adults. Thus, the move towards social media regulation does not adequately address my concerns with AI tools like ChatGPT, especially because ChatGPT is neither a social media platform nor intended for minors. If policymakers are looking to protect young adults, they must acknowledge the risks and benefits of AI in educational contexts, which are distinct from AI applications in social media and gaming.

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years'; 13 to 15 years of age or 'early teens'; and 16 to 17 years of age or 'approaching adulthood.'" California Age-Appropriate Design Code Act, CAL. CODE REGS. tit. 1.81.47, §§ 1798.99.28–1798.99.40 (2022).

<sup>98</sup> CAADCA requires companies to complete a data protection impact statement which must explain whether a company's "design of the online ... service could harm children, including by exposing [them] ... to harmful, or potentially harmful, content. ..." *Id.* at 1798.99.31(a)(1)(B)(i).

<sup>99</sup> See Danielle Prier, *Florida's Social Media Law Takes Effect Jan. 1. Here's What to Know*, NPR: WUSF (Dec. 30, 2024), <https://www.wusf.org/politics-issues/2024-12-30/florida-social-media-law-takes-effect-january-1-what-to-know> [<https://perma.cc/YPQ2-AUM9>]; Nate Raymond, *Utah Law Restricting Youth Social Media Use Blocked By Judge*, REUTERS (Sept. 11, 2024), <https://www.reuters.com/world/us/utah-law-restricting-youth-social-media-use-blocked-by-judge-2024-09-11/> [<https://perma.cc/BC5B-UL3H>]; Bobby Allyn, *Federal Judge Blocks Montana's TikTok Ban Before It Takes Effect*, NPR (Nov. 30, 2023), <https://www.npr.org/2023/11/30/1205735647/montana-tiktok-ban-blocked-state> [<https://perma.cc/Z5NC-SC53>].

<sup>100</sup> See Madeline Timmins, *Time Flies When You're Having Fun! How TikTok's Algorithm Gets Users Hooked*, HARV. BUS. SCH.: DIGIT. INITIATIVES (Nov. 30, 2022), <https://d3.harvard.edu/platform-digit/submission/time-flies-when-youre-having-fun-how-tiktoks-algorithm-gets-users-hooked/> [<https://perma.cc/9G4P-C6EB>]; Joseph De Avila, *Nebraska Sues TikTok for Allegedly Harming Minors*, WALL ST. J. (May 22, 2024), <https://www.wsj.com/us-news/nebraska-sues-tiktok-for-allegedly-harming-minors-5826c533> [<https://perma.cc/H9V7-XN3L>].

#### IV SUGGESTIONS

As AI continues to permeate various sectors of our society, it is imperative that regulatory frameworks evolve to address the unique challenges and opportunities presented by these technologies. One challenge of AI regulation is the number of laws already encompassing AI in some capacity. Instead, it is more effective to think about AI's specific use cases when thinking of AI regulation. Thus, it makes more sense to think about AI regulation sectorally, and, for purposes of this Note, consider how to best equip young adults to engage with AI safely and effectively in the education context.

Given education's unique regulatory challenges, traditional forms of top-down lawmaking are unlikely to be effective. Instead, flexible regulations through suggestions and guidelines are more practical, while outright bans are ill-advised. Building on the groundwork laid by the now-revoked Biden E.O., I propose suggestions to the Secretary of Education, as well as other regulatory bodies like schools and teachers, to develop an AI Toolkit tailored to the unique needs and risks posed by AI in educational contexts. The recommendations I propose reflect my own perspective on what a future regulatory body should consider when formulating a new AI Toolkit, and they have a special focus on managing AI use among young adults, which is influenced by my experience as a high school teacher. These suggestions are not exhaustive, but serve as a starting point so that our society is better prepared to realize AI technology's potential. The goal is to enable young adults to use AI safely and effectively, fostering an AI-ready generation.

##### *A. AI Regulation is Necessary*

One may question whether AI regulation is necessary at all. We could instead hope for the market to self-regulate, allowing AI companies, schools, and young adults to figure out themselves how to best utilize AI. However, the risks are too numerous, and intervention in educational technology is long overdue, as well as the need for recognition that young adults require distinct considerations from adults over 18 and children under 13. It is unjust to infantilize young adults by not giving them agency to use AI tools and irresponsible to not give young adults proper guidance on using AI tools.

Current AI regulation already occurs through laws that happen to encompass AI due to AI's diverse technology features. As AI progresses and integrates into

other areas, more regulation challenges will arise. Similar to the challenges around regulating privacy, since privacy has become a law of everything in a world that relies on a huge data economy, we will find ourselves in an AI economy where all parts of our lives and technologies we use will incorporate generative AI technologies.

Instead of continuing to overlook the multitude of risks that AI holds in relation to young adults, we must think about these issues and set guardrails now. Otherwise, we may see another crisis like what happened in the pandemic, uncovering the severity of the digital divide in education, this time with AI technologies.

*B. The Case Against Banning ChatGPT – No Putting the Genie Back in the Bottle*

Banning ChatGPT should be avoided because bans as a regulatory mechanism are ineffective. It is more harmful to ban ChatGPT than allow students to use it, and enforcement challenges will arise out of attempting to police the use of ChatGPT.

First, any form of a ChatGPT ban will be unsuccessful, whether it involves restricting the app from school devices or networks, or the use of ChatGPT for classroom assignments. Enforcing a ban on school devices or school networks is simple – if a teacher notices a student using ChatGPT at school, then the student will be disciplined. However, young adults can simply access ChatGPT on their phones, as 95% of teens aged 13 and older owned a cell phone in 2022.<sup>101</sup> Similarly, banning ChatGPT from school networks is also ineffective because a student can access cellular networks on their smartphones or find proxy sites. For example, a common “hack” that my own high school students used was entering a URL into Google Translate to bypass school firewall restrictions.

A broader ban on ChatGPT use for classroom assignments is also ineffective because of enforcement challenges. It is difficult to determine whether a student’s work was created with the help of ChatGPT. There is also a line drawing question of whether *any* use of ChatGPT is contraband, such as to brainstorm paper topics,

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<sup>101</sup> Emily A. Vogels, et al., *Teens, Social Media and Technology 2022*, PEW RSCH. CTR. (Aug. 10, 2022), <https://www.pewresearch.org/internet/2022/08/10/teens-social-media-and-technology-2022/> [<https://perma.cc/3ADF-GDM6>].

or if it is the act of copying the output directly into an assignment that constitutes the prohibited behavior.

Second, the burden of enforcing a ban gets shifted to teachers, becoming another item on a teacher's never-ending to-do list. Teachers will have to use their judgment to determine what assignments seem to be AI-generated or AI-assisted, which are increasingly complicated to detect. AI detection tools, often being described as "snake oil," are highly inaccurate.<sup>102</sup> There is currently no accurate way to test for AI detection, and purported AI-detection products such as ZeroGPT have dismal accuracy rates.<sup>103</sup> Unlike other cheating-detection methods, AI detection is more complicated. It is easier for a teacher to physically observe a student looking at another's work during an exam or for a plagiarism detector to find matches in preexisting text.

If a ban is enacted, I also anticipate numerous student complaints for being falsely accused of using ChatGPT, which will strain already burdensome disciplinary processes. Schools are normally hesitant to accuse a student of academic misconduct unless the cheating is blatant, as over-disciplining is not in the best interest of the students nor the school. I recall one of my own students with a second-grade literacy level submitting a flawless essay completed at home. I was unable to "prove" that the parent wrote the assignment for the student, but I very much suspected this was the case. Although I secured support from a vice principal to address the issue with the parent, I could not outright accuse them of cheating without concrete evidence.

Finally, banning ChatGPT deprives young adults of valuable resources widely used by adults and higher education institutions. Prohibiting ChatGPT in secondary schools fails young adults by denying them the opportunity to learn about appropriate AI use. To prepare young adults for post-high school careers, it is better to promote responsible AI integration into the high school classrooms rather than imposing a ban.

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<sup>102</sup> Benj Edwards, *Why AI Writing Detectors Don't Work*, ARS TECHNICA (July 14, 2023), <https://arstechnica.com/information-technology/2023/07/why-ai-detectors-think-the-us-constitution-was-written-by-ai/> [https://perma.cc/V4WC-62C6].

<sup>103</sup> *Id.*

*C. Building on the Legacy of Biden AI E.O.: Creating an Education-Informed AI Toolkit*

That said, ChatGPT is not risk free. The Biden AI E.O. and previously published AI Toolkit, though revoked, can still serve as a flexible foundation for creating AI-guidelines geared towards demystifying AI for young adults. The repeal of these resources effectively leaves the United States back at square one, underscoring the urgency of developing a new AI Toolkit that properly addresses ethical, developmental, and pedagogical considerations. Instead of focusing solely on teachers' use of AI to streamline classroom practices, the Secretary of Education and other policymakers should design resources that help students understand how to engage responsibly with AI, ensuring AI integration into the classroom.

*1. Addressing Ethical and Pedagogical Considerations*

AI tools like ChatGPT can be tempting for teachers looking to reduce their workload. However, relying too heavily on AI for tasks like grading and lesson planning raises significant ethical and pedagogical questions.

While teachers might find ChatGPT's ability to create and grade assignments, and thus lower their workload, appealing, they should be cautious about using AI in this way. If ChatGPT can make an assignment and a student can then generate a perfect response, the assignments teachers are giving students may be too formulaic, indicating the existing shortcomings of the education system rather than of ChatGPT. Furthermore, the potential for students to use AI to complete assignments highlights the need for more meaningful assessments. Reliance on AI by teachers and students to complete and evaluate work seems to undermine the fundamental purpose of education: to develop independent thinking and problem-solving skills. Thus, the rise of AI tools like ChatGPT reveals existing shortcomings in the education system, making it imperative to recognize that ChatGPT may not be the root cause of these educational challenges, but is merely uncovering them.

Since banning AI is not an option, educators should compile a list of appropriate, or even encouraged, ChatGPT uses for students. This would help set a regulatory floor, identifying AI applications deemed inappropriate for education and young adults. This list should be an ongoing discussion backed by various stakeholders, such as, but not limited to: AI specialists, EdTech specialists, teachers, students, and parents. These stakeholders should brainstorm ideas collectively and determine suitable uses of ChatGPT, providing young adults

with proper guidance on using AI tools. This approach will also better inform educators on how to integrate AI into their curricula effectively and responsibly.

Some appropriate ways to utilize ChatGPT may be:

- Brainstorming ideas for writing prompts
- Summarizing large text
- Simplifying a text into a lower reading level
- Finding templates for writing prompts
- Requesting organizational support such as chunking, or breaking assignments down into more manageable pieces, for students with disabilities

Inappropriate uses for ChatGPT may be:

- Having ChatGPT to generate an assignment for you and then copying it with minimal personal effort
- Relying solely on ChatGPT for factual research
- Asking questions about sensitive information like depression

This list is not meant to be exhaustive, as stakeholders will have different opinions on each use case even within this list. Some uses of ChatGPT might clearly constitute cheating or inappropriate conduct, but many more will fall into a gray area.

Institutions may find it appropriate to draw bright lines around which situations are unacceptable. For example, for college admissions essays, universities and high school college counselors should clearly communicate to their students that student essays should not be AI-generated, to ensure that college applications are largely or completely representative of the individual student's work.

But these types of bright lines also bring us back to questions about what, really, the difference is between ChatGPT and other existing tools. For example, what is the difference between an elite college consulting company that heavily assists in writing student essays and ChatGPT? How about other study aids or learning tools, like CliffsNotes or Google Search? Opponents of ChatGPT would argue that these traditional aids are supplemental, designed to assist learning without replacing formal educational structures. The Secretary of Education and

schools across the nation must answer complex questions like these, and one reality may be that each school district feels differently about the various use cases.

