CUA

DOCKET FILE COPY ORIGINAL

THE CATHOLIC UNIVERSITY OF AMERICA

Law Review
Suite 247
3600 John McCormack Rd., N.E.
Washington, D.C. 20064
202-319-5159

RECEIVED

JUL 10 1997

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

July 10, 1997

Mr. William F. Caton
Office of the Secretary
1919 M Street, N.W.
Washington, DC 20554

Re: Further Comment in CC Dkt 95-155

Dear Mr. Caton:

Please find attached, for submission in CC Dkt No. 95-155, the original and four copies of my article, *Confusingly Dissimilar Applications of Trademark Law to Vanity Telephone Numbers*, 46 CATH. U. L. REV. ___ (1997), which is scheduled to be published in the 1997 Summer Issue of The Catholic University Law Review.

Due to the length of the enclosed article, The Catholic University Law Review requests a waiver of the Commission's page limitation on comments filed in this proceeding.[1] Alternatively, The Catholic University Law Review requests that the enclosed article be treated as an informal comment in this proceeding.[2]

Please direct any questions about this matter to myself or Molly Bryson, Editor-in-Chief, at The Catholic University Law Review.

Sincerely,

Lisa Dame Olcott

Lisa Dame Olcott
Executive Editor

---

[1] See 47 C.F.R. § 1.48(b); Public Notice "further comments toll-free service access codes, cc Dkt No. 95-155 (July 2, 1997) (limiting comments filed in response to July 2 Notice to no more than 20 pages).

[2] See 47 C.F.R. § 1.419(b).

024

CONFUSINGLY DISSIMILAR APPLICATIONS OF TRADEMARK LAW TO VANITY TELEPHONE NUMBERS

For an increasing number of businesses, vanity telephone numbers[1] are important and effective marketing tools[2] that can generate substantial sales.[3] Customers easily remember the catchy words or phrases contained therein and

1. *See* Holiday Inns, Inc. v. 800 Reservation, Inc., 838 F. Supp. 1247, 1249 (E.D. Tenn. 1993), *rev'd*, 86 F.3d 619 (6th Cir. 1996), *cert. denied*, 117 S. Ct. 770 (1997) (defining vanity telephone numbers). A vanity telephone number is a telephone number that alphabetically spells out a name or word of value to a number holder on a telephone keypad. *See In re* Toll Free Service Access Codes, *Notice of Proposed Rule Making*, 10 F.C.C.R. 13692, 13701-02 (1995) [hereinafter *NPRM*]. Vanity telephone numbers can include several different types of mnemonics: (1) numbers that correspond to the spelling of a product, such as "1-800-FLOWERS"; (2) numbers that correspond to letters that spell a business name, such as "1-800-HOLIDAY"; (3) numbers that begin with "4" or "2" and end with a product, service, or business name, such as "1-800-4-TRAVEL," and "1-800-2-GO-WEST"; (4) numbers that only partially spell a product or company name, such as "486-HAIR," "239-ALARM," or "222-CASH"; (5) numbers that are easily remembered, such as "1-800-8000"; and (6) numbers that are heavily marketed, but otherwise lack distinctiveness, such as "1-800-325-3535," which Sheraton Inns made into a jingle. *See In re* Toll Free Service Access Codes, *Report and Order*, 11 F.C.C.R. 2496, 2497 (1996) [hereinafter *Order*]; Comments of Ameritech Operating Companies, to the *Notice of Proposed Rule Making* in CC Dkt. No. 95-155, at 30 (Nov. 2, 1995) (listing examples of numbers that could be defined as vanity telephone numbers); *see also* Comments of Direct Marketing Association, to the *Notice of Proposed Rule Making* in CC Dkt. No. 95-155, at 4 (Nov. 1, 1995) [hereinafter Comments of Direct Marketing] (discussing the importance of vanity telephone numbers to both companies and the public).

2. *See* Dial-A-Mattress Franchise Corp. v. Page, 880 F.2d 675, 676 (2d Cir. 1989) (noting the use of vanity telephone numbers as a popular marketing technique); *Holiday Inns*, 838 F. Supp. at 1249 (noting that some businesses obtain vanity telephone numbers to enhance the use of 800 numbers); Southwestern Bell Yellow Pages, Inc. v. Wilkins, 920 S.W.2d 544, 550 (Mo. Ct. App. 1996) (describing that "it is common for businesses to use a catchy word or easily remembered term in their phone numbers as a marketing technique"); *NPRM*, *supra* note 1, at 13707 ("Toll free numbers are essential to many businesses both in terms of marketing and advertising products. Toll free numbers may also have an intrinsic value to many businesses."); Comments of 1-800-FLOWERS, to the *Notice of Proposed Rule Making* in CC Dkt. No. 95-155, at 3-4 (Nov. 1, 1995) [hereinafter Comments of 1-800-FLOWERS] (claiming that its business was made possible by the use of the 800 code, which in 1995 generated revenues exceeding $200 million); Loren Stocker, *1-800-Mindshare: The Numbers Game*, ADVERTISING AGE, July 24, 1995, at 14.

3. *See* Comments of Direct Marketing, *supra* note 1, at 4. Direct Marketing Association, a trade association of 3,500 direct marketing companies, estimates that the "total sales of goods and services generated in response to direct mail marketing exceeded $350 billion in 1994. A very substantial percentage—probably more than half—of these orders were placed by consumers using 800 numbers." *Id.* The company that markets 1-800-Mattress indicated that its sales grew by 60% per year since its acquisition of the corresponding toll-free number. *See* Comments of Dial-A-Mattress Franchise Corp., to the *Notice of Proposed Rule Making* in CC Dkt. No. 95-155, at 1 (Nov. 3, 1995) [hereinafter Comments of Dial-A-Mattress].

can bypass a telephone directory or other forms of advertisement to contact a business directly.[4] Because vanity telephone numbers are so effective, trademark disputes have resulted from several different practices involving the duplication or use of confusingly similar numbers.[5]

---

4. *See Holiday Inns*, 838 F. Supp. at 1249. When consumers identify a vanity telephone number with a source of a good or service, the term contained in the telephone number may be a valid trademark. *See* Lanham Act § 45, 15 U.S.C. § 1127 (1994) (defining a trademark as "any word, name, symbol or device or any combination thereof adopted and used by a manufacturer or merchant to identify his goods and distinguish them from those manufactured or sold by others").

Some companies exist solely to obtain and resell vanity telephone numbers to other businesses. *See* Comments of Vanity International, to the *Notice of Proposed Rule Making* in CC Dkt. No. 95-155, at 1 (Nov. 2, 1995) (describing itself as "the world's premier vanity number design and consulting firm"); Joint Reply Comments of Dial 800, L.P., to the *Notice of Proposed Rule Making* in CC Dkt. No. 95-155, at 1 (Nov. 20, 1995) [hereinafter Joint Reply Comments of Dial 800] (describing itself as a "small marketing and telecommunications consulting company" specializing in the use of vanity "800" numbers). For example, Call Management Systems, Inc., one of the defendants in *Holiday Inns*, was a consulting firm that obtained and serviced "800" telephone numbers for businesses. *See* Holiday Inns, Inc. v. 800 Reservation, Inc., 86 F.3d 619, 620 (6th Cir. 1996), *cert. denied*, 117 S. Ct. 770 (1997). Because the FCC assigns toll-free numbers on a first-come, first-served basis, companies such as Call Management attempt to ensure they are first in line to gain a competitive advantage over others by reserving those telephone numbers that spell catchy and easily remembered words. *See Order*, *supra* note 1, at 2499 (noting the first-come, first-serve procedure); *NPRM*, *supra* note 1, at 13698 (citing *Industry Guidelines for 800 Number Administration* § 2.3.1 (June 8, 1995)); *see also* Murrin v. Midco Communications, Inc., 726 F. Supp. 1195, 1199 (D. Minn. 1989) (discussing the first-come, first-serve procedure as applied to common carriers).

5. *See Holiday Inns*, 86 F.3d at 620 (involving "1-800-HOLIDAY" with the letter "o" versus "1-800-H0LIDAY" with a zero); Dranoff-Perlstein Assocs. v. Sklar, 967 F.2d 852, 853 (3d Cir. 1992) (comparing "INJURY-1" with "INJURY-9"); *Dial-A-Mattress*, 880 F.2d at 676 (comparing local area telephone number "MATTRES" with toll-free telephone number "1-800-MATTRES"); Miss Dig Sys., Inc. v. Power Plus Eng'g, Inc., 944 F. Supp. 600, 601 (E.D. Mich. 1996) (involving local area telephone number "MISS-DIG" with toll-free telephone number "1-800-MISS-DIG"); U-Haul Int'l, Inc. v. Kresch, 943 F. Supp. 802, 803 (E.D. Mich. 1996) (comparing "1-800-GO-U-HAUL" versus "1-800-GO-U-HALL" with the letter "o", "1-800-G0-U-HAUL" with a zero, and "1-800-G0-U-HALL" with a zero); Express Mortgage Brokers Inc. v. Simpson Mortgage Inc., 31 U.S.P.Q.2d (BNA) 1371, 1372 (E.D. Mich. 1994) (comparing "369-CASH" with "1-800-760-CASH"); Bell v. Kidan, 836 F. Supp. 125, 127 (S.D.N.Y. 1993) (involving local area telephone number "CALL-LAW" with toll-free telephone number "1-800-LAW-CALL"); Multi-Local Media Corp. v. 800 Yellow Book Inc., 813 F. Supp. 199, 202 (E.D.N.Y. 1993) (involving service mark "YELLOW BOOK" with telephone number "1-800-YELLOW-B[OOK]"); Kelley Blue Book v. Car Smarts, Inc., 802 F. Supp. 278, 282 (C.D. Cal. 1992) (comparing service mark "KELLEY BLUE BOOK" with telephone numbers "1-900-BLU-BOOK" and "1-800-BLUE-BOOK"); *Murrin*, 726 F. Supp. at 1199 (involving local area telephone number "LAWYERS" versus toll-free telephone number "1-800-LAWYERS"); American Airlines, Inc. v. A 1-800-A-M-E-R-I-C-A-N Corp., 622 F. Supp. 673, 674 (N.D. Ill. 1985) (involving service mark "AMERICAN" versus telephone number "1-800-AMERICAN"); Chicago Worlds' Fair-1992 Corp. v. 1992 Chicago Worlds' Fair Comm'n, No. 83-C3424, slip op. at 1 (N.D. Ill. Aug. 16, 1983) ("444-1992" versus "434-1992" where year "1992" was significant); *Southwestern Bell*, 920 S.W.2d at 547 (involving "772-ROOF" versus "773-ROOF"); Cytanovich Reading Ctr. v. Reading Game, 162 Cal. App. 3d 107, 109 (Ct. App. 1984) (comparing