## 2. *Stakeholders in Charge of Creating AI Guidelines*

Despite the absence of a current federal AI directive, as the briefly published AI Toolkit and the Biden E.O. was removed by the new Trump administration in 2025, local schools, districts, cities, and states need not delay in forming their own AI guidelines. One way in which they can begin this process is by forming AI Councils, establishing a democratic process that can include various stakeholders such as parents, teachers, and students. Including a technologist, similar to state-level privacy enforcement roles, could also bridge the gap between lawmakers and educators. Instead of purely depending on the federal government to act, creating these councils can offer valuable testimony to legislators and departments of education, ensuring policies are informed by those directly affected. Additionally, these councils can remain flexible, adapting to changes without needing to adhere to the rigidity of law.

However, challenges include finding technologists or AI specialists willing to participate for free. Conflicts may arise, particularly with the power dynamics between adults and students or even amongst adults with different backgrounds. For example, a school teacher with classroom expertise will have different opinions than a school counselor or a privacy specialist. Without the force of law, enforcement will likely be inconsistent and will require reliance on self-regulation by teachers and schools. Varied opinions within districts or states could also lead to disparate guidelines, complicating standardization.

## 3. *Increasing Access: A Public Utility Argument*

Access to advanced AI tools like ChatGPT remains a contentious issue due to AI's broad applicability spanning every sector of society. If the accessibility issue remains unaddressed, I worry that we risk repeating the pandemic's impact on education, where thousands of children were left out of opportunities and fell further behind due to inadequate resources.

Although the Biden AI E.O. has been revoked and there is no longer any federal mandate guiding AI use in education, the Secretary of Education could still take initiative on this matter by investing in ongoing research to better understand how students use AI and to keep up with the fast-paced nature of

the AI landscape. Determining whether AI companies should make their products more accessible or if the Department of Education should invest in AI resources is essential in determining how to best ensure that AI tools are equitable and effective in learning. Of course, one single platform's decision cannot solve educational inequity. EdTech companies and the greater education community must work together to determine how to continually improve access to the most effective AI tools so that all learners can benefit.

One proposed solution to address the access disparity is to treat AI in schools as a public utility, democratizing student access to AI tools.<sup>104</sup> AI has become an integral part of modern society, significantly impacting various sectors, including education, healthcare, finance, and entertainment. Currently, AI technologies like ChatGPT-4o are accessible only to those who can afford premium services. As AI becomes more advanced, access might be further constrained to those who have the infrastructure to support high computational requirements.<sup>105</sup> Making AI a public utility could standardize and broaden its accessibility, ensuring that everyone, regardless of socioeconomic status, has equal opportunity to benefit from these technologies.

However, implementing ChatGPT as a public utility raises several critical questions: who should carry the responsibility for managing and regulating this public utility, how should it be funded, and how can the loss of innovation be prevented once market pressure is removed? Government oversight might emphasize equity and adherence to the public interest but would risk bureaucratic inefficiencies, whereas a consortium of private companies might drive innovation but prioritize profit over accessibility and fairness.

Funding is another issue: who would bear the financial burden of maintaining and upgrading the AI infrastructure to ensure it remains cutting-edge and efficient? Potential funding sources could include government allocations, public-private partnerships, or even a model similar to how utilities like water and electricity

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<sup>104</sup> This idea is also advocated by Ganesh Sitaraman to ensure universal access to AI technologies. *See* Ganesh Sitarama & Tejas N. Narechania, *An Antimonopoly Approach to Governing Artificial Intelligence*, 43 YALE L. & POL'Y REV. 95, 100 (2024).

<sup>105</sup> Geopolitical competition concerns already exist over access to developing AI systems due to hardware limitations. This can be attributed to the fact that there is a chip shortage, and NVIDIA essentially owns a monopoly over AI-building chips. Furthermore, the U.S. does not allow NVIDIA chips to be sold to certain countries. *Id.* at 112, 138.

are funded through user fees. The challenge is to devise a funding mechanism that ensures sustainability without compromising accessibility. Furthermore, a baseline for the public AI resource will need to be defined, such as determining whether the standard should be based on existing private services like ChatGPT or if it should include a whole new set of AI tools.

A prime example of public services declining in quality due to the reduced incentive to innovate is Hawaii's electronic Comprehensive Student Support System (eCSSS), a centralized database for K-12 student information.<sup>106</sup> Although eCSSS was initially a cutting-edge program, eCSSS has become frustratingly outdated.<sup>107</sup> Without market pressure, innovation stalled, and it is now an inferior product. Additionally, expecting private companies like OpenAI to ensure product accessibility may overstep governmental authority, raising questions about the appropriate balance between government mandates and a private company's autonomy.

And while not exactly a public utility, many students are familiar with Google Suite. Higher education institutions are already experiencing issues with Google, where Google's early approach of offering free services to schools initially led to widespread adoption, but the subsequent service reductions and storage limits have prompted schools to find cheaper alternatives.<sup>108</sup> A similar issue may arise with ChatGPT, where AI tools eventually become prohibitively expensive or inaccessible due to infrastructural limitations. If the next disruptive AI tool requires expensive hardware to operate or high subscription costs, only wealthy young adults from more resource-rich backgrounds may be able to use these tools, thus further deepening the digital divide.

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<sup>106</sup> *Welcome to eCSSS*, STATE OF HAW. DEPT. OF EDUC. (2013), [https://ecsssonline.k12.hi.us/pages/WebHelp/Getting\\_Started/Welcome\\_to\\_eCSSS.htm](https://ecsssonline.k12.hi.us/pages/WebHelp/Getting_Started/Welcome_to_eCSSS.htm) [<https://perma.cc/W492-XBEF>].

<sup>107</sup> See STATE OF HAW. DEPT. OF EDUC., DEPARTMENT OF EDUCATION'S OPERATING BUDGET REQUEST FOR FISCAL BIENNIUM 2025-2027 app. A (2024), [https://boe.hawaii.gov/wp-content/uploads/2024/10/2024-10-22\\_FIC\\_DOE-operating-budget-request-FB2025-2027.pdf](https://boe.hawaii.gov/wp-content/uploads/2024/10/2024-10-22_FIC_DOE-operating-budget-request-FB2025-2027.pdf) [<https://perma.cc/SA4N-9J7Y>] (Hawaii's Department of Education recently requested funding for a replacement to eCSSS because "[t]he current student support information system, eCSSS, is outdated and must be modernized. . .").

<sup>108</sup> Michael Hickey, *How Higher Ed Institutions Are Responding to Google Storage Limits*, EdTECH MAG. (Oct. 14, 2024), <https://edtechmagazine.com/higher/article/2023/01/how-higher-ed-institutions-are-responding-google-storage-limits-perfcon> [<https://perma.cc/8XL9-C78W>].

Testing the feasibility of AI as a public utility in a smaller controlled setting, such as a single city or school district, may provide valuable insights. Individual schools or classrooms also offer an ideal experimental ground, as students would make a manageable experiment pool size for revealing the benefits and challenges of AI integration. However, due to education's risk-averse tendencies, convincing schools to budget for such a project will be challenging.

#### *4. Increasing AI Literacy*

Increasing AI education through targeted learning and research initiatives is crucial for both educators and young adults. The current lack of AI guidance had led to a fragmented approach to AI literacy in education. As AI becomes more incorporated into young adults' classroom experience, a more streamlined approach through an AI literacy program is essential to ensure that all stakeholders have a proper understanding of how AI works. Conducting surveys on how educators and students use ChatGPT and their perceptions of AI can also provide valuable insights, informing the development of AI educational programs and policies. These insights can also guide an "AI Tech Council" or the Secretary of Education in developing comprehensive guidelines and policies for AI integration in education.

Education researchers should focus on conducting surveys that can reveal patterns in AI usage, identify areas where additional training is needed, and highlight common misconceptions. Results of these surveys can gauge how students and teachers utilize and perceive ChatGPT, providing valuable insights into how students, teachers, and parents actually engage with ChatGPT rather than the current fearmongering over improper uses of ChatGPT.

By better understanding how AI is used by young adults and in classrooms, these insights can inform the Secretary of Education or an "AI Tech Council" in developing policies and strategies for integrating AI in education. Addressing these aspects will foster a well-informed, ethical, and safe AI environment, ensuring AI technologies align with educational goals and ethical standards.

Having proper AI literacy will also help educators determine effective and ethical AI uses for their respective schools. Any future governmental guidance on AI use in education should include a comprehensive AI Toolkit that includes strategies to integrate AI into teaching methods responsibly, as well as guidance for administrators to establish clear agreed-upon protocols outlining appropriate AI

uses. This includes understanding how to use AI to supplement learning without replacing critical thinking and creativity, as well as ethical considerations like avoiding over-reliance on AI and recognizing how bias impacts AI chatbot outputs. These considerations should be embedded into professional development programs to equip educators with necessary skills to effectively navigate AI in the classroom.

Parents and guardians should also be informed, but teachers are best suited to guide young adults in using ChatGPT since young adults spend most of their day in school. An AI literacy program for teachers and students should cover the basics of how tools like ChatGPT work, what AI is, and how to use these tools effectively. This would enable young adults to use AI effectively and ethically, while also helping teachers determine appropriate uses for their classrooms. Additionally, increasing AI literacy in young adults may help to foster an early understanding of intellectual property (IP) rights in the digital era, where it is becoming increasingly more important to understand proper source and copyright protocols. There are some efforts by the educators and the U.S. Patent Office to increase IP literacy in children,<sup>109</sup> and AI literacy offers an excellent opportunity to increase young adults' understanding of IP protections. By forming ethical AI use in young adults, young adults can better understand that although AI can be used as a tool to boost creativity and learning, AI tools are trained by using other people's work. This basic AI literacy can help prevent students from unknowingly plagiarizing or misusing AI-generated content from an early age. Additionally, for budding artists and creatives, an understanding of how their work may one day be used to train these AI tools may help students gain the skills to advocate for protecting their original works.

Lastly, guidelines to prevent emotional attachment to AI chatbots by teaching students that AI is a tool, not a human-like entity, is essential. Young adults need to be reminded that ChatGPT does not care for or feel anything, and to be wary of being manipulated by a machine's output no matter how "human" it sounds. This distinction is vital to avoid potential emotional harm and to foster a healthy relationship with technology. Teaching students about the ethical implications of

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<sup>109</sup> See, e.g., Debra Jacoby, *Integrating Intellectual Property into the STEM Curriculum*, EDUTOPIA (Nov. 2, 2023), [https://www.edutopia.org/article/teaching-middle-school-students-about-intellectual-property/?utm\\_source=chatgpt.com](https://www.edutopia.org/article/teaching-middle-school-students-about-intellectual-property/?utm_source=chatgpt.com) [https://perma.cc/W9J9-9PNN]; *Connecting Students with Intellectual Property*, USPTO, <https://www.uspto.gov/learning-and-resources/kids-educators/connecting-students-intellectual-property> [https://perma.cc/DA3W-UHH6] (last visited Jan. 9, 2025).

AI, including privacy concerns and data security, can also contribute to more responsible use.

*D. Developing a “School Safe ChatGPT”: Responsible AI Integration*

During the coronavirus pandemic, EdTech experienced a brief surge of new products. Educational games like Kahoot and virtual classroom management systems like Class Dojo were very popular in the two years of hybrid teaching. To harness AI’s advantages while safeguarding students’ privacy and promoting ethical use, developing a “School-Safe ChatGPT” could be a safe and controlled option for schools to monitor student AI use and teach young adults how to use the tool. The success of a School Safe ChatGPT will also depend on its accessibility, including how expensive and scalable the product is. This AI chatbot would be designed specifically for educational settings, incorporating additional safeguards and functionalities, similar to how Zoom created a more protective version tailored for K-12 schooling.

A School-Safe ChatGPT would need stringent data containment measures, akin to AI chatbots used in legal and business settings that keep information within a firm’s closed system.<sup>110</sup> Schools could establish agreements on data containment requirements, with stricter deletion protocols and data anonymization or encryption practices to minimize risks for their young adult users. Limiting chatbot access to specific schools or districts and ensuring the deletion of sensitive information could protect student data, and data minimization strategies could ensure that only necessary information is collected and retained. These measures should comply with regulations like FERPA and IDEA, which currently set guidelines on educational data privacy and are aligned with our society’s values of being more wary of processing minors’ information due to fears of misuse.

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<sup>110</sup> A.G. Lambert, *Navigating the AI Landscape: Ensuring Security in Closed System Implementations*, NAVEX (Aug. 22, 2023), <https://www.navex.com/en-us/blog/article/navigating-the-ai-landscape-ensuring-security-in-closed-system-implementations/> [https://perma.cc/FPN9-Q699] (“[W]hen using a closed system, the AI algorithm is used only on data within the company’s internal systems, meaning that information never leaves the firewall. You can still use the power of LLMs to analyze data and generate text, but the source material used is yours and is kept confidential and secure.”).

Currently, “Kids ChatGPT” is a “COPPA-compliant chatbot platform-as-a-service for education, youth, and children’s related companies.”<sup>111</sup> In line with how platform and AI regulation is so privacy-centered, one main difference between Kids ChatGPT and OpenAI’s ChatGPT are the privacy protections. Interestingly, Kids ChatGPT also emphasizes its “natural and informative responses” to child inquiries, and its safety as a platform.<sup>112</sup> The website does not share what makes interactions with an AI system more “natural,” but the “safe” portion is tied to its content moderation (“[k]ids ChatGPT is designed to filter out inappropriate content, ensuring a wholesome and educational experience for your child,”) and data privacy (“[n]o personal information is ever saved, and our chats vanish once your child leaves the website.”).<sup>113</sup> This seems like a great starting point, but given that COPPA is directed for children under 13, an app would be too basic for the needs of a young adult accessing ChatGPT.

Kids ChatGPT also raises a question of how the data inputted by students into the chatbot should be reviewed by adults. Kids ChatGPT states that an adult is “sent the unidentifiable raw chat logs bi-weekly. . . .”<sup>114</sup> Although designing an AI chatbot to provide adults with oversight capabilities over the type of information students are putting into the chatbot is helpful, this raises questions about the extent of access and monitoring. Although it is important for teachers to observe how students are using the app, allowing more transparency for student data collection can be seen as a negative, as this contributes to the school as a surveillance state.<sup>115</sup> Furthermore, as a teacher, I rarely looked at the swaths of student data collected on online learning platforms like Canvas and Google Classroom. Although I had access to the data, I wasn’t given proper training on utilizing this information. Data is only as useful as what you know what to do with it. An effective AI Toolkit will need to consider balancing data transparency with providing proper training for teachers to use the data collected on students for the benefit of student learning.

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<sup>111</sup> *Kids A.I. Chatbot Solution*, KIDS CHATGPT, <https://kidschatgpt.com/educators> [<https://perma.cc/RTH9-RG8H>] (last visited Apr. 4, 2025).

<sup>112</sup> *Id.*

<sup>113</sup> *What is Kids ChatGPT?*, KIDS CHATGPT, <https://kidschatgpt.com/about> [<https://perma.cc/XB4C-BB7B>] (last visited Apr. 4, 2025).

<sup>114</sup> *Kids A.I. Chatbot Solution*, *supra* note 111.

<sup>115</sup> See Danielle Keats Citron, *The Surveilled Student*, 76 STAN. L. REV. 1439 (2024), <https://review.law.stanford.edu/wp-content/uploads/sites/3/2024/10/Citron-76-Stan.-L.-Rev.-1439.pdf> [<https://perma.cc/38QE-YFG2>].

Additionally, a “School Safe ChatGPT” should incorporate functionalities to prevent misuse and promote ethical use. For example, the chatbot could include warnings or restrictions on certain prompts. If a student attempts to prompt the chatbot to “Write me an essay about *To Kill a Mockingbird*’s symbolism,” the chatbot could be trained to respond with a warning about academic integrity and discourage direct copying and pasting. Alternatively, it could be programmed to block such requests entirely, encouraging students to use AI for guidance and brainstorming ideas rather than as a learning shortcut.

Lastly, preventing algorithmic bias is critical in creating an AI education app. EdTech companies must rigorously test AI models for accuracy and bias and train their AI models using diverse data sets. For example, voice-enabled tools assessing literacy skills should recognize the diverse student strengths. Without diverse training data, AI chatbots may inadequately assess a child’s language skill when the child speaks in non-standardized English like Hawaii Creole English and African-American Vernacular English. One study has already shown algorithmic bias in automated essay scoring, inaccurately giving higher scores for 11th grade Hispanic and Asian-American students “while being more accurate for White and African-American students” when compared to human essay-graded scores.<sup>116</sup> Continuous evaluation will be necessary to maintain algorithmic inclusivity across different student demographics, and chatbots likely need to be customized for each school’s particular demographics.

## CONCLUSION

Current AI regulation has neglected young adults by failing to adequately respond to AI’s disruptive effects in education. But instead of trying to fill this gap with more privacy legislation, lawmakers must realize that AI involves broader risks affecting the education, development, and futures of young adults. Privacy regulation does not adequately consider educator concerns of implementation, accessibility, equity, literacy, and pedagogical effectiveness. These young adults are our world’s future, and the rise of generative AI tools will lead to greater inequities if we don’t consider these issues now.

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<sup>116</sup> Ryan S. Baker & Aaron Hawn, *Algorithmic Bias in Education*, EDARXIV 1, 15 (Mar. 1 2020), <https://doi.org/10.35542/osf.io/pbmzv> [<https://perma.cc/5MZJ-9TE8>].

Educational institutions should implement structured AI literacy programs designed to explain AI's mechanics, capabilities, and limitations. By demystifying AI, educators and students can develop a more nuanced understanding of these tools, leading to more informed and responsible usage. Recognizing the technological access issues is also crucial, as leaving this aspect of AI tools unregulated will only deepen the inequalities faced by young adults in various socioeconomic groups. Simply banning ChatGPT will not resolve these issues – it is a lazy and ineffective approach that will lead to more harm for young adults and their teachers.

By confronting and realizing the technological access issue, I hope that regulators realize that leaving ChatGPT unregulated only further entrenches the inequalities faced by young adults in their various socioeconomic groups and communities. By shedding light on the disparities between regulatory approaches and the realities that young adults face in classrooms and beyond, I hope to underscore the necessity for further research and emphasize that advocacy in the realm of education and AI technologies is critically underexplored.

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UNENFORCEABLE ‘INFRINGEMENT’: THE BENEFITS OF MAKEUP  
DUPES AND LEGAL COPYING

SARAH ROSENBERG\*

*Beauty dupes—products meant to directly copy and serve as a substitute for specific luxury beauty products—are hugely profitable. Popular dupes of products sold by beauty giants such as Dior or L’Oreal are rarely challenged by litigation, and the majority of dupes are sold completely uncontested. How have dupes had such market success, and is there anything to be done about their intentional copying?*

*In this Note, I provide an overview of all avenues of intellectual property protection available to beauty companies and explain why they ultimately fail at excluding dupes from the market. I also discuss some of the forces outside the system of intellectual property laws which may be restricting the creation and sale of beauty dupes. Finally, I analyze dupes in the larger context of the goals of the intellectual property system and conclude that dupes generate independent social good in a variety of ways. Just as copyright fair use allows for certain kinds of copying of protected material, the value generated by beauty dupes provides a justification to avoid liability for certain kinds of copying.*

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## INTRODUCTION

Hyperconsumerism has changed the consumption landscape for the average consumer.<sup>1</sup> The goalposts have shifted: instead of purchasing an item for its quality or authenticity, current consumerism culture incentivizes maximalism and purchasing large quantities of items.<sup>2</sup> Hyperconsumerism is especially salient in the beauty industry, due to both the wide variety of products available and the

<sup>1</sup> See Teofana Dimitrova et al., *I Consume, Therefore I Am? Hyperconsumption Behavior: Scale Development and Validation*, 11 Soc. Scis. 1, 2 (Nov. 20, 2022) (“If, previously, one used to consume in order to live, what really matters in a hyperconsumption society is consumption itself: consuming here and now, without any restriction or restraint in the search for unattainable individual happiness solely through consumption.”); see also Jessica DeFino, *The Skin as an Antidote To Consumerism*, SUBSTACK: REV. OF BEAUTY BY JESSICA DEFINO (Aug. 5, 2022), <https://jessicadefino.substack.com/p/consumerism-in-skincare-industry> [<https://perma.cc/Q5RB-NVQ8>] (“At this point in American history, consumer culture is embedded in our brains, I think. It’s already shaped our shopping habits. It’s almost instinctual to hear ‘I need this!’ even if a brand doesn’t explicitly say ‘you need this!’”).

<sup>2</sup> Emily Kirkpatrick, *A Day in Dupes*, THE CUT (June 2, 2023), <https://www.thecut.com/article/dressing-in-dupes.html> [<https://perma.cc/ATE2-LU4A>] (“[A]uthenticity is no longer the point for the majority of consumers.”).

large amount of products required to keep up with fast-paced trends.<sup>3</sup> As a result, consumers are gravitating towards “dupe shopping”, with “CNBC report[ing] TikTok videos with the #dupe hashtag have racked up nearly six billion views.”<sup>4</sup> A ‘dupe’ (short for duplicate) is the term for a product that imitates a luxury good in appearance or performance.<sup>5</sup> In the makeup and skincare (or ‘beauty’) industry, dupes have emerged as a serious competitor to traditional luxury goods, offering consumers essentially the same good at a cheaper price point.<sup>6</sup> As the CEO of e.l.f., a company notorious for selling popular beauty dupes, described his company’s approach: “We have this unique ability to take inspiration from our community, or the best of prestige, and be able to introduce [a version of the product] at extraordinary values.”<sup>7</sup> Beauty dupes are unique even in the larger field of dupes, as they are unlike other products where a consumer can visually evaluate a dupe for its similarities and dissimilarities to the original product. For beauty products, “[w]hat’s in the bottle or tube is of primary importance, and it takes real experts to guide dupe shoppers in that world.”<sup>8</sup> Companies in the business of selling beauty dupes are able to take advantage of a lack of effective intellectual property protection to duplicate luxury beauty products and sell their version of the product without the typical upcharge associated with a luxury brand.<sup>9</sup> Ironically, the lack of intellectual property protection has advanced some of the goals of the intellectual

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<sup>3</sup> See Daniela Morosini, *What Blink-And-You’ll-Miss-It Beauty Trends Mean in the Long Term*, BUS. OF FASHION (Mar. 12, 2024), <https://www.businessoffashion.com/articles/beauty/what-blink-and-youll-miss-it-beauty-trends-mean-in-the-long-term/> [https://perma.cc/D2EV-Q653] (“Consumers can immediately start recreating trends with products they already have at home, but depending on whatever’s ‘in’ at any given moment, different products can see a sales bump or slump. 2023’s popular ‘clean girl’ makeup look, for example, often eschews foundation in favour of light concealer.”).