A competitor may cause confusion by obtaining an identical vanity telephone number in a different area code or toll-free code. One well-known example was the use of "1-800-MATTRES" to compete against a business that heavily marketed the number "1-212-MATTRES."[6] Confusion can also result if a competitor uses a vanity number that is only slightly different from an existing number. In such cases, confusion is likely to occur if the consumer tends to misspell the vanity term on the telephone keypad. For example, prior to adopting the toll-free collect calling number "1-800-CALL-ATT," AT&T marketed the mnemonic "1-800-OPERATOR."[7] AT&T abandoned the number, however, after MCI obtained the misspelled mnemonic "1-800-OPERATER" and diverted half a million dollars of business per month in calls intended for AT&T.[8] Finally, a competitor can also cause confusion by obtaining a vanity number that contains the identical word or phrase as an existing number, and substituting the numbers "0" or "1" for the letter "o" (which corresponds to the keypad number 6), or the letter "i" (which corresponds with the keypad number 4). For example, a travel service used the number "1-800-H0LIDAY" (with a zero) to intercept misdialed calls to the Holiday Inns hotel chain reservation number "1-800-HOLIDAY" (with the letter "o").[9]

While vanity telephone numbers are eligible for protection under trademark and unfair competition law,[10] judicial application of the law has been inconsistent, and, as a result, the level of protection afforded to vanity numbers has often been inappropriate.[11] In addition, the Federal Communications Commission (FCC or the Commission)[12] aggravated the situation by recently issuing an order[13] that provided *de facto* trademark protection to potentially

"321-READ" with "494-READ").

6. *See Dial-A-Mattress*, 880 F.2d at 678.

7. Daniel Briere, *Vanity Telephone Numbers May Spell Trouble*, NETWORK WORLD, Aug. 15, 1994, at 1, *available in* LEXIS, Fedcom Library, ComPub File.

8. *See id.*

9. *See Holiday Inns*, 86 F.3d at 620.

10. *See id.* at 625; *Dranoff-Perlstein*, 967 F.2d at 856; *Dial-A-Mattress*, 880 F.2d at 678.

11. *See infra* Part II.A.1-2 (indicating the inconsistencies courts have made by giving vanity telephone numbers containing generic terms protection when generic terms should receive no protection, and not giving enough protection to trademark protectable terms contained in vanity numbers).

12. The FCC is the federal agency that regulates telephone service nationwide pursuant to § 201(b) of the Communications Act. *See* 47 U.S.C. § 201(b) (1994). The Commission has the authority to prescribe all rules and regulations in connection with common carriers' charges, practices, classifications, and regulations. *See id.* Section 151 of the Act provides that the Commission make available to "the people of the United States a rapid, efficient, Nation-wide, and world-wide wire and radio communications service." *Id.* § 151.

13. *See Order*, *supra* note 1, at 2496. The Report and Order addressed the issues that the FCC determined were essential to the opening of the new "888" code in March 1996. *See id.* at 2509. After soliciting comments on whether to permit vanity number holders a right of first refusal for their corresponding numbers in the new toll-free code, the Commission temporarily

thousands of toll-free vanity telephone numbers that do not warrant such protection.[14] The *de facto* protection occurred when the FCC authorized the use of a new "888" toll-free code to supplement the exhausted "800" toll-free code.[15] Responding to complaints from holders of vanity numbers in the "800" code, the FCC agreed to prevent parties from obtaining equivalent vanity telephone numbers in the newly released "888" code.[16] The Commission indicated that this was a temporary measure,[17] but in the interim an anticompetitive situation has resulted in which numerous toll-free vanity telephone numbers have obtained *de facto* trademark protection, even though they may deserve little or no protection.[18]

---

ordered that certain requested vanity numbers be placed in an unavailable status until the Commission could resolve whether those numbers should be given permanent special rights or protection. *See id.* In addition, on the issue of how the reservations process should proceed, the FCC ordered that all numbers, other than the disputed vanity numbers, should be available on a first-come, first-served basis, with a conservation plan in place to prevent an overload of the database during the reservation process. *See id.* Further, in response to comments on tariff rules and procedures to govern the new toll-free services offerings, the Commission determined that the new "888" code would be treated identically to the "800" code. *See id.*

14. *See* 2 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 12:1, at 12-3 to 12-4 (4th ed. 1996) (explaining that generic terms receive no protection under trademark law). Trademark protection is inappropriate in situations where a vanity telephone number contains terms that are generic. *See Dranoff-Perlstein*, 967 F.2d at 857 (stating that protection given to generic terms would provide an unfair competitive advantage to holders of those terms); MCCARTHY, *supra*, § 12:1, at 12-4 to 12-5 (discussing the differences between generic terms and trademarks).

15. *See Order*, *supra* note 1, at 2496. The first new toll-free exchange was the "888" exchange, released in March 1996. *See id.*

16. *See id.* at 2504. Holders of vanity numbers in the "800" code argued that they should be given a preemptive right to obtain the identical numbers in the "888" code. *See* Reply Comments of 1-800-FLOWERS, Inc., to the *Notice of Proposed Rule Making* in CC Dkt. No. 95-155, at 3-4 (Nov. 20, 1995) [hereinafter Reply Comments of 1-800-FLOWERS] (arguing that a preemptive right of first refusal should be granted to "800" vanity telephone number holders); Comments of Dial-A-Mattress, *supra* note 3, at 1 (arguing that companies with "800" vanity telephone numbers should receive a right of first refusal). The FCC initially resisted these requests because it was concerned that a preemptive set-aside would greatly accelerate the depletion of numbers in the new toll-free code. *See NPRM*, *supra* note 1, at 13703. Additionally, the FCC did not have significant time to consider the question because an order had to be released on an expedited schedule due "to the rapid depletion and imminent exhaust of 800 numbers." *Id.* at 13701. Thus, rather than resolve the issue immediately, the FCC adopted an interim solution of permitting holders of "800" vanity numbers to file requests with the FCC seeking to have the equivalent "888" telephone numbers blocked off in the new exchange. *See Order*, *supra* note 1, at 2496.

17. *See Order*, *supra* note 1, at 2496, 2509; *cf. In re* Toll Free Service Access Codes, *Second Report and Order*, 62 Fed. Reg. 20126 (1997) (to be codified at 47 C.F.R. pt. 52).

On July 2, 1997, the FCC issued a public notice announcing that it was readdressing the issues. In order to update what had become a stale record, the Commission requested that interested parties file additional comments by July 21, 1997, and reply comments by July 28, 1997. *See In re* Toll Free Service Access Codes, *Further Comments*, ___ Fed. Reg. ___ (July 2, 1995).

18. *See* Comments of The Weather Channel, Inc., to the *Notice of Proposed Rule Making*

This Comment analyzes the appropriate level of trademark protection that should be afforded to vanity telephone numbers and questions the FCC's protection of vanity telephone numbers in toll-free exchanges. Part I examines the history of trademark protection afforded by courts to vanity telephone numbers. Part II focuses on cases in which the courts have strayed from basic trademark principles resulting in inconsistent application of the law and an inappropriate level of protection to vanity telephone number holders. Part II also analyzes the impact of the FCC's endeavor to regulate the issuance of vanity telephone numbers. Part III of this Comment argues that existing trademark law, correctly applied, is sufficient to provide the appropriate level of protection to vanity telephone numbers. This Comment provides the appropriate trademark analysis for vanity telephone numbers, and critiques the FCC's actions to date, which although described as temporary, have inappropriately afforded *de facto* trademark protection to existing vanity telephone numbers in the "800" code. This Comment concludes that the courts, through a proper application of trademark law, can provide a more appropriate level of protection by preserving the intended balance in trademark law between safeguarding recognized marks and encouraging competition.

I. THE DEVELOPMENT OF TRADEMARK LAW AS APPLIED TO VANITY TELEPHONE NUMBERS

Trademark law protects the public from confusion or deception, and protects a valid trademark holder from attempts by competitors to capitalize on the trademark holder's goodwill.[19] It is settled law that vanity telephone numbers

in CC Dkt. No. 95-155, at 9 (Nov. 1, 1995) [hereinafter Comments of The Weather Channel] ("The law does not protect The Weather Channel ... because the word "WEATHER" cannot be trademarked."); *see also* Comments of 1-800-FLOWERS, *supra* note 2, at 14 (admitting that not all terms can be protected under trademark law); Comments of The Competitive Telecommunications Assoc., to the *Notice of Proposed Rule Making* in CC Dkt. No. 95-155, at 13 (Nov. 1, 1995) [hereinafter Comments of CTA] ("The Commission should not act to hinder the development of [trademark law]" as applied to vanity telephone numbers).

19. *See* United Drug Co. v. Theodore Rectanus Co., 248 U.S. 90, 97 (1918) (stating that a trademark's function is "to designate the goods as the product of a particular trader and to protect his good will against the sale of another's product as his"). The Supreme Court has explained that a producer should be the one to reap the financial benefits associated with its product or service, not an imitating competitor. *See* Qualitex Co. v. Jacobson Prods. Co., Inc., 115 S. Ct. 1300, 1303 (1995); *see also* 1 MCCARTHY, *supra* note 14, § 2:2 (discussing how the policies of trademark protection include "consumer protection, property rights, economic efficiency," and justice). The Supreme Court has stated that "[b]y applying a trademark to goods produced by one other than the trademark's owner, the infringer deprives the owner of the goodwill which he spent energy, time, and money to obtain." Inwood Lab., Inc. v. Ives Lab., Inc., 456 U.S. 844, 854 n.14 (1982). In an earlier opinion, the Supreme Court stated that where a party has labeled goods in a way that purchasers recognize the goods marked as the producer's, others were prohibited from applying the same mark to goods of a like kind, because it would deprive the first producer of his potential profits. *See* Hanover Star Milling Co. v. Metcalf, 240 U.S. 403, 412

are protectable under trademark law.[20] Courts, however, have afforded vanity telephone numbers an inconsistent level of protection.[21] For example, some courts have declined to find an actionable case of trademark infringement when a defendant uses, but does not advertise, a confusingly similar vanity telephone number to siphon business from the holder of a trademark protected telephone number.[22] Other courts have protected common descriptive or generic terms in telephone numbers, which should never be protected.[23]

A. Basic Principles of Trademark Law: The Lanham Act

The federal statute governing trademark law is the Lanham Trademark Act of 1946.[24] The Lanham Act provides for the federal registration of trademarks, which gives a trademark owner important legal rights and benefits.[25] The Lanham Act also provides remedies to registered trademark owners for another's trademark infringement[26] and unfair competition.[27] Vanity tele-

(1916).