<sup>4</sup> Pamela N. Danziger, *Shopping Cosmetic Dupes is Tricky. Dupeshop Beauty Solves for That*, FORBES (Nov. 16, 2023), <https://www.forbes.com/sites/pamdanziger/2023/11/16/shopping-cosmetic-dupes-is-tricky-dupeshop-beauty-solves-for-that> [https://perma.cc/G3H9-SJ99].

<sup>5</sup> Marra M. Clay, Note, *Copycat Cosmetics: The Beauty Industry and the Bounds of the American Intellectual Property System*, 106 MINN. L. REV. 425, 427 (2021).

<sup>6</sup> Amelia Bell, *What You Need to Know Before Buying Beauty Dupes*, REFINERY29 (Apr. 3, 2021), <https://www.refinery29.com/en-gb/beauty-dupes-ethical-problems> [https://perma.cc/BU6L-FCFB].

<sup>7</sup> Brad Smith & Eyek Ntekim, *Three Reasons Why e.l.f. Beauty Sales Are Booming*, YAHOO!FIN. (Nov. 8, 2023), <https://finance.yahoo.com/video/three-reasons-why-e-l-185642781.html>? [https://perma.cc/HU3B-PRU4].

<sup>8</sup> Danziger, *supra* note 4.

<sup>9</sup> The Styles Desk, *How Can ‘Absurd’ Luxury Prices Be Justified?*, N.Y. TIMES (Nov. 7, 2023), <https://www.nytimes.com/2023/11/07/style/luxury-fashion-brands-prices.html> [https://perma.cc/5CLV-4QV8] (“[A]verage luxury prices are up by 25 percent since 2019.”).

property system, as the current beauty industry preserves the first mover's profits while still encouraging innovation and competition.<sup>10</sup> Beauty dupes are certainly here to stay, and they allow an under-served consumer class the opportunity to access products they were previously priced out of, while limiting negative impacts on existing luxury beauty products.

This Note seeks to evaluate how the beauty dupe industry has escaped liability under an intellectual property regime and examines the unique benefits that dupes offer consumers. In Part I, I define dupes specifically in the context of the beauty industry and provide an overview of dupes' place in the market for beauty products. In Part II, I provide an overview of all intellectual property protections that luxury beauty products utilize and analyze how these protections operate only at the boundaries of the dupe market, ultimately failing to remove or restrict dupes from the market. In Part III, I analyze the value of dupes as an independent good and discuss the various ways that they generate value, both for consumers and under the theories that justify the intellectual property regime.

## I

### WHAT IS A DUPE?

#### A. *Two Types of Copying in Beauty Products: Acceptable and Infringing*

In discussing beauty dupes, it is important to differentiate between copies of luxury products that are infringing and copies of luxury products that cannot be prevented. As discussed above, dupes are products that imitate a luxury good's look or feel for a lower price point.<sup>11</sup> For a variety of reasons, beauty products' formulas are not often protected by either patent or trade secret.<sup>12</sup> Thus, brands who choose to reverse-engineer and replicate these popular products generally do not infringe any form of intellectual protection. So long as companies creating dupes refrain from additionally copying the protected packaging and branding of

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<sup>10</sup> Jaclyn Peiser, *Viral 'Dupes' Make E.L.F. the Makeup Brand of the Moment*, WASH. POST (Dec. 17, 2023), <https://www.washingtonpost.com/business/2023/12/17/elf-makeup-dupes/> [<https://perma.cc/CBW6-U9GL>] ("A lot of [beauty industry] players have called out the dupes as a positive because they push innovation . . . and keep bringing newness to the market").

<sup>11</sup> Clay, *supra* note 5, at 427.

<sup>12</sup> See *infra* Sections II.B, II.C.

the original product, they can create a dupe of the original luxury good that is not infringing.<sup>13</sup>

Non-infringing dupes should be differentiated from copies of luxury goods that do infringe. There are three main types of copying that infringes on a protected aspect of a luxury good: copying packaging that is protected through design patents or trade dress,<sup>14</sup> copying a patented formula and selling the product in different packaging as a dupe,<sup>15</sup> and creating a counterfeit good.<sup>16</sup> Products that are designed and promoted as direct alternatives to a luxury good in a manner that infringes an established intellectual property right are sometimes considered a product dupe, but for the purpose of this paper will be classified as an unsuccessful dupe and not considered in the analysis that follows. Generally, the term ‘dupe’ is used by consumers and theorists to encompass a wide variety of products, including infringing products and counterfeits, as well as brand behavior.<sup>17</sup> This note will not follow that convention; to the extent infringing products are considered dupes, they are unsuccessful ones, as they can be excluded from the market if brands enforce their rights.

### *B. Beauty Dupes’ Market Success: Unique Share of Consumer Market*

Beauty dupes are attractive to beauty consumers for a multitude of reasons. Crucially, dupes are offered on a lower price range than comparable luxury products. One of the more popular dupes, the e.l.f. lip oil dupe for Dior’s Addict Lip Glow Oil, costs \$8 as opposed to the \$40 price tag for the luxury product.<sup>18</sup> Dupes offer a cheap and accessible entry point into a market otherwise dominated by

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<sup>13</sup> See *infra* Sections II.A, II.D.

<sup>14</sup> Complaint, Tatcha LLC v. Too Faced Cosms. LLC, No. 3:17-cv-4472 (N.D. Cal. filed Aug. 7, 2017); see also Rachel Krause, *Too Faced Is Facing a Lawsuit Over Lipstick*, REFINERY29 (Aug. 9, 2017), <https://www.refinery29.com/en-us/2017/08/167312/too-faced-tatcha-lipstick-lawsuit-packaging> [<https://perma.cc/JT84-5V7B>].

<sup>15</sup> See Cheryl Wischhover, *Beauty Junkies Love Cheap Dupes of Expensive Products. A New L’Oréal Lawsuit Could Threaten That.*, Vox (Nov. 16, 2018, 1:10 PM), <https://www.vox.com/the-goods/2018/11/16/18098503/loreal-drunk-elephant-skinceuticals-lawsuit> [<https://perma.cc/V3NA-7RXQ>].

<sup>16</sup> Lanham Act, 15 U.S.C. § 1127 (“A ‘counterfeit’ is a spurious mark which is identical with, or substantially indistinguishable from, a registered mark.”).

<sup>17</sup> See Clay, *supra* note 5, at 427–28 n.15 (some consumers use the term dupe to indicate varying levels of product mimicry, while other consumers use it to describe brand behavior).

<sup>18</sup> Peiser, *supra* note 10.

expensive luxury goods.<sup>19</sup> Especially in a market defined by short-term trends and quickly shifting preferences,<sup>20</sup> many consumers simply can't afford to participate in buying luxury goods and turn to dupes as a financially feasible alternative.<sup>21</sup>

Additionally, dupes are generally viewed as quality products. One consumer report found that almost three quarters of consumers surveyed think that affordable makeup "works just as well" as makeup from luxury brands.<sup>22</sup> This impression of quality, especially at the price point offered, is bolstered by the wave of influencers and social media partners who advertise dupes both for free and as partners with brands.<sup>23</sup> Consumers can watch videos of varying length about the wearability, application, packaging experience, and overall impression of any popular product from their favorite beauty influencers, who review luxury goods alongside or even in direct comparison to dupes.<sup>24</sup> Much of the social desirability

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<sup>19</sup> See Bell, *supra* note 6 ("[D]upes are so popular ... [because t]hey help make beauty accessible to everyone, provide a wider spectrum of products and tap into some of the biggest beauty trends. ... [D]upes ... offer a cheap and easy entry point into discovering beauty.").

<sup>20</sup> The beauty industry's normal lifecycle of trends has been especially impacted and accelerated by beauty influencers on social media platforms, in particular TikTok. See Morosini, *supra* note 3 (discussing how TikTok has accelerated the trend cycle, particularly in beauty, and giving examples of different short-lived trends that each required the use of different kinds of products); see also Bell, *supra* note 6 (There is increasing "demand from Gen Z and millennial consumers [who are] eager to get [a]hold of the latest beauty trends fast. ...").

<sup>21</sup> Smith & Ntekim, *supra* note 6 ("Our poreless putty primer is at \$10. So you can bring millions of more people who can afford that, who might not be able to afford a \$56 primer.").

<sup>22</sup> Simon Pitman, *Mintel Research Suggests Dupes are Pushing US Consumers Towards Affordable Makeup*, COSMS. DESIGN USA (Oct. 6, 2023), <https://www.cosmeticsdesign.com/Article/2023/10/06/mintel-research-suggests-dupes-are-pushing-us-consumers-towards-affordable-makeup> [<https://perma.cc/VEH8-J4E8>].

<sup>23</sup> Dupes are identified and discussed on a variety of social media platforms. Influencers who post to YouTube tend to post long-form videos that discuss several products in one video and feature the influencer applying the product while discussing the packaging and their opinions on the product quality. See Tati Westbrook, *12 Drugstore Makeup DUPES ... Save Cash!!!*, YOUTUBE (Feb. 15, 2024), <https://youtu.be/8omuHqZwuR0?si=pu0XHIWSxdhgZLNZ> [<https://perma.cc/CM9S-FRHV>]. Brands also promote their dupes and cultivate an impression of quality through sponsoring installations at popular events such as Coachella and sending influencers on brand trips. See, e.g. Jordan Hart, *I'm a Beauty Influencer Who's Gone on Several Brand Trips. It May Look Glamorous, but They Can Be Loads of Work and I've Experienced Inequality on the Job*, BUS. INSIDER (May 13, 2023), <https://www.businessinsider.com/im-beauty-influencer-attended-several-brand-trips-what-ive-learned-2023-5> [<https://perma.cc/X9TF-VYG8>].

<sup>24</sup> Beauty dupe videos take many forms, but the most popular are the drugstore hauls, 'full face' tester videos, and direct comparison videos. Drugstore hauls feature influencers reviewing new dupes that have just been released. See Tati Westbrook, *All New Drugstore Makeup*, YOUTUBE (Apr. 25, 2024), <https://www.youtube.com/watch?v=8omuHqZwuR0>.

of dupes is constructed by this content. The relationship here is reciprocal: content creators have a never-ending source of products to review and create content about, which helps them to grow their individual fame, and makeup and beauty dupes are continually identified, analyzed, and promoted online.<sup>25</sup> Indeed, dupes are often identified as such and correlated with a luxury good by a third party, such as an influencer, an online blog, or an online community, as opposed to the company selling the dupe.<sup>26</sup> Beauty companies intentionally rely on and encourage unpaid consumers to review and discuss their products;<sup>27</sup> the normalization and endorsement of dupes bolsters consumer purchases of dupes, and companies that sell dupes do not need to create a marketing and legal strategy to identify their products as a dupe of a specific luxury product. The very nature of social media content also encourages the purchase of dupes, as consumers are constantly hawked a never-ending variety of new products, often dupes, that they are encouraged to buy to stay on top of trends.<sup>28</sup> Social media content creators review an exorbitant amount of products; consumers who follow their purchases and consume their

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<https://youtu.be/CgbYfTP1jpM?si=6I54JwcoLUrEUvi8> [<https://perma.cc/B9UL-TDR7>]. Full face tester videos feature influencers doing their full face of makeup with dupe products, or half their face with dupes and half with luxury products. See Laura Lee, *Full Face Testing VIRAL Drugstore Dupes! 2023 Drugstore vs High End!*, YouTube (Feb. 9, 2023), <https://youtu.be/ouDz51RF8Oo?si=DuJPMi5Jty3AqNdT> [<https://perma.cc/VS9N-BNJ3>]. Finally, direct comparison videos feature the influencer using and reviewing the luxury and dupe product in direct comparison, and, typically, deciding which product they prefer. See, e.g., Risa Does Makeup, *10 Drugstore Makeup Dupes That Rival High End Products!*, YouTube (May 9, 2024), <https://youtu.be/D6GvGCSA9PU?si=oKRfHlz8wnm1ongA> [<https://perma.cc/ZT4E-HK34>].

<sup>25</sup> See, e.g., Westbrook, *supra* note 24. At the time of this paper's publication, Westbrook has around eight million followers on YouTube.

<sup>26</sup> See, e.g., REDDIT: R/MAKEUPDUPES, <https://www.reddit.com/r/makeupdupes/> [<https://perma.cc/DV5W-5SQT>] (last visited Mar. 26, 2025); TEMPTALIA, <https://www.temptalia.com/product/> [<https://perma.cc/CF9R-R9TR>] (last visited May 9, 2024); BRANDEFY, <https://brandefyskin.com> [<https://perma.cc/H3CC-VYC8>] (last visited May 9, 2024); DUPETHAT (@dupethat), INSTAGRAM, <https://www.instagram.com/dupethat/?hl=en> [<https://perma.cc/4FJG-LMEY>] (last visited Mar. 26, 2025).

<sup>27</sup> Benefit Cosms. LLC v. e.l.f. Cosms., Inc., 2024 U.S. Dist. LEXIS 228112, at \*4–5 (N.D. Cal. Dec. 17, 2024) (“Much like other beauty brands, both parties rely on and encourage unpaid, user-generated endorsements and reviews of their products on platforms like Instagram, TikTok, and YouTube.”).

<sup>28</sup> See Bell, *supra* note 6 (“When we look at the influencer realm, dupes are so often associated with ‘hauls’ and, while fun to watch, they promote the ethos of a ‘more is more’ unbridled consumption that is bad for the planet’ . . . because dupes are usually a lot cheaper than the original, consumers might be inclined to buy more products.”).

content also want to, by dint of their engagement with beauty influencer content, participate in the purchase and use of these products.<sup>29</sup>

## II

### INTELLECTUAL PROPERTY PROTECTIONS AVAILABLE TO BEAUTY AND MAKEUP COMPANIES: LIMITED APPLICABILITY DOES NOT ALLOW LUXURY BRANDS TO EXCLUDE DUPES FROM THE MARKET

Dupes are clearly attractive to consumers and compete directly as cheaper alternatives to products offered by major players in the industry. Why have dupes been allowed to develop and capture a significant market share, and what attempts have been made to restrict their success? Luxury beauty and makeup companies have the economic power and incentive to utilize the full scope of intellectual property protections available to them to protect their products. Undeniably, some avenues of protection are more suited to beauty products than others. No method of intellectual property protection fully covers every aspect of a product, and companies often protect their products using a combination of the protections available. This section will survey the major avenues of protection available to luxury beauty goods—trademark, trade secret, utility patent, design patent, and copyright—and demonstrate how they are a misfit in preventing the type of copying in which dupes engage.

#### A. *Trademark*

One of the more successful strategies luxury beauty brands can use to limit dupes in the marketplace is through enforcing their trademark rights. There are three primary ways brands can do so.

First, brands can enforce their mark against any dupe producer that uses a counterfeit version of the brand's mark to advertise products.<sup>30</sup> While many dupe producers market their products under their own companies' mark, this avenue of enforcement does prevent an unscrupulous actor from entering the market and attempting to sell a counterfeit product with a counterfeit mark.<sup>31</sup> For consumers

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<sup>29</sup> See *id.*; see generally Dimitrova et al., *supra* note 1 (reviewing previous literature that focused on the hyperconsumption implications in fashion trends and brands).

<sup>30</sup> Lanham Act, 15 U.S.C. § 1127.

<sup>31</sup> Counterfeit goods can be excluded from the market by private actors or by the state enforcing criminal counterfeit statutes. See, e.g., Deputy Chief Marc Reina, MSL (@LAPDMarcReina), TWITTER (Apr.

who are only interested in buying the authentic luxury good, this is a crucial form of protection, as it prevents them from unknowingly buying a counterfeit product.

Second, much of a dupe's market success comes from linking the duped good to the luxury good, as the linkage is what makes dupes valuable.<sup>32</sup> Despite this linkage generating essential value for the duped product, brands that specialize in dupes generally do not use the luxury good's trademark in advertising their duped product. Under the Lanham Act, trademark holders have a right to protect their marks from unlicensed use by others.<sup>33</sup> However, there do exist certain fair use doctrines that allow for the use of marks by others without permission from the mark's owner. One of those defenses is nominative fair use, which "is a use of another's trademark to identify the trademark owner's goods or services."<sup>34</sup> So long as there is no likelihood of confusion, dupes are allowed to use a luxury good's trademark on their product for the purpose of comparative advertising.<sup>35</sup> Courts have defined comparative advertising as "whe[n] a defendant has used the plaintiff's mark to describe the plaintiff's product, even if the defendant's ultimate goal is to describe his own product."<sup>36</sup> Thus, the Lanham Act allows the use of another's mark for the purpose of comparative advertising even without permission and explicitly excludes a trademark dilution claim in this area.<sup>37</sup>

Oddly, makeup and beauty dupes generally do not take advantage of the comparative advertising exception; even beauty companies whose primary business is dupes, such as e.l.f., broadly refrain from using another's trademark to indicate what product their dupe is copying. As much of the value of a dupe lies in identifying it as a comparison product to a luxury good at a lower price point, this is

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13, 2018, 1:01 AM), <https://twitter.com/LAPDMarcReina/status/984657708547649537> [<https://perma.cc/V9BD-L98T>] (publicizing an LAPD raid of twenty-one sellers of counterfeit cosmetics in LA's Fashion District).

<sup>32</sup> Tim W. Dornis & Thomas Wein, *Trademarks, Comparative Advertising, and Product Imitations: An Untold Story of Law and Economics*, 121 PENN. ST. L. REV. 421, 423 (2016) ("Without more information about the two products' correlations, the copy is usually not considered an appropriate alternative to the original. It is thus essential to evoke a mental connection between the substitute and the original.").

<sup>33</sup> 15 U.S.C. § 1114.

<sup>34</sup> 3 J. THOMAS MCCARTHY, TRADEMARKS & UNFAIR COMPETITION § 23:11 (5th ed. 2025).

<sup>35</sup> *See id.*

<sup>36</sup> *Id.*

<sup>37</sup> *Id.*; Lanham Act, 15 U.S.C. § 1125(3) ("The following shall not be actionable as dilution by blurring or dilution by tarnishment under this subsection: ... advertising or promotion that permits consumers to compare goods or services").

baffling market behavior. Instead, comparison of a dupe to a luxury product occurs mainly through third party advertising.<sup>38</sup> Beauty influencers, both well-known influencers who operate under formalized agreement with beauty companies and smaller-scale influencers who do not, as well as consumers themselves, are the primary sources of identifying dupes and associating them with their luxury counterpart.<sup>39</sup> Those who operate as identifiers of dupes hugely influence the market: companies whose entire business is in identifying beauty dupes can boost a products' sales on their say-so alone, with or without contribution from beauty companies.<sup>40</sup> This strategy is even more baffling when one considers that it effectively limits the market for dupes to only the informed consumer who has gone out of their way to track down this information prior to purchase. While beauty dupes certainly serve a separate market of consumers whose primary criteria is a cheaper cosmetic product, there surely are consumers who would choose one product over another based on the product being a dupe of a specific luxury good, if only brands would identify their product as such on their packaging or even descriptions on online beauty retailers' websites.

Why do brands who sell dupes restrict themselves from taking advantage of the nominative fair use exception in their packaging and advertisement? The answer may lie outside of the United States. While comparative advertising is directly protected in the U.S., the same cannot be said for the EU, where the comparative advertising doctrine is very rare. The EU sets a 'strict prohibition'<sup>41</sup> on comparative advertising that "present[s] goods or services as imitations or replicas of goods or services bearing a protected trade mark or trade name."<sup>42</sup> This prohibition, considered by many European countries as 'per se,' reflects a long tradition in Europe, which historically disallowed this type of advertising.<sup>43</sup> This divergence

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<sup>38</sup> Danziger, *supra* note 4 ("Dupe shopping in beauty is another matter. What's in the bottle or tube is of primary importance, and it takes real experts to guide dupe shoppers in that world.").

<sup>39</sup> See *id.*; Benefit Cosms. LLC v. e.l.f. Cosms., Inc., 2024 U.S. Dist. LEXIS 228112, at \*18 (N.D. Cal. Dec. 17, 2024).

<sup>40</sup> Danziger, *supra* note 4 (describing Dupeshop's dupe identification process as a combination of independent testing, consumer requests, market research, and samples sent from dupe manufacturers. Identifying a good dupe for a luxury product is a success for the company).

<sup>41</sup> Dornis & Wein, *supra* note 32, at 424.

<sup>42</sup> Directive 2006/114, of the European Parliament and of the Council of 12 December 2006 concerning Misleading and Comparative Advertising (Codified Version), 2006 O.J. (L 376) 21, 23 (EC).

<sup>43</sup> Dornis & Wein, *supra* note 32, at 433.

in international law may explain the otherwise perplexing decision of many beauty companies to refrain from labeling their products as dupes. Brands may have made the decision that it was more worthwhile to use one consistent packaging across global markets instead of tailoring packaging specifically to American consumers in an attempt to capture an additional, unknown market share, especially when brands' current strategy has demonstrated success.

Finally, luxury brands can use trade dress to restrict dupes from using similar packaging. Trade dress refers to the “total image of a product and may include features such as size, shape, color, or color combinations, texture, graphics, or even particular sales techniques.”<sup>44</sup> Trade dress for product packaging is protectable if it is inherently distinctive or if it has acquired a secondary meaning.<sup>45</sup> If a brand has used a particular product packaging long enough for it to obtain secondary meaning and indicate the source of the product, then they have a good claim for enforcing their rights in that trade dress against others who want to use infringing packaging so long as they can show there is consumer confusion as to the origin of the product. This may leave luxury brands vulnerable to a dupe product imitating new packaging very shortly after it hits the market. However, so long as brands are able to maintain unique and recognizable packaging for a few years on the market, it then becomes feasible for them to enforce their trade dress rights against a dupe that wants to use similar packaging as a method of indicating that it is a dupe for a specific luxury product.<sup>46</sup>

Brands should decide carefully when to enforce their trademark rights. A recent lawsuit brought by Benefit for alleged infringement of their trademark and trade dress against e.l.f. for a dupe product was ultimately unsuccessful.<sup>47</sup> Benefit did establish the protectability of its trademarks and trade dress for the product at issue, their Roller Lash.<sup>48</sup> However, despite e.l.f. admitting on the record that it took cues from Benefit's product and intended to create a dupe product, the court

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<sup>44</sup> *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 764 n.1 (1992) (quoting *John H. Harland Co. v. Clarke Checks, Inc.*, 711 F.2d 966, 980 (11th Cir. 1983)).

<sup>45</sup> *See id.* at 773–76.

<sup>46</sup> Complaint at 4–7, *Tatcha LLC v. Too Faced Cosms. LLC*, No. 3:17-cv-4472, (N.D. Cal. filed Aug. 7, 2017) (describing Tatcha's marketing strategy as deliberately using the same product packaging for their lipsticks with one unique change for each new product launch).