20. *See supra* note 5 (citing cases involving vanity telephone numbers protected as trademarks).

21. *Compare* Dial-A-Mattress Franchise Corp. v. Page, 880 F.2d 675, 678 (2d Cir. 1989) (protecting the generic term "MATTRESS" in a telephone number used to sell mattresses), *with* Dranoff-Perlstein Assocs. v. Sklar, 967 F.2d 852, 860 (3d Cir. 1992) (denying protection for the generic term "INJURY" used in a telephone number to sell the legal services of a personal injury attorney).

22. *See* Holiday Inns, Inc. v. 800 Reservation, Inc., 86 F.3d 619, 626 (6th Cir. 1996), *cert. denied*, 117 S. Ct. 770 (1997).

23. *See Dial-A-Mattress*, 880 F.2d at 678; *see also* Anthony L. Fletcher & David J. Kera, *The Forty-Third Year of Administration of the Lanham Trademark Act of 1946*, 80 TRADEMARK REP. 591, 675-76 (1990) (questioning the protection given by courts to generic terms contained in telephone numbers); Elizabeth A. Horky, Note, *1-800-I-AM-VAIN: Should Telephone Mnemonics Be Protected As Trademarks?*, 3 J. INTELL. PROP. L. 213, 236-39 (1995) (describing the debate over whether generic terms contained in telephone numbers should be protected); Terry Ann Smith, Comment, *Telephone Numbers That Spell Generic Terms: A Protectable Trademark or an Invitation to Monopolize a Market?*, 28 U.S.F. L. REV. 1079, 1097-1102 (1994) (describing the split of authority that exists on protecting generic terms in telephone numbers and advocating that generic terms should not be protected).

24. *See* Lanham Act §§ 1-45, 15 U.S.C. §§ 1051-1127 (1994).

The Lanham Act defines a trademark as:

> [A]ny word, name, symbol, or device, or any combination thereof—(1) used by a person, or (2) which a person has a bona fide intention to use in commerce and applies to register on the principal register established by this chapter, to identify and distinguish his or her goods, including a unique product, from those manufactured or sold by others and to indicate the source of the goods, even if that source is unknown.

Id. § 1127.

This Comment does not address the effect of the Lanham Act on state common and statutory law governing trademarks. *See* 1a JEROME GILSON & JEFFREY M. SAMUELS, TRADEMARK PROTECTION AND PRACTICE § 8.02 (1996) (explaining that state courts have concurrent jurisdiction with federal courts).

25. *See* 15 U.S.C. § 1057(b) (1994).

26. *See id.* § 1114.

phone numbers,[28] shapes,[29] sounds,[30] scents,[31] and colors[32] have all been registered and protected as trademarks.[33]

A mark, to be registerable or protected by a court, must meet certain standards based on its strength and level of distinctiveness.[34] There are four categories of distinctiveness, ranked strongest to weakest, that determine the level of trademark protection.[35] A mark may be arbitrary or fanciful,[36] sugges-

27. *See id.* § 1125(a). The Lanham Act also protects famous marks from dilution by providing injunctive relief against another's commercial use of the mark. *See* 15 U.S.C.A § 1125(c) (West Supp. 1997). This Comment, however, does not address the issue of dilution.

28. *See* 1 MCCARTHY, *supra* note 14, § 7:13, at 7-16 ("An alphanumeric telephone number may be used in such a way as to become a trademark."); *see also supra* note 5 (citing cases involving vanity telephone number disputes).

29. *See, e.g.*, Tveter v. AB Turn-O-Matic, 633 F.2d 831, 838 (9th Cir. 1980) (protecting a ticket dispenser configuration); Rolls-Royce Motors Ltd. v. A & A Fiberglass, Inc., 428 F. Supp. 689, 694-95 (N.D. Ga. 1977) (protecting the Rolls-Royce automobile grill); Time Mechanisms, Inc. v. Qonaar Corp., 422 F. Supp. 905, 913 (D.N.J. 1976) (protecting a cone shaped parking meter configuration); *see also* 1 MCCARTHY, *supra* note 14, § 7:38 (discussing that shapes can be protectable under trademark law).

30. *See* Qualitex Co. v. Jacobson Prods. Co., Inc., 115 S. Ct. 1300, 1303 (1995) (noting the valid registration of NBC's use of three chimes for radio and television station identification); *see also* 1 MCCARTHY, *supra* note 14, § 7:104, at 7-237 to 7-238 (discussing that sound characteristics are capable of trademark protection).

31. *See In re* Clarke, 17 U.S.P.Q.2d (BNA) 1238, 1240 (T.T.A.B. 1990) (protecting a floral fragrance similar to plumeria blossoms applied to sewing thread); 1 MCCARTHY, *supra* note 14, § 7:105, at 7-238 (discussing the holding in *In re Clarke*).

32. *See Qualitex*, 115 S. Ct. at 1308 (protecting green-gold color on pads used on dry cleaning presses); *In re* Owens-Corning Fiberglass Corp., 774 F.2d 1116, 1128 (Fed. Cir. 1985) (protecting the color pink on insulating material); *see also* 1 MCCARTHY, *supra* note 14, § 7:40, at 7-68 (noting the Supreme Court's holding in *Qualitex*).

33. *See supra* notes 28-32. The Lanham Act also provides comparable protection for service marks, which designate a service rather than a product. *See* 15 U.S.C. § 1127 (1994). Section 1127 defines a service mark the same as a trademark to the extent that a service mark is used "to identify and distinguish the services of one person." *Id.* In this Comment, the term "trademark" will be used to refer to both trademarks and service marks.

34. *See* McGregor-Doniger, Inc. v. Drizzle Inc., 599 F.2d 1126, 1131 (2d Cir. 1979); 2 MCCARTHY, *supra* note 14, § 19:10 (discussing the criteria that a mark must meet to be eligible for registration). Distinctiveness is determined by ranking a mark in one of four categories: generic, descriptive, suggestive, and arbitrary or fanciful. *See McGregor-Doniger*, 599 F.2d at 1131; Abercrombie & Fitch Co. v. Hunting World, Inc., 537 F.2d 4, 9 (2d Cir. 1976); *see also infra* notes 36-39 (describing each of the four categories).

35. *See* Freedom Savs. & Loan Assn. v. Way, 757 F.2d 1176, 1182 (11th Cir. 1985); Miller Brewing Co. v. G. Heileman Brewing Co., 561 F.2d 75, 79 (7th Cir. 1977); *Abercrombie & Fitch*, 537 F.2d at 9; 1 MCCARTHY, *supra* note 14, § 11:2; *cf.* 20th Century Wear, Inc. v. Sanmark-Stardust Inc., 747 F.2d 81, 87 (2d Cir. 1984) (stating that categorizing a mark is a "slippery business" because there are no clear cut guidelines to follow); 1 GILSON & SAMUELS, *supra* note 24, § 2.01, at 2-5 (noting that courts generally agree on the categories of distinctiveness, but have difficulty determining the category in which to place a mark).

36. *See* Soweco, Inc. v. Shell Oil Co., 617 F.2d 1178, 1184 (5th Cir. 1980) (defining arbitrary or fanciful marks as being unrelated to the common name or description of a good or service). For example, the mark Kodak as applied to film is fanciful and the mark Apple as ap-

tive,[37] descriptive,[38] or generic.[39] Arbitrary, fanciful, and suggestive marks

plied to computers is arbitrary. *See id.*; 1 MCCARTHY, *supra* note 14, §§ 11:4-11:6. These marks "are subject to the broadest scope of protection," and "can be protected without a proof of secondary meaning." DORIS E. LONG, UNFAIR COMPETITION AND THE LANHAM ACT § 2.3.2.4., at 50-51 (1993).

37. *See* Vision Ctr. v. Opticks, Inc., 596 F.2d 111, 115 (5th Cir. 1979) (defining a suggestive mark as implying rather than describing a characteristic of a good or service with which the mark is associated). A suggestive mark indirectly describes the product or service it identifies, thus requiring a consumer to engage in deductive reasoning to associate the mark with the indirect description. *See id.*; 1 MCCARTHY, *supra* note 14, § 11:67 (noting that some courts apply the "imagination test," which includes measuring the level of imagination a consumer must use to obtain an exact description of the product, to determine whether a mark is suggestive or descriptive). "GREYHOUND" is an example of a suggestive mark. Consumers consider a Greyhound to be a fast racing dog, thus suggesting that the bus service is also fast. *See id.* at § 11:67, 11-111. Other examples are "SPARKLE" for window cleaner and "PENGUIN" for a food freezer. *See id.*

38. *See Vison Ctr.*, 596 F.2d at 115 (defining a descriptive term as identifying a "characteristic or quality" of a good or service). Descriptive marks are usually adjectives or adverbs that describe "the intended purpose, function or use of," size, or desirable characteristics of a product. *See* 1 MCCARTHY, *supra* note 14, § 11:16; *see also* 1 GILSON & SAMUELS, *supra* note 24, § 2.02-2.03. A merely descriptive mark will not be given trademark protection unless "secondary meaning" is established. *See* 1 MCCARTHY, *supra* note 14, § 11:25. The term "secondary meaning" denotes that a mark has developed a unique association with a specific product or service, such that "in the minds of the public, the primary significance of a product feature ... is to identify the source of the product rather than the product itself." Qualitex Co. v. Jacobson Prods. Co., Inc., 115 S. Ct. 1300, 1303 (1995) (quoting Inwood Lab., Inc. v. Ives Lab., Inc., 456 U.S. 844, 851 n.11 (1982)). Factors used to determine whether a mark has developed secondary meaning include: 1) duration and manner of usage; 2) effort and expenditure of money toward developing a reputation; 3) survey evidence; 4) sales volume; and 5) extent of advertising expense. *See* 2 MCCARTHY, *supra* note 14, § 15:30, at 15-47 & n.5. The theory is that if consumers do not view the mark as an indication of origin, a competitor's use of a similar mark will not lead to a likelihood of consumer confusion about the origin and no recognizable harm will occur. *See id.* § 15:11.