<sup>47</sup> *Benefit Cosms. LLC v. e.l.f. Cosms., Inc.*, 2024 U.S. Dist. LEXIS 228112 at \*2–\*3 (N.D. Cal. Dec. 17, 2024).

<sup>48</sup> *Id.*

ultimately found that Benefit had only shown that “consumer confusion is ... a possibility,” and failed to show that consumer confusion around the source of e.l.f.’s product was probable.<sup>49</sup> The courts, at least in California, have come down firmly on the side of dupes: so long as they don’t cause consumer confusion, brands cannot bring suit against a company simply for intentionally designing and placing a dupe on the market.

### B. Trade Secret

Trade secret law offers another avenue of protection to beauty brands, but one that is of much more limited application and use. Trade secret covers ‘ideas held in secret’ and protects innovations without imposing external requirements for registration and protection as the patent system does.<sup>50</sup> Trade secret protection operates against all and for as long as the innovation remains unknown; it does not, however, prevent others from discovering the idea through independent research or reverse engineering and “exploiting it for profit.”<sup>51</sup> The types of products created by the beauty industry do not lend themselves easily to protection through trade secret because parties who seek to assert a trade secret action must prove that the information was not readily ascertainable at the time of alleged infringement.<sup>52</sup> If the information has ever been included in an approved patent or a patent application then a brand cannot assert trade secret protection, so brands must choose one form of protection over the other.<sup>53</sup> Additionally, retail cosmetic products are required by the FDA to publish an ingredient list for consumers, making all ingredients used in a competitor’s product readily accessible to all beauty companies.<sup>54</sup> When considering the advantages of trade secret against utility patent, it is unlikely that a company with a truly novel concept would choose to protect their formula or

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<sup>49</sup> *Id.* (citation omitted).

<sup>50</sup> *Russo v. Ballard Med. Prods.*, 550 F.3d 1004, 1011 (10th Cir. 2008).

<sup>51</sup> *Id.* at 1012; *see also* Wischhover, *supra* note 15 (“there are labs [for beauty products] that can analyze and reverse engineer products, in a process called ‘deformation.’”).

<sup>52</sup> *See* *Olaplex, Inc. v. L’Oréal U.S. Inc.*, 855 Fed. App’x. 701, 706 (Fed. Cir. May 6, 2021) (“The only reasonable finding the jury could make ... was that Olaplex did not disprove that the information was at least readily ascertainable at the time of the alleged misappropriation.”).

<sup>53</sup> *See id.* at 707 (prior-art references that disclosed the alleged trade secret demonstrated that it was “readily ascertainable by proper means.”).

<sup>54</sup> “*Trade Secret*” *Ingredients*, FDA (Mar. 26, 2024), <https://www.fda.gov/cosmetics/cosmetics-labeling/trade-secret-ingredients> [<https://perma.cc/4CH7-Q78X>].

ingredients with trade secret instead of patent, as the risk of reverse engineering is substantial due to the required publication of ingredients.

### C. *Utility Patent*

A beauty company can theoretically patent the formula for their product or a novel technique they create. This is a useful tactic for brands who develop an innovative technology in their product or product application,<sup>55</sup> or develop a novel formula for a product or ingredient. However, several factors make this protection not particularly useful for beauty brands. First, assuming that the product itself is eligible for a utility patent, it can take one to five years to go through the patent process, including writing and filing the application.<sup>56</sup> In an industry where trends cycle through quickly and brands are incentivized to put out new products quickly, this timeline reduces the value of obtaining a patent, as by the time a company has obtained patent protection, the peak sales period has already passed.<sup>57</sup> Additionally, many products that brands create are just minor tweaks on an existing product, offering consumers a new shade, tint, or packaging. This is not likely to meet the novelty requirement to obtain a utility patent.<sup>58</sup> However, if a brand invests time and money into developing an original product, as opposed to slightly tweaking something already on the market, then it may be worth their time and money to pursue a patent for this new product.<sup>59</sup> When considering the combination of the finite amount of ingredients and the tendency towards product reformulation instead of innovation in the beauty market, this may be a higher bar

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<sup>55</sup> For an example of a beauty brand patenting an innovative technology, see *Compliant* at ¶ 46, *Lashify, Inc. v. Qingdao Lashbeauty Cosm. Co., LTD.*, No. 6:22-CV-776, 2022 WL 22888656 (W.D. Tex. July 12, 2022) (alleging patent infringement of Lashify's lash extension system).

<sup>56</sup> Daniela Morosini, *How Patents Became the Beauty Industry's Secret Weapon*, *VOGUE BUS.* (Apr. 11, 2022), <https://www.voguebusiness.com/beauty/how-patents-became-the-beauty-industrys-secret-weapon> [https://perma.cc/5QSY-F83U].

<sup>57</sup> See *id.*; see also Morosini, *supra* note 3 (“The lightening-fast pace of TikTok can make it difficult to create new products in response to trends—by the time the product in question is on store shelves, the internet may have moved on.”).

<sup>58</sup> 35 U.S.C. § 102.

<sup>59</sup> *L'Oreal and Drunk Elephant Settle Suit over “Patent Infringing” Vitamin C Serum*, *FASHION L.* (Nov. 6, 2020), <https://www.thefashionlaw.com/loreal-and-drunk-elephant-settle-suit-over-patent-infringing-vitamin-c-serum/> [https://perma.cc/X2P5-76RR]. L'Oreal's patent protected the compound, “stabilized ascorbic acid compositions and methods.” *Id.* L' Oreal filed suit against Drunk Elephant for infringement, but the parties eventually settled. The duped product is still available to consumers.

to meet than anticipated.<sup>60</sup> The beauty industry is already limited in form, by the type of products available, and in function, by the market incentive for brands to make their own version of products that comply with current trends. For all these reasons, while it may make sense in limited situations involving a truly novel innovation to patent a beauty product, utility patents generally offer little protection to brands interested in using intellectual property to exclude dupes from the market. In those limited situations, however, protecting the product by patent can ensure the brand is able to recover significant damages from successful dupes, especially if the infringement was found to be willful.<sup>61</sup>

#### *D. Design Patent*

Another useful method of intellectual property protection is design patent. Design patent protects “new, original, and ornamental design” so long as the application satisfies the requirements of novelty, non-obviousness, ornamentality, and non-functionality.<sup>62</sup> Brands can file a design patent to protect some or all ornamental elements of their packaging design, but the scope of protection is limited to packaging only and not the product itself. Unlike trademark, the design (here, the design of product packaging) does not need to be distinctive or have secondary meaning in order to be protectable.<sup>63</sup> While design patent cannot be used to protect a product’s packaging in its entirety, it can be used strategically to protect what brands perceive to be the most distinctive or unique ornamental elements of their packaging.<sup>64</sup> The flip side of this protection is that luxury brands cannot prevent dupe products from doing the same for their own packaging.<sup>65</sup> While design patents can protect certain ornamental elements of a product’s packaging

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<sup>60</sup> Eduardo Perez et al., *Special Issue Information*, COSMS. (July 31, 2022), [https://www.mdpi.com/journal/cosmetics/special\\_issues/Novel\\_Cosmetic](https://www.mdpi.com/journal/cosmetics/special_issues/Novel_Cosmetic) [<https://perma.cc/Z8EN-WGAH>] (“However, the cosmetic industry has lacked innovation in recent decades, relying largely on reformulations and repackaging of the same functional ingredients, instead of performing research and development to identify new actives.”).

<sup>61</sup> *Jury Awards Lashify \$30.5M in Case Against Chinese Copycat Co.*, FASHION L. (Sept. 24, 2024), <https://www.thefashionlaw.com/lashify-awarded-305m-in-case-against-chinese-copycat-co/> [<https://perma.cc/Q6S8-YC29>].

<sup>62</sup> 35 U.S.C. § 171–73.

<sup>63</sup> *See id.*

<sup>64</sup> *See, e.g.*, Mary Kay’s design patent protecting some elements of their product packaging. U.S. Patent No. D741, 723 S (issued Oct. 27, 2015).

<sup>65</sup> *See, e.g.*, e.l.f. Cosmetics design patent protecting the hang tab of their product packaging. U.S. Patent No. D878, 204 S (issued Mar. 17, 2020).

from being mimicked by a dupe protect, this does not prevent dupes from packaging their products in a different manner and obtaining recognizability as a dupe in that packaging. It does, however, help in preventing dupes from selling their version of the products formula in packaging identical to or extremely similar to the original products, much in the way trade dress protections operate, but without the requirement of secondary meaning. Design patent protection then can be used as a stopgap measure prior to a product developing secondary meaning to protect elements of a product's packaging that recently entered the market against fast-moving dupes.

### *E. Copyright*

Copyright protections within the United States offer extremely limited protection to beauty products. Similarly to design patents, copyright can only be used to protect the packaging design itself, not the product. The copyright statute lists eight categories eligible for protection; of these, beauty products can only claim protection under the category of pictorial, graphic, or sculptural works for product packaging.<sup>66</sup> Additionally, if the object seeking copyright protection has utilitarian functionality (which product packaging certainly does), then the product is considered a "useful article."<sup>67</sup> Copyright does not offer protection to a pictorial, graphic, or sculptural element of a useful object unless these features are separable from the utilitarian aspects of the design.<sup>68</sup> As the court recently addressed in *Star Athletica*, an element of pictorial, graphic, or sculptural design must be separable from the useful article and "qualify as a protectable pictorial, graphic, or sculptural work ... either on its own or fixed in some other tangible medium of expression" in order to qualify for copyright protection.<sup>69</sup> This is an especially high bar for any beauty product to pass, as beauty product packaging is hugely functional and

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<sup>66</sup> 17 U.S.C. § 102(a) ("Copyright protection subsists ... in original works of authorship fixed in any tangible medium of expression ... Works of authorship include the following categories: (1) literary works; (2) musical works, including any accompanying words; (3) dramatic works, including any accompanying music; (4) pantomimes and choreographic works; (5) pictorial, graphic, and sculptural works; (6) motion pictures and other audiovisual works; (7) sound recordings; and (8) architectural works.").

<sup>67</sup> 17 U.S.C. § 101 ("A 'useful article' is an article having an intrinsic utilitarian function that is not merely to portray the appearance of the article or to convey information. An article that is normally a part of a useful article is considered a 'useful article.'").

<sup>68</sup> 17 U.S.C. § 102(a).

<sup>69</sup> *Star Athletica, LLC v. Varsity Brands, Inc.*, 580 U.S. 405, 405 (2017); see generally Samantha Burdick, *Star Athletica Tells the Fashion Industry to Knock-It-Off with the Knockoffs*, 46 PEPP. L. REV. 367 (2019).

also of limited space to incorporate separable designs due to its size. Furthermore, copyright protection would only extend to the pictorial or sculptural design itself, and would not cover the utilitarian or functional aspects of the product packaging that are more likely to be copied.<sup>70</sup>

### III

#### RECONCILING THE VALUES OF OUR INTELLECTUAL PROPERTY SYSTEM WITH DUPES

##### A. *The Value a Dupe Generates Aligns with the Utilitarian Theory of Intellectual Property*

Beauty products exist in a low-IP equilibrium within the intellectual property schema.<sup>71</sup> Beauty dupes and original products do not exist in a true IP “negative space,” defined as “areas where creation and innovation thrive without significant formal intellectual property protection.”<sup>72</sup> Beauty brands, both luxury and dupes, vigorously enforce the intellectual property protections that they have,<sup>73</sup> but luxury brands have very little control over derivative works created without trademark or patent infringement.<sup>74</sup> Luxury beauty brands cannot prevent dupes from being made or sold, but both luxury and dupe beauty brands can enforce similar rights stemming from their product’s originality or their brand’s trademark. Thus, it would be more accurate to say instead that beauty products and dupes exist in a low-IP space. As IP litigation over these products occurs on the periphery of the intellectual property system, it is useful to analyze dupes against the context of the values and motivations of the intellectual property system.

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<sup>70</sup> Charlotte Tilbury recently successfully enforced infringement of its copyright in a makeup palette against a dupe created by Aldi in Europe. Copyright protection in this case was limited to original works, and “decoration or works involving a sufficient element of craftsmanship” are protected. See Myserson Solics., *Charlotte Tilbury Wins Copyright Battle Against Aldi*, MYERSON (Sep. 5, 2019), <https://www.myerson.co.uk/news-insights-and-events/charlotte-tilbury-wins-copyright-battle-against-aldi> [<https://perma.cc/7QQA-ECKT>]. The differing standards for copyrightability suggest that a similar suit would not be successful in the United States.

<sup>71</sup> Clay, *supra* note 5, at 457–60.

<sup>72</sup> *Id.* at 459 (quoting Elizabeth L. Rosenblatt, *Intellectual Property’s Negative Space: Beyond the Utilitarian*, 40 FLA. ST. U. L. REV. 441, 422 (2013)); see generally Kai Raustiala & Christopher Sprigman, *The Piracy Paradox: Innovation and Intellectual Property in Fashion Design*, 92 VA. L. REV. 1687, 1764–65 (2006).

<sup>73</sup> See *supra* Section II.

<sup>74</sup> Clay, *supra* note 5, at 464–68.

Under the most common theoretical justification for intellectual property protections, the utilitarian theory, “intellectual property is justified because it serves as an incentive for individuals to create more works, which is socially beneficial.”<sup>75</sup> Generally, the goals of a utilitarian-based system are innovation and the creation of new products.<sup>76</sup> In the case of the beauty industry, beauty dupes do not hinder these goals but rather, in some areas, promote them. First, dupes do not interfere with the first mover advantage, as a product is only attractive as a dupe to mimic a luxury good already available on the market.<sup>77</sup> Dupes certainly add new products to the market and ostensibly do so with new or variant formulas and product packaging. Dupes may also incentivize luxury companies to innovate beyond what they would with only regular market incentives. The motivation is twofold: luxury beauty companies may want to create a truly novel product that cannot be duped, thus creating new products or techniques; furthermore, they may want to increase the value of their brand such that consumers on the margins choose to buy the luxury product instead of the dupe in order to feel that they possess the value of the brand.

Additionally, the reverse engineering that companies who produce dupes engage in to create their products is itself a form of innovation. While these imitative formulas are comparable enough to be dupes, they are not identical, and some consumers report enjoying the dupe product more than the original.<sup>78</sup> Thus, even without vigorous intellectual property protection to prevent all deliberate

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<sup>75</sup> *Id.* at 442.

<sup>76</sup> *Id.* at 442–43.

<sup>77</sup> In addition to luxury brands maintaining their first mover advantage, dupes can increase luxury product sales by providing consumers a low-entry point to try a new type of product. Once familiar with the product, some consumers choose to purchase a luxury version in the future. *See* NIELSEN IQ, THE IMPACT OF BEAUTY DUPES ON COSMETICS CATEGORY SALES (Nov. 17, 2023), <https://nielseniq.com/global/en/insights/analysis/2023/the-impact-of-beauty-dupes-on-cosmetics-category-sales/> [<https://perma.cc/YMY2-WLNL>] (“When consumers purchase a niche category (like primer or setting spray) for the first time, they’re more likely to experiment with affordable products, then trade up in the future.”); *see also* Danziger, *supra* note 4 (“Dupes . . . allow the whole market to expand because it allows people to try new types of products they wouldn’t be able to afford otherwise. And sometimes, after testing a dupe, customers will actually trade up to the higher-end brand.”).

<sup>78</sup> *See* Peiser, *supra* note 10.

copying, the beauty industry is consistently producing new products and is financially booming.<sup>79</sup>

What keeps this system stable, and does anything prevent dupes from overrunning luxury goods on the market? There is no industry consensus on this matter, but I will offer two intuitions. First, the value of a luxury beauty brand is not to be underestimated. Many of the brands that sell the most expensive products are powerhouses in their own right and have truly terrific staying power in the market.<sup>80</sup> There are a significant portion of beauty consumers for whom a dupe is never going to be a desirable option for purchase when compared with the luxury product.<sup>81</sup> Additionally, for those products that are truly innovative, or for brands who advertise based on the use of a special, proprietary ingredient, a dupe will never serve as a substitute, as the product's appeal relies on the use of the protected technology or ingredient. Second, while there are certainly consumers who purchase dupes for their affordability, there is a not insignificant subset of consumers who are interested in purchasing both products. Perhaps influenced by the beauty influencer norm of trying both products or by the culture of hyperconsumerism that influences beauty consumers,<sup>82</sup> dupes may be additional purchases instead of substitute purchases. Regardless of the reason, the fact remains that the beauty industry has not been destabilized by the widespread availability of dupes, and luxury beauty companies are more than holding their own.

### *B. Are Dupes Protectable on Their Own Merits?*

Beauty dupes are legally permissible copies of luxury beauty products that companies then package and sell independently under their own trademarks and with their own packaging. Dupes often attain great popularity and are hugely

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<sup>79</sup> See *id.* (In a 112 billion dollar industry, the “[m]ass market beauty sales jumped 8 percent year over year, while prestige brands swelled 14 percent . . .”).

<sup>80</sup> See Simon Ganzallo, *The 10 Richest Cosmetic Brands in the World*, RICHEST (Nov. 15, 2022), <https://www.therichest.com/luxury/the-richest-cosmetic-brands-in-the-world/> [https://perma.cc/H3CL-E8YC].

<sup>81</sup> See Pitman, *supra* note 22 (“Mintel’s data also reveals that perceptions of value in the makeup category are nuanced, with 41% of the respondents stating that they prefer to buy premium products, regardless of price.”).

<sup>82</sup> Tori Crowther, *Let’s Be Honest: We Have an Overconsumption Problem in Beauty*, LIVETHATGLOW (May 8, 2024), <https://www.livethatglow.com/overconsumption-problem-in-beauty/> [https://perma.cc/AL92-WL6H] (“According to the biggest TikTok beauty influencers, products no longer need a single drawer in a bedroom reserved to keep them organized, they need to be housed in an entire room . . .”).

profitable on their own merits.<sup>83</sup> However, companies that produce and sell dupes are limited by the exact same restrictions as luxury good producers. Essentially, the characteristics that allow companies to create dupes also make dupes equally hard to protect through intellectual property against further copying. There is a certain equilibrium to this: a market where some creators could protect derivative products while the creators of the original good could not would disincentive anyone from being the first to create and would threaten to destabilize the beauty market.

Our current intellectual property regime has created a thriving tiered market with only a minority group of customers overlapping. Most beauty commentators think that the customer for a luxury beauty product is a relatively high-income shopper who is not seeking a cheap alternative.<sup>84</sup> Empirical studies have proved this intuition true: a 2023 study found that of beauty consumers surveyed, 41% preferred to buy premium beauty products regardless of price.<sup>85</sup> Additionally, those consumers who are buying dupes may be locked out of the luxury beauty market or are not interested in paying the price of a luxury product. A separate consumer study found that 44% of beauty consumers purchased dupes because they could not afford high-end products, and 23% did not think luxury goods are worth the price.<sup>86</sup> The market data seems to suggest that dupe products are not significantly interfering with luxury beauty products sales; indeed, the products appear to be purchased by different discrete groups of buyers. Instead of stealing sales from luxury beauty companies, dupes instead appear to have opened the market to those who could not previously afford to participate or who were not willing to pay the cost of entry.

While dupes and luxury beauty products have access to the same level of intellectual property protections, dupes do generate independent value. Selling easily accessible versions of popular beauty products without the upcharge associated with purchasing a luxury good has opened the market to more consumers and allowed consumers who already participated to buy new kinds of products.<sup>87</sup> Indeed, 98% of beauty consumers surveyed “stated that discovering

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<sup>83</sup> Peiser, *supra* note 10.

<sup>84</sup> *Id.*

<sup>85</sup> Pitman, *supra* note 22.

<sup>86</sup> NIELSEN IQ, *supra* note 77.

<sup>87</sup> *Id.*

dupes has expanded their beauty routines.”<sup>88</sup> While the products themselves are not the creations of independent innovation, neither are a significant portion of their luxury beauty counterparts. The beauty industry is built on derivative innovation, and dupes should not be excluded simply because their design takes more from others than some.

*C. Luxury Brands Use Alternative Methods to Protect Their Products and Compete with Dupes*

There are several factors that restrict the profit of beauty dupes independent of the intellectual property protections that luxury brands can leverage against infringing products. As luxury brands can only use litigation to keep dupes from the market in limited circumstances, beauty brands have turned to methods outside the legal system to limit consumer purchases of dupes. Some of these strategies are led by brands themselves; others are industry-wide issues.

The first factor that limits overall consumption of dupes is the industry-wide reckoning over moral consumerism. Moral consumerism covers two related topics: those who see dupes as ‘theft’ of luxury brands products and innovation, and those who believe in moral consumerism with the goals of sustainability and environmentalism. To the first concern over theft, there is a growing movement of commentators in the beauty industry who feel that buying a dupe instead of an original product is ethically wrong and supportive of theft.<sup>89</sup> Specifically, some see the diversion of profits from luxury brands who created the original product to other companies who create dupes as a serious enough harm that it is a compelling justification to deliberately choose to not purchase dupe products in order to avoid financially supporting a moral wrong.<sup>90</sup> Although courts have only rarely recognized dupes as infringing on the original products’ IP rights, some consumers don’t share the same opinion. Those who believe dupes are theft or “stealing” from luxury brands have a conception of ownership that does not map onto the legal framework under our current intellectual property regime, and act as conscientious

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<sup>88</sup> *Id.*

<sup>89</sup> Louise Whitbread, *Is It Ethical to Continue Buying Beauty Dupes In 2019?*, DAZED DIGIT. (Oct. 4, 2019), <https://www.dazeddigital.com/beauty/article/46283/1/beauty-dupes-charlotte-tilbury-lidl-lawsuit-dupethat-temptalia-ethical> [<https://perma.cc/2FTS-GJ5R>].

<sup>90</sup> *See id.* (“I would rather just buy a cheaper brand than buy a dupe, e.g. Rimmel instead of a duped MAC product, it’s people profiting off someone else’s work that I think is wrong.”).

objectors by refusing to purchase beauty dupes. While dupes are well-established in the beauty industry at this point in time, there is still a loud minority who believe that dupes are just “profiting off [of] someone else’s work” and actively choose to refrain from purchasing beauty dupes.<sup>91</sup>

Additionally, those concerned with moral consumerism separately refrain from purchasing dupes because they are concerned about the overconsumption of beauty products that dupes encourage and enable and consider that good reason to be against all dupes as a concept.<sup>92</sup> Specifically, these consumers are concerned with the waste generated by excessive consumerism and the amount of resources used by the beauty industry in general.<sup>93</sup> They have identified beauty dupes in particular as a harmful excess that consumers should choose not to purchase in order to act according to sustainable principles.<sup>94</sup> These critics classify dupes as a whole as harmful and unsustainable because they are copies of existing products, thus creating unnecessary waste, and by their very existence encourage the culture of hyperconsumerism that leads to excess purchases.<sup>95</sup>

Secondly, luxury beauty brands may be counting on the strength of the brand loyalty that they have cultivated with their customers to limit the risk that some of their customers will turn to dupes instead. Known as ‘cult favorite’ beauty products, these are products that have staying power on the market despite a high price point.<sup>96</sup> To complement and further build cult favorite status, the beauty industry has external methods of promoting their products. Industry renowned beauty commentators often run annual awards and best-of lists (for example, the Allure Best of Beauty annual list) that reinforce the perception of prestige and quality for whichever product and brand tops the list.<sup>97</sup> While it is hard to point to

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<sup>91</sup> *See id.*

<sup>92</sup> Bell, *supra* note 6. (“It’s the idea that we need to constantly buy more . . .”).