Descriptive and suggestive marks are sometimes difficult to distinguish, and as a result, courts use certain factors to determine the appropriate category of a mark. *See* 1 *id.* § 11:71. One factor is the amount of imagination consumers must use to associate the description of the good or service with the mark. *See id.* 11:67. The more imagination required, the more likely the mark will be deemed suggestive. *See id.* Another factor is whether a competitor will need to use the term to adequately describe its own products or services to consumers. *See id.* § 11:68. If the mark is needed by competitors, then the mark is more likely to be deemed descriptive. *See id.*

39. *See* Liquid Controls Corp. v. Liquid Control Corp., 802 F.2d 934, 936 (7th Cir. 1986) (describing a generic name to be the common descriptive name of a good). A mark is generic if "the primary significance of the term in the minds of the consuming public" is the product itself, instead of the producer. Kellogg Co. v. National Biscuit Co., 305 U.S. 111, 118 (1938); *see* A.J. Canfield Co. v. Honickman, 808 F.2d 291, 299 (3d Cir. 1986) (espousing the primary significance test); *see also* 1 GILSON & SAMUELS, *supra* note 24, § 2.02, at 2-26 to 2-27 (describing the test to determine whether a mark is generic). For a mark to become generic, the primary significance of the mark must be its designation of the product or class, rather than it designation as the source. *See A.J. Canfield*, 808 F.2d at 299; Dupont Cellophane Co. v. Waxed Prods. Co., 85 F.2d 75, 80 (2d Cir. 1936) (finding that a majority of the public used the term "cellophane" as the name of a product, rather than as a particular good produced by Dupont).

may be registered immediately on the Principal Register.[40] Descriptive marks can only be registered on the Principal Register upon a showing of secondary meaning.[41] Generic terms cannot be registered either on the Principal Register or the Supplemental Register, and courts should not afford them trademark protection.[42]

There is, however, a small exception to the rule that generic terms do not receive trademark protection. Under the common law concept of unfair competition, a limited remedy of distinguishing is available to a first user of a generic term against a second user of that term in connection with similar goods or services.[43] This remedy was established by the Supreme Court in 1938 in

---

To determine whether a mark is generic, courts consider factors such as its "dictionary definition[], expert testimony, use of the term in other marks, ... and the availability of commonly used alternatives." LONG, *supra* note 36, § 2.3.2.1., at 46 (citing cases for survey evidence). Generic marks are usually nouns and may be dictionary terms. *See* 1 GILSON & SAMUELS *supra* note 24, § 2.02, at 2-15; 2 MCCARTHY, *supra* note 14, § 12:4 (determining whether a term is generic depends on how the public perceives the word).

40. *See* 1 MCCARTHY, *supra* note 14, §§ 11:4, at 11-9, 11:62, at 11-105.

41. *See id.* at § 11:53.

42. *See* Dranoff-Perlstein Assocs. v. Sklar, 967 F.2d 852, 857 (3d Cir. 1992); PATENT AND TRADEMARK OFFICE, U.S. DEP'T. OF COMMERCE, TRADEMARK MANUAL OF EXAMINING PROCEDURE, EXAMINATION GUIDE NO. 1-94 [hereinafter EXAMINATION GUIDE], *available in* 5 MCCARTHY, *supra* note 14, Appendix A9(9), at A9-140 to A9-143; 2 MCCARTHY, *supra* note 14, § 12:1. *But see* Dial-A-Mattress Franchise Corp. v. Page, 880 F.2d 675, 678 (2d Cir. 1989) (protecting the term "MATTRES" in a telephone number that was used to sell mattresses). "[N]o matter how much money and effort the user of a generic term has poured into promoting the sale of its merchandise ... [the user] cannot deprive [competitors] of the product of the right to call an article by its name," and, thus, millions of dollars spent on advertising the mark will still not make it protectable. Abercrombie & Fitch Co. v. Hunting World, Inc., 537 F.2d 4, 9 (2d Cir. 1976); *see* WSM, Inc. v. Hilton, 724 F.2d 1320, 1327 (8th Cir. 1984) (finding the word "OPRY" generic despite use for more than 50 years); Technical Publ'g Co. v. Lebhar-Friedman, Inc., 222 U.S.P.Q. (BNA) 815, 816 (N.D. Ill. 1983) (finding mark generic despite its use for more than one and a half years); Nestle Co., Inc. v. Chester's Mkt., Inc., 571 F. Supp. 763, 766, 769 (D. Conn. 1983) (finding the term "TOLL HOUSE" generic for cookies despite $140 million in advertising and $1 billion in sales of product during a 10-year period); Eastern Air Lines, Inc. v. New York Air Lines, Inc., 559 F. Supp. 1270, 1273-74 (S.D.N.Y. 1983) (finding the term "AIR SHUTTLE" generic despite the expenditure of more than $5 million in advertising).

If a term has dual meaning but the majority of the public believes it to be the common name of a good or service, the mark will be considered generic. *See* 1 GILSON & SAMUELS, *supra* note 24, § 2.02[1], at 2-29; 2 MCCARTHY, *supra* note 14, § 12:6. If other alternative terms are available to sufficiently describe a commodity, however, then a mark may not be classified as generic, but descriptive. *See Dranoff-Perlstein*, 967 F.2d at 859.

43. *See Kellogg*, 305 U.S. at 120; Metric & Multistandard Components Corp. v. Metric's, Inc., 635 F.2d 710, 714 (8th Cir. 1980) (indicating that a generic mark might be entitled to protection if it is "so associated with its goods that the use of the same or similar marks by another company constitutes a representation that its goods come from the same source" (quoting Joshua Meier Co. v. Albany Novelty Mfg. Co., 236 F.2d 144, 147 (2d Cir. 1956)); 1 GILSON & SAMUELS, *supra* note 24, § 2.02[1], at 2-29 n.24 (citing Murphy Door Bed Co. v. Interior Sleep Sys. Inc., 874 F.2d 95 (2d Cir. 1989), for the proposition that an infringer cannot use a generic term to pass off his products for those of another user of a generic mark).

Kellogg Co. v. National Biscuit Co.,[44] in which the Court examined the term "shredded wheat" for cereal.[45] Although the term "shredded wheat" was deemed generic, the Court required the junior user[46] of the generic term to reasonably distinguish its product from that of the senior user,[47] to ensure no confusion resulted as to the source of the goods.[48]

Since generic terms cannot be protected as trademarks, only marks that are arbitrary, fanciful, suggestive, or descriptive with secondary meaning can be protected against infringement under 15 U.S.C. § 1114, if the mark is federally registered, or under 15 U.S.C. § 1125(a), if the mark is not federally registered.[49] The test for infringement under both § 1114 and § 1125(a) is whether a challenged mark creates a likelihood of confusion with a protected mark.[50] Courts consider a number of factors, including the similarity between

---

44. 305 U.S. 111 (1938). National Biscuit Company sued Kellogg Company for its use of the term "shredded wheat," claiming the public associated the term with National. *See id.* at 115-16. The Court acknowledged that National's long-term use of the term "shredded wheat" resulted in a public association of the term with National, but the Court found that lengthy association was not enough to warrant exclusive use of a generic term. *See id.* at 117-18. Instead, the Court held that the standard to overcome a term being designated as generic was whether "the primary significance of the term in the minds of the consuming public is not the product but the producer." *Id.* at 118. National had not met that burden of proof. *See id.* at 118-19. The Court held that a second user could use the generic term, but would be required to use every reasonable means to prevent confusion. *See id.*

45. *See id.* at 118.

46. A junior user adopts a mark after another has already utilized the same or similar mark. *See* 3 MCCARTHY, *supra* note 14, § 23:1, at 23-7 to 23-8 (implying the term "junior user"). The Federal Circuit has noted that the court will resolve doubts against a junior user when balancing the interests in an established mark against the junior user's mark. *See* Specialty Brands, Inc. v. Coffee Bean Distribs. Inc., 748 F.2d 669, 676 (Fed. Cir. 1984).

47. A senior user is the first user of a mark. *See* 3 MCCARTHY, *supra* note 14, § 23:1.

48. *See Kellogg*, 305 U.S. at 119. The Court found that Kellogg had sufficiently distinguished its product from National's because the product was two-thirds the size of National's product, and was labeled in such a way as to prevent confusion. *See id.* at 121. The Court, however, explained that the second user would not have to go so far as to prove to the purchaser that it was the maker, but only would have to take "reasonable means to prevent confusion." *Id.*

49. *See* Lanham Act §§ 32, 43(a), 15 U.S.C. §§ 1114, 1125(a) (1994).

50. *See id.* §§ 1114, 1125(a). Section 1114(1)(a) provides that any person shall be liable for using:

> in commerce any reproduction, counterfeit, copy, or colorable imitation of a registered mark in connection with the sale, offering for sale, distribution, or advertising of any goods or services on or in connection with which such use is likely to cause confusion, or to cause mistake, or to deceive.

Id. § 1114(1)(a). Colorable imitation has been defined as "any mark which so resembles a registered mark as to be likely to cause confusion or mistake or to deceive." *Id.* § 1127. Section 1125(a)(1) provides that:

> [a]ny person who, on or in connection with any goods or services, or any container for goods, uses in commerce any word, term, name, symbol, or device, or any combination thereof ... which ... is likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association of such person with another per-

the marks and products and the strength of a mark, to determine whether a likelihood of confusion exists between marks.[51]

---

son, or as to the origin, sponsorship, or approval of his or her goods, services, or commercial activities by another person ... shall be liable in a civil action.

Id. § 1125(a)(1). Section 1125(a) applies only when the complainant's mark meets basic trademark requirements. *See* Yarmuth-Dion, Inc. v. D'ion Furs, Inc., 835 F.2d 990, 992 (2d Cir. 1987) (holding that a plaintiff has the burden of proof to show an unregistered mark is valid as a trademark in order to receive protection under the Lanham Act).

The Ninth Circuit has stated that regardless of whether a case is based on "infringement, unfair competition or false designation of origin, the test is identical—is there a 'likelihood of confusion?'" New West Corp. v. NYM Co. of Cal., Inc., 595 F.2d 1194, 1201 (9th Cir. 1979); *see also* Mushroom Makers, Inc. v. R.G. Barry Corp., 580 F.2d 44, 47 (2d Cir. 1978) (stating that a likelihood of confusion exists if "an appreciable number of ordinarily prudent purchasers are likely to be misled, or indeed simply confused, as to the source of the goods in question").

51. *See In re* E. I. DuPont DeNemours & Co., 476 F.2d 1357, 1361 (C.C.P.A. 1973); Polaroid Corp. v. Polarad Elecs. Corp., 287 F.2d 492, 495 (2d Cir. 1961). Each circuit has its own variation of the "likelihood of confusion" factors, but in each circuit the factors are similar. 1 GILSON & SAMUELS, *supra* note 24, § 5.01[3][i], at 5-16 & n.19, (describing the factors used by the First, Second, Seventh, Ninth, and Eleventh Circuits, and stating that there is little substantive distinction between the factors used by the various circuits); LONG, *supra* note 36, § 2.5 (listing the "likelihood of confusion" factors for every United States Circuit Court of Appeals). The factors generally include: (1) the degree of similarity between the marks in appearance and suggestion; (2) the similarity of the products for which the mark is used; (3) the area and manner of concurrent use; (4) the degree of care likely to be exercised by consumers; (5) the strength of the complainant's mark, (6) actual confusion; and (7) an intent on the part of the alleged infringer to palm off his products as those of another. *See* Helene Curtis Indus., Inc. v. Church & Dwight Co., Inc., 560 F.2d 1325, 1330 (7th Cir. 1977); *Polaroid Corp.*, 287 F.2d at 495.