<sup>93</sup> *See id.* (“Beauty trends . . . have long taught us to consume more . . . With even more hype and spending tied to dupe culture, the exponential rise in dupes could be detrimental where beauty waste is concerned.”).

<sup>94</sup> *See id.* (“Dupes are associated with ‘hauls’ and, while fun to watch, they promote the ethos of a ‘more is more’ unbridled consumption that is bad for the planet.”).

<sup>95</sup> *See id.* (“[B]ecause dupes are usually a lot cheaper than the original, consumers might be inclined to buy more products . . . [D]upe culture feeds the cycle of consumerism and production.”).

<sup>96</sup> *See* Karina Hoshikawa, 22 *Cult-Favorite Beauty Products That Have Stood the Test of Time*, REFINERY29 (June 22, 2020), <https://www.refinery29.com/en-us/best-selling-beauty-products> [<https://perma.cc/G5WH-SNP6>].

<sup>97</sup> ALLURE: BEST OF BEAUTY, <https://www.allure.com/best-of-beauty-2023-winners> [<https://perma.cc/B9DE-QXVS>] (last visited Mar. 27, 2025).

any specific award or aura of prestige and determine how effective it is at reinforcing luxury beauty companies' power in the market, the mere fact that the industry supports and acknowledges value in these mechanisms indicates that they exert some control over the market.

Finally, beauty products are unique in the utility that customers get from purchasing luxury beauty items. An average consumer purchases a luxury trademark as an indicator of status and prestige, as well as quality and brand loyalty.<sup>98</sup> Beauty products differ because once the product is applied and worn in public, the packaging containing the trademark is not brought along with it in public.<sup>99</sup> Thus, only the consumer knows what was purchased and what is being worn. Unlike luxury shoes or handbags, where the prominent mark indicates to all who see the item in public that the consumer purchased a product from a specific brand, the majority of makeup and beauty products are applied and worn without any indicator of a brand. Any value derived from purchasing the luxury trademark is in the personal enjoyment one gets from owning and using a luxury good, and not in others' recognition of the luxury trademark and the associated status and wealth that it indicates. The logic follows that for beauty products, there is less or even no value to be derived from public recognition of its packaging and trademark past the original consumer purchase, as the consumer cannot gain value from public recognition of their ownership of a luxury good.

This quirk of beauty products, both luxury and dupes, creates an interesting extension of Barton Beebe's influential work *Intellectual Property Law and the Sumptuary Code*. In Beebe's work, he argues that intellectual property law has been used to uphold a modern form of the sumptuary code, or a "system of consumption practices . . . by which individuals in the society signal through their consumption their differences from and similarities to others"<sup>100</sup>—more succinctly, a "consumption-based system of social distinction."<sup>101</sup> Thus, consumers derive

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<sup>98</sup> Barton Beebe, *Intellectual Property Law and the Sumptuary Code*, 123 HARV. L. REV. 809, 819–23 (2010).

<sup>99</sup> The exception to this is certain lip products such as lipsticks and lip glosses, which are often portable and re-applied publicly, thus displaying ownership of a luxury mark attached to the product packaging. For more on how lip products have historically been used as a status symbol see Maria Santa Poggi, *How Lip Gloss Became a Status Symbol*, HARPER'S BAZAAR (Apr. 5, 2024), <https://www.harpersbazaar.com/beauty/makeup/a60319881/lip-gloss-trend-2024/> [<https://perma.cc/2C4P-QPKC>].

<sup>100</sup> Beebe, *supra* note 98, at 812.

<sup>101</sup> *Id.* at 813.

value both from purchasing a luxury good and from the ownership and public recognition of that luxury good in its secondary use as a marker of exclusivity, which is then understood by the public as a proxy for class status.<sup>102</sup> Intellectual property, most often trademark, has been used to create a modern-day sumptuary code because it is capable of “protecting forms of distinction from imitation and overproduction.”<sup>103</sup> In excluding those of a lower economic class from owning a recognizable copy, or dupe, of a luxury trademark, those of a higher economic class maintain their status.<sup>104</sup>

Luxury beauty products and dupes both fit and do not fit in this framework. A luxury brand’s trademark is still vigorously protected by general intellectual property protection, and it is one area that dupes have not been able to successfully copy. The status hierarchy in who can afford which class of mark still exists, as does the utility a consumer gets from purchasing a luxury good. However, when going about daily life, no average consumer would be able to identify if the beauty products someone used were luxury or dupes merely by seeing their face. The only thing visible to the public would be the quality of the product or the skill used in applying it, not the price or exclusivity of the product’s associated mark. Thus, beauty dupes exist as a partial exception to the sumptuary code in a manner unique to the beauty industry, as other popular dupes in areas such as fashion cannot achieve the same. The purchase and use of a dupe beauty product poses less of a threat to the existence of an intellectual property structured sumptuary code because the beauty industry, by the very nature of its products’ separability from its packaging and mark, as well as the inability to attach a trademark to the public display of the product separate from its packaging, cannot participate in creating a visible hierarchy the same way as other major industries. This effect may create less incentive for luxury beauty companies to exert time and money in excluding dupes from the market.

A recent study examining the relationship between income inequality and the purchase of counterfeit luxury goods adds another layer onto Beebe’s analysis. The study ultimately found that “perceived [income] inequality ... increases consumption of counterfeit luxury goods [and this consumption is driven] ... by

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<sup>102</sup> See *id.* at 819–24.

<sup>103</sup> *Id.* at 815.

<sup>104</sup> *Id.* at 866–68.

motives to restore social equality.”<sup>105</sup> While focused on counterfeit goods and not dupes, the study highlighted the egalitarian value of counterfeits, or the ability of counterfeit goods to symbolically reject the market norm of income inequality.<sup>106</sup> In reaching this conclusion, the study’s authors evaluated three potential motivations behind the purchase of counterfeits: egalitarian motives, defined as purchasing counterfeits specifically to “undermine the exclusivity of luxury goods”;<sup>107</sup> consumers who sought to improve their own status; and consumers who sought belonging in their current status group.<sup>108</sup> As discussed above, beauty products are unique in that only the consumer knows what products were applied and the associated cost; all anyone external can judge is the quality (and perhaps, quantity) of products applied. Thus, while the purchase of a counterfeit good in general could be in response to any one of the three motivating factors, the purchase of a beauty dupe has to be for egalitarian motives, or undermining the exclusivity of luxury goods. Consumers cannot demonstrate that they belong in their current social group or demonstrate upward mobility with the purchase of a beauty counterfeit, as no one will see their use of it. Thus, the purchase of beauty counterfeits, and by extension dupes, is in response to egalitarian motivations. Purchasing beauty dupes allows consumers to “react to income inequality by using consumption to ostensibly shape social conditions” and “restore social equality.”<sup>109</sup> This intuition is further borne out by a commonly observed phenomenon known as “the lipstick effect,” where consumers turn to small luxuries, often lipstick, in times of economic downturns where their purchase of larger luxuries decreases.<sup>110</sup> Just as purchasing lipstick is used during financial downturns to preserve markers of financial status, so too do beauty dupes allow consumers to present whatever face they want to the world, without a large price tag required.

The relationship between beauty dupes and income inequality becomes especially salient when considered in light of the value that beauty products have

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<sup>105</sup> Jingshi Liu et al., *The Egalitarian Value of Counterfeit Goods: Purchasing Counterfeit Luxury Goods to Address Income Inequality*, J. CONSUMER PSYCH. 1, 10–11 (July 1, 2024), <https://myscp.onlinelibrary.wiley.com/doi/epdf/10.1002/jcpy.1431> [<https://perma.cc/7LEB-UQB2>].

<sup>106</sup> *Id.* at 2.

<sup>107</sup> *Id.*

<sup>108</sup> *Id.* at 10–11.

<sup>109</sup> *Id.* at 11.

<sup>110</sup> Santa Poggi, *supra* note 99.

to the average consumer. As beauty reporter Jessica DeFino observed, “[s]o much of our identity is tied up in the products that we use, and the ways that we use them . . . [a]nd the rituals we develop, using these products—it becomes an almost religious experience, like an experience of self-discovery.”<sup>111</sup> For those consumers who want to experience certain trends, use certain products, or achieve a certain quality to their makeup but cannot afford the original luxury product, beauty dupes offer them a way to still obtain the experience they want. Makeup and skincare are commonly used in acts of self-expression, and even in creative works.<sup>112</sup> In addition to the personal utility people derive from makeup, wearing makeup is treated as a social norm and women can be penalized for noncompliance. One study found that women who wore professional makeup received three times as many positive responses when applying for a salesperson job as compared to women who do not wear makeup.<sup>113</sup> The use of makeup and beauty products is undoubtably vital in how a person, often a woman, chooses to present herself to the world and navigate social standards. Increasing the range and quality of products a person has access to without imposing cost as a barrier should be seen as a net positive in this context.

## CONCLUSION

While some decry them as unethical, beauty dupes take advantage of a lack of applicable intellectual property protection to create cheaper versions of popular luxury beauty products. Dupes are extremely popular among consumers who cannot afford luxury beauty items, among those who want to participate in market trends without investing lots of money, and among those who want to be part of the trend-setting contingent of beauty commentators. On their part, luxury beauty companies do not hesitate to enforce actionable infringement suits for trade

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<sup>111</sup> Amy Wakeham, *Talking Beauty Culture, Criticism and Consumerism with Jessica DeFino*, COUNTRY & TOWN HOUSE (Feb. 2024), <https://www.countryandtownhouse.com/travel/new-travel-rules/> [perma.cc/P43E-FRQL].

<sup>112</sup> See generally Laken Brooks, *The Pigments of Patriarchy and Femme Trans Exclusion in the History of the “All Natural” Makeup Movement*, in MAKEUP IN THE WORLD OF BEAUTY VLOGGING: COMMUNITY, COMMERCE, & CULTURE 127, 127–31 (Clare Douglass Little ed., 2020) (discussing the use of makeup in gender expression); see also Rosanna K. Smith et al., *Makeup Who You Are: Self-Expression Enhances the Perceived Authenticity and Public Promotion of Beauty Work* 48 J. CONSUMER RSCH. 102, 104 (Jan. 26, 2021) (discussing the link between beauty work and self-expression).

<sup>113</sup> Sevag Kertechian, *The Impact of Beauty during Job Applications*, J. HUM. RES. MGMT. RSCH. 1, 5 (Feb. 16, 2016) (comparing results in France and Italy).

dress or patent infringement, but do not invest much beyond that in excluding dupes from the market. Currently, beauty dupes function as a low-intellectual property equilibrium space, although the beauty industry certainly is regulated and influenced by factors other than intellectual property protection. Beauty dupes create innovation, add new products to the market, enable more consumers to participate in beauty trends, and may even incentivize luxury companies towards more expansive innovation. Beauty dupes overall operate as a social good, both in regard to their place in the beauty market and as independent products.