The most extensive list of "likelihood of confusion" factors was set forth by the United States Court of Customs and Patent Appeals in *In re E. I. DuPont DeNemours & Co.*:

(1) The similarity or dissimilarity of the marks in their entireties as to appearance, sound, connotation and commercial impression.
(2) The similarity or dissimilarity and nature of the goods or services as described in an application or registration or in connection with which a prior mark is in use.
(3) The similarity or dissimilarity of established, likely-to-continue trade channels.
(4) The conditions under which and buyer to whom sales are made, i.e. "impulse" vs. careful, sophisticated purchasing.
(5) The fame of the prior mark (sales, advertising, length of use).
(6) The number and nature of similar marks in use on similar goods.
(7) The nature and extent of any actual confusion.
(8) The length of time during and conditions under which there has been concurrent use without evidence of actual confusion.
(9) The variety of goods on which a mark is or is not used (house mark, "family" mark, product mark).
(10)The market interface between applicant and the owner of a prior mark:
(a) a mere "consent" to register or use.
(b) agreement provisions designed to preclude confusion, i.e. limitations on continued use of the marks by each party.
(c) assignment of mark, application, registration and good will of the related business.
(d) laches and estoppel attributable to owner of prior mark and indicative of lack of confusion.
(11)The extent to which applicant has a right to exclude others from use of its mark on its goods.

B. Vanity Telephone Numbers: Judicial Conflict as to Proper Application of Trademark Law

The widespread use of telephone numbers as trademarks is a relatively recent phenomenon.[52] As a result, only three United States circuit courts of appeal, a handful of federal district courts, and a few state courts have considered the appropriate level of protection that should be afforded to vanity telephone numbers.[53] The lack of cases on this issue is aggravated by the fact that trademark cases are fact-intensive.[54] Thus, a decision involving unique facts in one case often provides little precedental value.[55]

In applying trademark law to vanity telephone numbers, courts have struggled with the following issues: (1) the level of protection afforded to a vanity number that contains a generic or merely descriptive word,[56] (2) whether the unadvertised use of a confusingly similar vanity telephone number by a junior user constitutes an infringing "use" under the Lanham Act,[57] and (3) whether a junior user of a confusingly similar vanity telephone number should be held liable for having "caused" confusion, when some level of confusion is inherent in the operation of a telephone.[58]

---

(12)The extent of potential confusion, i.e., whether *de minimis* or substantial.

(13) Any other established fact probative of the effect of use.

In re E. I. DuPont, 476 F.2d at 1361. Other market-place circumstances also can be considered in a decision regarding likelihood of confusion. *See* 1 GILSON & SAMUELS, *supra* note 24, § 5.01[3][iii] (citing RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 21 (1995)); LONG, *supra* note 36, § 2.4, at 55 nn.111-12 (citing cases in which courts have considered additional factors such as the similarity of the advertising, media used, and the percentage of customers who would be confused by a similar mark). No one factor is conclusive because the likelihood of confusion analysis is often imprecise and subjective in nature. *See E. I. DuPont*, 476 F.2d at 1361; LONG, *supra* note 36, § 2.4, at 55.

52. *See* Dranoff-Perlstein Assocs. v. Sklar, 967 F.2d 852, 856 (3d Cir. 1992). The first case to protect a telephone number as a trademark was *Chicago Worlds' Fair-1992 Corp. v. 1992 Chicago Worlds' Fair Comm'n*. No. 83-C3424, slip op. at 5 (N.D. Ill. Aug. 16, 1983) (finding infringement in the defendant's use of the number, "434-1992" against "444-1992").

53. *See supra* note 5 (listing cases that have decided disputes between vanity telephone numbers); *see also* 1 MCCARTHY, *supra* note 14, § 7:13 (discussing those cases dealing with trademark protection given to vanity telephone numbers).

54. *See* 1 GILSON & SAMUELS, *supra* note 24, § 5.01[3][i], at 5-16.

55. *See id.*

56. *See infra* Part II.A.1. For example, the California Appeals Court in *Cytanovich Reading Ctr. v. Reading Game* declined to recognize the telephone number "321-READ" as a valid trademark because the term "read" was too commonly used, and thus, was generic. *See* 162 Cal. App. 3d 107, 112 (Ct. App. 1984).

57. *See infra* Part II.A.2 (arguing that the statutory definition of "use" includes the mere operation of a telephone number).

58. *See infra* Part II.A.3 (arguing that liability is found based on the public's confusion as to the source of goods or services, not on any public confusion that may exist in dialing a telephone number).

1. Judicial Dispute: Level of Protection Generic Terms Should Receive in Vanity Telephone Numbers

Federal courts have disagreed on the extent to which vanity numbers that contain generic terms are protectable under trademark law.[59] The United States Court of Appeals for the Second Circuit has held that such numbers can be protected under trademark law.[60] In *Dial-A-Mattress Franchise Corp. v. Page*,[61] the plaintiff, the senior user of the term "MATTRES" in a local telephone number, challenged the use by a competitor of the same term in the "800" toll-free exchange.[62] A magistrate judge recommended that the defendant-junior user be permitted to use "1-800-MATTRES" if it provided an appropriate disclaimer.[63] The district court, however, disregarded the recommendation and prohibited the defendant from receiving any telephone calls to the "800" number that originated in the local area codes where the plaintiff had its number.[64] The Second Circuit affirmed the decision even after acknowledging that the plaintiff could not claim trademark rights in the word "mattress" or "mattres."[65] While the court noted that a junior user could use a generic term if it distinguished itself from the first user,[66] it nevertheless enjoined the defendant from using the number.[67]

59. *See supra* note 5 (discussing cases where courts accorded varying levels of protection to vanity telephone numbers containing generic terms).

60. *See* Dial-A-Mattress Franchise Corp. v. Page, 880 F.2d 675, 678 (2d Cir. 1989).

61. 880 F.2d 675 (2d Cir. 1989).

62. *See id.* at 676-77.

63. *See id.* at 677. The magistrate recommended that the junior user of "1-800-MATTRES" adopt the following distinguishing greeting: "Easy Bed. We are not connected with Dial-A-Mattress which advertises on radio and television." *Id.* The recommendation also provided that the defendant should provide "a disclaimer of any connection to Dial-A-Mattress in his advertisements." *Id.*

64. *See id.* The defendant also was required to pay charges to the telephone company to block those calls from the 1-800 number. *See id.*

65. *See id.* (citing Miller Brewing Co. v. Heileman Brewing Co, 561 F.2d 75, 81 (7th Cir. 1977)).

66. *See id.* at 678 (citing Kellogg Co. v. National Biscuit Co., 305 U.S. 111, 119 (1938)). The court stated that a plaintiff would not lose the right to protection against a defendant's unfair use of a confusingly similar number simply because it contained a generic mark. *See id.*

67. *See id.* at 678; *cf.* Express Mortgage Brokers Inc. v. Simpson Mortgage Inc., 31 U.S.P.Q.2d (BNA) 1371, 1373-74 (E.D. Mich. 1994) (granting an injunction under similar circumstances). In *Express Mortgage*, the United States District Court for the Eastern District of Michigan held that the term "CASH" in a mortgage company's local telephone number was descriptive rather than generic. *See id.* at 1373. The court then provided protection to the term when it found secondary meaning from the plaintiff's long-term use of the number and due to the fact that a large amount of money had been used to advertise the number. *See id.* at 1374. To support its decision that "CASH" was descriptive rather than generic, the court noted that while "CASH" was an ingredient of the plaintiff's mortgage brokerage services, competitors had many alternative terms available to describe their mortgage brokerage businesses. *See id.* The Court provided examples such as 1-800-MORTGAGE, 1-800-LOAN-YES, and 1-800-MONEY-

Contrary to the Second Circuit's decision in *Dial-A-Mattress*, the United States Court of Appeals for the Third Circuit in *Dranoff-Perlstein Associates v. Sklar*[68] held that a vanity number containing a generic term was not eligible for trademark protection.[69] In *Dranoff-Perlstein*, the court examined whether a telephone number that spelled "INJURY-9" infringed upon the telephone number "INJURY-1."[70] Both numbers were used by personal injury attorneys.[71] The Third Circuit found that a mark that corresponded to a telephone number could be protectable, but only if the mark acted as an indicator of source, sponsorship, or approval, and met the other requirements of trademark law.[72] Applying traditional trademark principles, the court found that the use of "INJURY" in a telephone number was generic,[73] and that protection of the term in the telephone number would provide the plaintiff with an unfair competitive advantage.[74] Thus, a split exists between the circuits with respect to

1. *See id.* Thus, the court prohibited the defendant, a competitor in the mortgage brokerage business, from using "1-800-760-CASH." *See id.*

68. 967 F.2d 852 (3d Cir. 1992).

69. *See id.* at 860.

70. *See id.* at 853-54.

71. *See id.* The attorney who operated "INJURY-1" was the senior user. *See id.* The district court dismissed the action, holding that the mark was not entitled to protection either because it was generic, or descriptive and lacking secondary meaning. *See id.* at 854. The Third Circuit agreed with the district court to the extent that "INJURY" was generic, but reversed and remanded the case to more fully consider the question of secondary meaning of the composite mark "INJURY-1." *See id.* at 862 n.26, 863.

72. *See id.* at 856. The United States Patent and Trademark Office (PTO) permits registration of a term with numerals in the form of a telephone number, so long as the term conforms with traditional trademark law. *See* EXAMINATION GUIDE, *reprinted in* 5 MCCARTHY, *supra* note 14, Appendix A9(9), at A9-140 to A9-143. In January 1994, the PTO announced a new policy that it would decline to register any vanity telephone number that contained a generic or merely descriptive terms. *See id.* at A9-143. The PTO followed the Third Circuit's approach in *Dranoff-Perlstein* that a mark in the form of a telephone number is insufficient, by itself, to render a mark distinctive. *See id.*

73. *See Dranoff-Perlstein*, 967 F.2d at 860. The court determined that "INJURY" in the mark "INJURY-1" was generic because the term was commonly descriptive of "personal injury law." *Id.* The court noted that competitors must be allowed to use terms that signify or describe the nature of the product they are selling; to hold otherwise would put those businesses at a "serious competitive disadvantage." *Id.* at 857, 860. Additionally, the court noted that few alternative terms exist for competitors to use because of the limited number of spaces— seven characters—available in a telephone number. *See id.* at 859-60.

74. *See id.* at 859-60. Even though the term did not directly relate to the description of the service, "personal injury law," the court still found the term "injury" generic because the term related to a distinctive characteristic of the genus of the service. *See id.* at 860. The court remanded the case for a determination of whether the word had acquired secondary meaning, and if so, whether the junior use was likely to cause confusion. *See id.* at 862.

Generic telephone numbers have been refused protection by other courts. *See Murrin v. Midco Communications, Inc.*, 726 F. Supp. 1195, 1201 (D. Minn. 1989). In *Murrin*, the United States District Court for the District of Minnesota examined the plaintiff's service mark "Dial L.A.W.Y.E.R.S.," used in connection with the local telephone number "1-612-LAWYERS,"

the level of protection that should be afforded to generic vanity telephone numbers.[75]

2. "Use" Under the Lanham Act:: What Type of "Use" is Required

A recent issue that has arisen in infringement cases involving vanity telephone numbers is whether a defendant has engaged in actionable "use" of a protected mark.[76] Some courts have required that an actionable "use" of an infringing vanity telephone number must include advertisement or active promotion of the number in an alphanumeric form by the defendant.[77] This requirement was adopted by the United States Court of Appeals for the Sixth Circuit in *Holiday Inns, Inc. v. 800 Reservation, Inc.*[78]

The dispute in H*oliday Inns* involved the number "1-800-HOLIDAY" used by the Holiday Inns hotel chain.[79] A travel service began using the number "1-800-H0LIDAY" (with a zero instead of the letter "o") to secure hotel reservations for callers that misdialed Holiday Inns's vanity telephone number.[80]

---

against the defendant's use of the telephone number "1-800-LAWYERS." *See id.* at 1200-01. The court allowed the defendant to continue operating the number, but prohibited the defendant from advertising the number in a manner that would infringe upon the plaintiff's service mark outside the geographic area where the defendant had common law rights. *See id.* at 1201. A Missouri State Court of Appeals also held that generic terms as contained in telephone numbers should not be protectable under trademark law. *See Southwestern Bell Yellow Pages, Inc. v. Wilkins*, 920 S.W.2d 544, 546 (Mo. Ct. App. 1996). In *Southwestern Bell Yellow Pages*, the court was confronted with a dispute involving the telephone numbers of two roofing companies, "772-ROOF" and "773-ROOF." *See id.* The court found the term "ROOF" generic and said that to provide protection to the term would deprive others of the right to use the common name of their services or products. *See id.* at 549-50 (citing Clipper Cruise Line, Inc. v. Star Clippers, Inc., 952 F.2d 1046, 1047-48 (8th Cir. 1992)).

75. *See* Fletcher & Kera, *supra* note 23, at 675-76 (describing the Second Circuit's decision in *Dial-A-Mattress*); Horky, *supra* note 23, at 236-39 (describing the split between the Second and Third Circuits); Smith, *supra* note 23, at 1097-1102 (citing same split). The International Trademark Association and several vanity telephone numbers holders referred to this judicial conflict as one reason why the FCC should regulate the distribution of new toll-free vanity numbers. *See* Letter from Mary Ann Alford, President, International Trademark Association, to William Caton, Secretary, Federal Communications Commission (Aug. 28, 1996) (on file with the FCC) [hereinafter Letter from Mary Ann Alford] (regarding *In re* Toll Free Service Access Codes, *Notice of Proposed Rule Making*, 10 F.C.C.R. 13692, 13701 (1995)).

76. *See* 15 U.S.C. §§ 1114, 1125(a) (1994). Under § 1114, the defendant must *use* "any reproduction, counterfeit, copy, or colorable imitation of a registered mark," and under § 1125(a), "any word, term, name, symbol, or device, or any combination thereof." *Id.* §§ 1114, 1125(a).

77. *See* Holiday Inns, Inc. v. 800 Reservation, Inc., 86 F.3d 619, 624-26 (6th Cir. 1996), *cert. denied*, 117 S. Ct. 770 (1997).

78. 86 F.3d 619 (6th Cir. 1996), *cert. denied*, 117 S. Ct. 770 (1997). The case involved three defendants: a consulting company that obtained 800 numbers for other companies, a hotel reservation agency, and a travel agency. *See id.* at 620.

79. *See id.* at 620.

80. *See id.* Some of the reservations the defendants made were for Holiday Inns. *See id.*

The defendants admitted that the sole reason the telephone number was obtained "was to intercept calls from misdialed customers who were attempting to reach Holiday Inns."[81] The district court held that such "nefarious use" constituted both trademark infringement and unfair competition.[82] The district court found that the defendants were profiting from the advertising efforts and expenditures of Holiday Inns,[83] and issued a preliminary injunction to prevent the defendant from using the similar number.[84]

The Sixth Circuit reversed the district court's decision, holding that the defendants had not "used" a confusingly similar mark.[85] The court noted that the telephone number, "1-800-405-4329," was "neither phonetically nor visually similar to Holiday Inns's trademark, 1-800-HOLIDAY."[86] The court suggested that the Lanham Act's "use" requirement would be satisfied only if a defendant actively promoted or advertised a deceptively similar vanity number.[87] The court found that without the prerequisite "use" by defendants of a representation of Holiday Inns's protected mark, further analysis was unneces-

81. *Id.* at 621. The district court found that the defendants had no independent reputation because a customer would not even be aware of the travel agency's existence until after the customer misdialed Holiday Inns's number. *See* Holiday Inns, Inc. v. 800 Reservation, Inc., 838 F. Supp. 1247, 1255 (E.D. Tenn. 1993), *rev'd*, 86 F.3d 619 (6th Cir. 1996), *cert. denied*, 117 S. Ct. 770 (1997).

82. *See Holiday Inns*, 838 F. Supp. at 1255.

83. *See id.* The defendants also purchased complementary numbers of other companies that were frequently misdialed, including Hampton Inn, Howard Johnson, Stouffers Hotels, Loews Hotels, Sheraton, Compri Hotels, Savoy Hotels, Peabody Hotels, and Days Inns. *See id.* at 1251 n.5.

84. *See id.* at 1255. The district court found that "present technology allows defendants to use plaintiff's mark in such a way that they can anticipate actual confusion with absolute accuracy and can profit accordingly." *Id.*

85. *See Holiday Inns*, 86 F.3d at 620.

86. *Id.* at 623.

87. *See id.* at 624 (distinguishing *Dial-A-Mattress* based on the defendant's advertisement of "1-800-MATTRES" in alphanumeric form). Since the Sixth Circuit's decision, two district courts within the Sixth Circuit have followed the reasoning in *Holiday Inns* and concluded that the mere use of a confusingly similar vanity telephone number, without promotion or advertisement of the alphanumeric form, does not constitute an actionable "use" under the Lanham Act. *See* Miss Dig Sys., Inc. v. Power Plus Eng'g, Inc., 944 F. Supp. 600, 602-03 (E.D. Mich. 1996); U-Haul Int'l, Inc. v. Kresch, 943 F. Supp. 802, 806-07 (E.D. Mich. 1996).

The *U-Haul* court stated that in light of the decision of the Sixth Circuit in *Holiday Inns*, a plaintiff could not claim trademark rights against misdialed or complementary numbers. *See U-Haul*, 943 F. Supp. at 807. U-Haul had provided no evidence that the defendant had advertised any of the allegedly infringing telephone numbers in an alphanumeric form. *See id.* at 809 & n.6. The district court in *Miss Dig* initially granted a preliminary injunction against the defendants' use of the telephone number "1-800-MISS-DIG" finding that the telephone number constituted a "use" of the Plaintiff's trademark "1-810-MISS-DIG." *See Miss Dig*, 944 F. Supp. at 601. The court relied on the district court's decision in *Holiday Inns*. *See id.* After the Sixth Circuit decision, however, the court held that since the defendant did not advertise the number in alphanumeric form, there was no violation of the Lanham Act. *See id.* at 605.

sary.[88]

The Sixth Circuit relied in part on a district court decision, *American Airlines, Inc. v. A 1-800-A-M-E-R-I-C-A-N Corp.*,[89] where that court stated in dicta that the mere use of a alphanumeric telephone number which was similar to a protectable trademark did not constitute an actionable use under the Lanham Act.[90] American Airlines brought suit against a travel agency that used the number "1-800-AMERICA[N]"[91] and advertised the number under the "Airline Companies" section in the yellow pages.[92] The court found that the defendant's wrongful conduct resulted from the misleading advertisements in the yellow pages, rather than from the mere use of the telephone number.[93] The defendant was enjoined from using the telephone number, but only as long as it was listed in a yellow page directory under "Airline Companies" or in an equivalent section.[94]

At the present time, the Sixth Circuit is the only circuit that has decided the question whether a challenged vanity number must be advertised or promoted in order for there to be an actionable "use" under the Lanham Act. The Second Circuit in *Dial-A-Mattress*[95] did not appear to require a showing that the defendant had advertised the challenged number in order to find infringement.[96] While in that case the defendant had advertised the infringing number, the

88. *See Holiday Inns*, 86 F.3d at 626.

89. 622 F. Supp. 673 (N.D. Ill. 1985).

90. *See id.* at 682.

91. *See id.* at 676. Even though the number was "1-800-AMERICA," the number could be dialed as "1-800-AMERICAN" because dialing the eighth letter would not affect the proper connection of the phone call. *See id.*

92. *See id.* at 675.

93. *See id.* 682, 686.

94. *See id.* Specifically, the defendant was enjoined from: (1) using in its trade name, or trade designation, the words "A-M-E-R-I-C-A-N," "A 1-800-A-M-E-R-I-C-A-N," "AMERICAN," or any confusingly similar name in connection with air transportation services; and (2) taking further action to have its trade name listed under the 'Airline Companies' section in any yellow page directory. *See id.* The defendant, however, could use the telephone number, but not while "any yellow-pages telephone directories in which [the defendant was] listed with that telephone number under the "Airline Companies" (or substantially identical) section continue[d] to be in active circulation anywhere in the United States and Canada." *Id.* It is important to note, however, that before the court entered a temporary restraining order, it sought to persuade the defendant to use its telephone number to contract with "companies that [sold] goods or services other than airline transportation—companies [for which] the use of the telephone cipher AMERICA or AMERICAN would have a value from which [the defendant] might legitimately derive financial benefit." *Id.* at 682. The court offered this solution so that American would not be "subjected to the continued risks of (a) losing business from persons who believe they are calling it when they call [the defendant's] number and (b) suffering other damages to its mark and its goodwill from [the defendant's] conduct over which it has no quality control." *Id.* at 682-83.

95. 880 F.2d 675 (2d Cir. 1989).

96. *See id.* at 678.

court concluded "that defendant's use of the telephone number 1-800-628-8737 was confusingly similar to plaintiff's telephone number 628-8737 ... especially in view of defendant's identification of its number as 1-800-MATTRESS" in advertisements.[97] Thus, the question remains unresolved in the federal circuit courts of appeal as to what constitutes an actionable "use" of a confusingly similar vanity telephone number.[98]

3. The Relevance of "Existing Confusion"

The third issue that has caused confusion is whether the use of a confusingly similar telephone number results in actionable confusion under the Lanham Act.[99] In *Holiday Inns*, the Sixth Circuit suggested in dicta that even if the defendants had "used" a similar vanity number, actionable confusion did not exist because "the confusion already existed among the misdialing public."[100]

Prior to the Sixth Circuit's opinion, no court appears to have questioned whether liability for use of a confusingly similar vanity number could be precluded by "existing confusion." The Third Circuit in *Dranoff-Perlstein*, while not addressing the issue of the likelihood of confusion between two vanity telephone numbers, stated that the proper standard to be applied to an allegedly infringing number was the traditional likelihood of confusion factors.[101] The court explained that the standard was whether "consumers viewing the mark [or dialing the defendant's vanity telephone number] would probably assume that the product or service it represents is associated with the source of a different product or service identified by a similar mark," such as the plaintiff's

97. *Id.*

98. *Compare* Holiday Inns, Inc. v. 800 Reservation, Inc., 86 F.3d 619, 624-25 (6th Cir. 1996) (finding that "1-800-H0LIDAY," with a zero, was not an infringement of "1-800-HOLIDAY," with the letter "o", because the defendants had not advertised their number), *cert. denied*, 117 S. Ct. 770 (1997), *with Dial-A-Mattress*, 880 F.2d at 678 (finding that operation of the number in its numeric form was a sufficient use to infringe upon the local number).

99. *See* Lanham Act, §§ 32, 43(a), 15 U.S.C. §§ 1114, 1125(a) (1994) (prohibiting uses likely to cause confusion).

100. *Holiday Inns*, 86 F.3d at 625.

101. *See* Dranoff-Perlstein Assocs. v. Sklar, 967 F.2d 852, 862 (3d Cir. 1992). Other courts have applied the likelihood of confusion standard to vanity telephone numbers. *See Bell v. Kidan*, 836 F. Supp. 125, 127 (S.D.N.Y. 1993). In *Bell* the United States District Court for the Southern District of New York performed a detailed application of the likelihood of confusion factors to a defendant's telephone number. *See id.* In comparing the defendant's use of the telephone number "1-800-LAW-CALL" with the plaintiff's local telephone number "CALL-LAW," the district court found no actionable confusion because, among other reasons: (1) the plaintiff's mark was not a strong mark because it fell into either the "suggestive" or "descriptive" category; (2) the similarity between the numbers was small because one number was local and the other toll-free; (3) the defendant had not used bad faith in choosing the number; and (4) customers would be sophisticated enough to know the difference between a toll-free call and a local toll call, and would know that the different spellings of the advertised words would render different number combinations when dialed. *See id.*

vanity telephone number.[102] Thus, there may be a conflict between the circuits as to how much weight "existing confusion" should be given in a likelihood of confusion analysis.[103]

C. FCC Involvement with Vanity Telephone Numbers

The FCC's involvement with vanity telephone number disputes stems from its decision to release a new toll-free codes.[104] In early 1995, the FCC determined that "800" numbers were being depleted and a new exchange code would be necessary.[105] In Comments submitted to the FCC, numerous holders of vanity telephone numbers in the 800 code urged the Commission to give them a right of first refusal to obtain matching numbers in the new toll-free code.[106] Some argued that the FCC should provide them with protection because existing trademark law does not adequately protect a holder's interests.[107]

---

102. *Dranoff-Perlstein*, 967 F.2d at 862 (quoting Ford Motor Co. v. Summit Motor Prods., Inc., 930 F.2d 277, 292 (3d Cir. 1991) (quoting Scott Paper Co. v. Scott Liquid Gold, Inc., 589 F.2d 1225, 1229 (3d Cir. 1978))).

103. *See infra* Part II.A (discussing vanity telephone number cases in detail); *infra* Part III.A (analyzing vanity telephone number cases in light of traditional trademark principles).

104. *See Order*, *supra* note 1, at 2496; *NPRM*, *supra* note 1, at 13692.

105. *See Order*, *supra* note 1, at 2496; *NPRM*, *supra* note 1, at 13692. The FCC provided seven new codes for future relief of toll-free telephone number prefix shortages: 888, 877, 866, 855, 844, 833, and 822. *See NPRM*, *supra* note 1, at 13694 n.23. Several factors led to the exhaustion of the "800" toll-free numbers. First, some telephone companies began marketing toll-free numbers to residential customers. *See* Chris Reidy, *It'll be a Tough Call to Make*, THE BOSTON GLOBE, Jan. 12, 1995, at 33; Letter from Braden L. Lutz, 1.800.BAL.LOON Flowers and Gifts, to Secretary, Federal Communications Commission (Oct. 31, 1995) (on file with the FCC) [hereinafter Letter from Braden Lutz] (regarding *In re* Toll Free Service Access Codes, *Notice of Proposed Rule Making*, 10 F.C.C.R. 13692, 13701 (1995)). Additionally, paging companies found increased customer satisfaction by assigning a separate 800 number for each pager leased. Laurence Zuckerman, *Is Someone Hoarding Those '800' Numbers?*, N.Y. TIMES, Aug. 28, 1995, at D4. Moreover, many large companies use separate toll-free numbers for different functions within the company. For example, one number may be used for customer service, while another may be used by the employees handling administrative matters. *See* Comments of Avis Rent A Car System, Inc., to the *Notice of Proposed Rule Making* in CC Dkt. No. 95-155, at 8 n.12 (Nov. 1, 1995) (noting that Avis uses approximately 250 toll-free numbers, of which 50 (or 20%) are considered vanity numbers); Comments of Crestar Bank, to the *Notice of Proposed Rule Making* in CC Dkt. No. 95-155, at 2 (Nov. 1, 1995) (noting that Crestar uses about 100 toll-free numbers). Finally, marketing companies producing large numbers of television commercials, 30-minute infomercials, and various types of print advertisements, use different toll-free numbers for each commercial or advertisement to determine consumer response to different advertising strategies. *See* Comments of NIMA International, to the *Notice of Proposed Rule Making* in CC Dkt. No. 95-155, at 2 (Nov. 1, 1995).

106. *See Order*, *supra* note 1, at 2496 (acknowledging requests made by vanity number holders).

107. *See* Comments of 1-800-FLOWERS, *supra* note 2, at 3-4; Comments of Dial-A-Mattress, *supra* note 3, at 1.

In a January 1996 order,[108] the FCC adopted a compromise by making temporarily unavailable, upon a holder's request, any identical vanity telephone number in the newly released "888" exchange.[109] By making these numbers unavailable, the FCC indicated that it was deferring its final decision on whether to give current "800" vanity telephone numbers a right of first refusal over matching numbers in the "888" code.[110] The impact of the FCC's decision is analyzed below.

II. ANALYSIS: HOW COURTS HAVE STRAYED FROM A PROPER APPLICATION OF TRADEMARK LAW AND THE IMPACT OF THE FCC'S DECISION TO REGULATE VANITY TELEPHONE NUMBERS

The principles of trademark law are carefully designed to strike a balance between two competing goals. First, the law protects consumers from confusion as to the source of goods and services, and ensures that established marks are not misused by competitors.[111] Second, trademark law is tempered to prevent a senior user of a descriptive or generic mark from misusing its seniority to impair a new competitor's ability to adequately describe its goods or services.[112]

These same principles should be applied to adequately protect the interests of vanity telephone number holders, while not providing them with an unfair competitive advantage over others.[113] Unfortunately, courts that have considered vanity telephone number disputes have inconsistently applied trademark law to the issues.[114] Consequently, holders of vanity telephone numbers have received an insufficient level of trademark protection in some circuits, and too much protection in others.[115]

---

108. *See supra* note 13 (discussing the January 1996 FCC order). The Order was issued after Comments were received in response to the FCC's Notice of Proposed Rulemaking, dated October 5, 1995. *See Order*, *supra* note 1, at 2496.

109. *See Order*, *supra* note 1, at 2496, 2504.

110. *See id.* at 2496.

111. *See* S. REP. NO. 79-1333, at 3 (1946) (stating that the purpose of the trademark statute was to protect the public from confusion and protect the trademark owner's investment); H.R. REP. NO. 79-219, at 2 (1945) (stating the same purpose); 1 MCCARTHY, *supra* note 14, § 1:2, at 1-6.

112. *See supra* Part I.A (discussing basic trademark principles that should be applied to generic terms).

113. *See infra* Part III.A (discussing a proper application of trademark law courts should apply to vanity telephone numbers).

114. *See infra* Part II.A (analyzing three specific mistakes courts have made when applying trademark law to vanity telephone numbers).

115. *See infra* Part II.A (analyzing how different courts have come to completely different holdings pertaining to generic terms in telephone numbers, and how other courts have misinterpreted the plain meaning of the Lanham Act to find no harm where actionable harm in fact occurred).

This inconsistency led many toll-free vanity number holders to lobby the FCC to set aside matching vanity telephone numbers in the new toll-free codes.[116] Even though courts have been inconsistent, it is inappropriate for the FCC to engage in regulation of vanity telephone numbers.[117] Instead, courts should correct past judicial mistakes, and take a more uniform approach to resolving trademark disputes involving vanity telephone numbers.[118] While analysis of such disputes requires consideration of unique characteristics involving telephone numbers, a traditional trademark analysis can effectively accommodate these issues.[119]

A. Three Primary Mistakes Courts Have Made When Applying Trademark Law to Vanity Telephone Numbers

Current principles of trademark law can provide an appropriate level of protection for holders of vanity telephone numbers.[120] Unfortunately, courts have provided insufficient trademark protection to such numbers, primarily due to three misapplications of trademark law to vanity telephone numbers.[121] First, in determining whether a vanity telephone number is protectable as a trademark, some courts have provided protection to generic terms used in van-

116. *See, e.g.*, Comments of 1-800-FLOWERS, *supra* note 2, at 3-4 (stating that the FCC should provide its numbers with protection because traditional trademark principles indicated that they should receive no protection); Comments of The Weather Channel, *supra* note 18, at 9 (acknowledging that "[t]he law does not protect The Weather Channel ... because the word "WEATHER" cannot be trademarked," and asking for the Commission's assistance and protection); Joint Reply Comments of Dial 800, *supra* note 4, at 3. For example, considering the court decisions that addressed protection of vanity telephone numbers, businesses were concerned that if competitors gained control of identical or similar vanity telephone numbers in the new toll-free codes, their numbers would be inadequately protected. *Cf. NPRM*, *supra* note 1, at 13707 ("Toll free numbers are essential to many businesses both in terms of marketing and advertising products. Toll free numbers may also have an intrinsic value to many business.").

117. *See infra* Part II.B (indicating that the FCC has given *de facto* trademark protection to many vanity telephone numbers that should not be protected as trademarks).

118. *See infra* Part III.A (discussing the proper trademark standard that should be applied by courts to vanity telephone numbers).

119. *See infra* Part III.A (taking into account the unique factors of telephone numbers in a likelihood of confusion analysis); *infra* notes 172-75 (discussing non-traditional factors that courts have considered).

120. *See* Dranoff-Perlstein Assocs. v. Sklar, 967 F.2d 852, 855-862 (3d Cir. 1992) (applying trademark law to a vanity telephone number).

121. *See* Comments of 1-800-FLOWERS, *supra* note 2, at 14 (arguing that trademark law will not afford adequate protection to vanity telephone numbers); Letter from Mary Ann Alford, *supra* note 75 (stating that "trademark law alone is sometimes inadequate to prevent consumer confusion between different entities holding nearly identical vanity numbers" because "recently [trademark law has] fallen short in protecting against *unadvertised* uses of numbers that correspond to confusingly similar terms or near misspellings of the vanity number"); *infra* Part II.A.1-4 (discussing the inconsistencies that exist in trademark law as to vanity telephone numbers).

ity telephone numbers.[122] Such protection is inappropriate, however, because generic terms should never be protected as trademarks.[123]

Second, some courts have incorrectly construed the term "use" in § 1114 and § 1125(a) of the Lanham Act to require that a junior user in a vanity telephone number dispute not only operate a telephone number, but also advertise or actively promote the number in its alphanumeric form.[124] This two-prong requirement is in conflict with the express language of the Lanham Act and fails to adequately protect trademark holders in cases where a defendant uses an unadvertised and confusingly similar number to siphon away business from the trademark holder.[125]

Third, at least one court has suggested that liability should not arise in vanity telephone number disputes in which confusion already exists due to the public's habit of inadvertently misdialing vanity telephone numbers.[126] Such a result is inappropriate, however, because confusion with respect to the operation of a telephone is completely unrelated to the actionable confusion as to the source of a product protected under the Lanham Act.[127] Each of these issues will be discussed in turn.

1. Generic Vanity Telephone Numbers Should Not Receive Trademark Protection

It is a basic principle of trademark law that a trademark should identify a product without giving the merchant an unfair competitive advantage.[128] An

---

122. *See* Dial-A-Mattress Franchise Corp. v. Page, 880 F.2d 675, 678 (2d Cir. 1989). *But see Dranoff-Perlstein*, 967 F.2d at 857-60 (declining to protect a generic mark); *supra* note 42 and accompanying text (discussing the PTO's position on registering telephone numbers that contain generic terms).

123. *See supra* notes 39 and 42 and accompanying text (discussing generic marks).

124. *See* Holiday Inns, Inc. v. 800 Reservation, Inc., 86 F.3d 619, 626 (6th Cir. 1996), *cert. denied*, 117 S. Ct. 770 (1997); Miss Dig Sys., Inc. v. Power Plus Eng'g, Inc., 944 F. Supp. 600, 605 (E.D. Mich. 1996); U-Haul Int'l, Inc. v. Kresch, 943 F. Supp. 802, 809 & n.6 (E.D. Mich. 1996).

125. *See* Letter from Mary Ann Alford, *supra* note 75, at 2 (discussing the results in *Holiday Inns* and *U-Haul*).

126. *See Holiday Inns*, 86 F.3d at 625.

127. *See* Lanham Act, §§ 32, 43(a), 15 U.S.C. §§ 1114, 1125(a) (1994). Liability should be based not on whether confusion exists, but on whether the allegedly infringing mark violates the Lanham Act's definition of actionable confusion. Section 1125 provides liability based on the particular acts that are likely to cause confusion "as to the affiliation, connection, or association of such person with another person, or as to the origin, sponsorship, or approval," rather than based on general confusion of the public. *Id.* § 1125. Section 1114 provides liability for particular acts that include "reproduction, counterfeit, copy, or colorable imitation of a registered mark" which are "likely to cause confusion, or cause mistake, or to deceive." *Id.* § 1114.

128. *See* Dranoff-Perlstein Assocs. v. Sklar, 967 F.2d 852, 859-60 (3d Cir. 1992) (stating that it would not protect a generic term within a telephone number); *supra* note 42 (discussing the principles of genericness and the reasons why generic terms should not be protected under

unfair competitive advantage may result when a mark consists of merely descriptive or generic terms that competitors may need to adequately describe their goods or services.[129] Moreover, an unfair competitive advantage may result when a mark consists of one of a limited number of terms that the public uses to identify a commodity.[130]

Applying these principles, it can be concluded that too much protection was provided to a generic vanity telephone number holder in the Second Circuit's decision in *Dial-A-Mattress*. In that case, a senior user of a generic local vanity telephone number, "MATTRES," was granted trademark protection against a junior user of the same core telephone number in the "800" code.[131] The court stated that the plaintiff could not claim a trademark right in the word "mattress" or "mattres" because both words were generic.[132] Nevertheless, the court reasoned that the case could not be decided solely upon generic principles, and allowed the plaintiff protection against the defendant's use of the confusingly similar number.[133] To support its decision, the court cited previous cases involving confusingly similar telephone numbers.[134] The cases cited, however, are distinguishable because they involved protectable trademark terms contained within the telephone numbers, not generic terms, and therefore were eligible for trademark protection.[135]

The only remedy the Second Circuit should have provided was established by the Supreme Court in *Kellogg Co. v. National Biscuit Co.*:[136] a junior user is required to distinguish its goods or services from those of a senior user.[137]

---

trademark law).

129. *See Dranoff-Perlstein*, 967 F.2d at 857; *see also* 2 MCCARTHY, *supra* note 14, § 12:1.

130. *See Dranoff-Perlstein*, 967 F.2d at 860 (comparing "INJURY" and personal injury attorneys).

131. *See* Dial-A-Mattress Franchise Corp. v. Page, 880 F.2d 675, 678 (2d Cir. 1989).

132. *See id.*

133. *See id.*

134. *See id.* (citing Chicago Worlds' Fair-1992 Corp. v. 1992 Chicago Worlds' Fair Com'n, No. 83-C3424 (N.D. Ill. Aug. 16, 1983); SODIMA v. International Yogurt Co., Inc., 662 F. Supp. 839, 852-54 (D. Ore. 1987); American Airlines, Inc. v. A 1-800-A-M-E-R-I-C-A-N Corp., 622 F. Supp. 673 (N.D. Ill. 1985)).

135. For example, American Airlines had a federally registered trademark covering the word "American" in "1-800-AMERICA(N)." *See American Airlines*, 622 F. Supp. at 683. In *SODIMA*, the plaintiff's mark was also a federally registered trademark. *See SODIMA*, 662 F. Supp. at 841. In *Chicago World's Fair-1992 Corp.*, the court found "1992" as contained in a telephone number to be protectable. *See Chicago World's Fair-1992 Corp.*, No. 83-C3424, slip op. at 5.

136. 305 U.S. 111 (1938).

137. *See id.* at 119. The *Dial-A-Mattress* court referred to the *Kellogg* decision, noting that a subsequent user,

> though entitled to use a generic term already used by its competitor, may be enjoined from passing itself or its product off as the first user or that user's product and may be required to take steps to distinguish itself or its product from the first user or that

Thus, when the court found "MATTRESS" to be a generic term, the court should have allowed the defendant to continue using the telephone number so long as the defendant distinguished its mattress business from the plaintiff's mattress business.[138] When the court prohibited the defendant from using the generic vanity telephone number in the same areas as the plaintiff, the plaintiff was provided an unfair advantage over others who need the term "mattress" to describe their businesses.[139]

The Third Circuit's analysis in *Dranoff-Perlstein* provides the proper treatment of a generic vanity telephone number.[140] The Third Circuit adhered to basic trademark principles regarding generic terms, and recognized that if protection were granted to a vanity number containing a generic term, the holder of that number would have an unfair competitive advantage over competitors.[141]

To determine whether a term in a vanity telephone number is generic, the *Dranoff-Perlstein* court emphasized a basic trademark principle: if no available alternatives exist to effectively communicate the same functional information, a term will be considered generic.[142] Applying this principle, the court found that the term "INJURY" was generic for two reasons.[143] First, "INJURY" was a term needed by other personal injury attorneys to effectively describe their services.[144] Second, the number of available alternatives existing for vanity telephone numbers was "severely limited" because telephone numbers

---

user's product.

Dial-A-Mattress, 880 F.2d at 678 (citing Kellogg Co. v. National Biscuit Co., 305 U.S. 111 (1938)).

138. *See Dial-A-Mattress*, 880 F.2d at 678 (acknowledging that *Kellogg* requires only that a distinguishment be made in the case of another's use of a generic term). The magistrate judge recommended the following telephone greeting to distinguish the defendant's number: "Easy Bed. We are not connected with Dial-A-Mattress which advertises on radio and television." *Id.* at 677.

139. *See id.* at 677-78; *see also supra* notes 39 and 42 (discussing the reasons why generic terms should not be protected); *cf.* Murrin v. Midco Communications, Inc., 726 F. Supp. 1195, 1201 (D. Minn. 1989) (permitting a defendant's use of a generic vanity number, but prohibiting advertisements that would infringe the plaintiff's service mark).

140. *See* Dranoff-Perlstein Assocs. v. Sklar, 967 F.2d 852, 855-863 (3d Cir. 1992) (applying traditional trademark principles to a generic term in a vanity telephone number). The United States District Court for the District of Minnesota also reached an equitable result in *Murrin*. There the court applied basic trademark principles and did not prohibit the second user from using the term "LAWYERS" in a telephone number used in connection with attorney services. *See Murrin*, 726 F. Supp. at 1201. Although, the second user could use the telephone number, he could not advertise the telephone number in such a way that would infringe the plaintiff's service mark. *See id.*

141. *See Dranoff-Perlstein*, 967 F.2d at 857.

142. *See id.* at 859-60.

143. *See id.*

144. *See id.* at 860.