PART III. MAINTAINING A DYNAMIC PRESENCE THROUGH FLUID TRADEMARKS

Brand owners must engage consumers directly by conveying and managing their own messages through social media.

The sharing economy has been enabled through the explosion of social media. Just like the music file sharing, the brand experience is being “shared” as well, on a peer-to-peer basis. This type of direct interaction between consumers makes it harder for brand owners to control the message of the brand. Brand owners thus must engage consumers directly by conveying and managing their own messages through social media. By putting out a consistent brand image, and responding to consumer feedback on social media, brand owners can help maintain control of their trademarks.

Playful permutations of the brand create “fluid trademarks.”

This mindset of collaborative consumption coincides with an uptick in the desire for brands to interact with their consumers, and to elicit instant feedback. For example, Google has embraced this mentality, refreshing their brand daily through
playful logo permutations, creating a “fluid trademark”. As hundreds of millions—or more—of people see, the trademark GOOGLE changes daily on its search site. Dubbing it “Google Doodles” Google artists display their GOOGLE mark in a different font, using different colors, or showing the mark formed with special characters. Lego bricks spell out Google on the fiftieth anniversary of the toy, and glowing bones celebrate the 115th anniversary of the discovery of X-rays.30

FIGURE 1: GOOGLE’S NAME IN LEGO BRICKS31

![Google in Lego Bricks](image1)

FIGURE 2: GOOGLE’S NAME IN BONES32

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31 Lego, supra note 44.

32 X-ray, supra note 44.
This interaction with the consumer stretches the boundary of a trademark yet further. Traditionally a trademark is only registerable in a single embodiment. As elements of the mark change, protection may be compromised. Changes in the color or the font may not be judged a material alteration of the mark, but altering the shape or substituting different designs to form the letters spelling GOOGLE pushes the envelope of the established definition of a trademark. Arguably such changes of the mark do not prevent the trademark from functioning as a source identifier, but the continuing alterations approach the unregisterable category of Phantom Mark.
On the one hand Google’s invitation to actively engage the consumer in the creation of the permutations of its mark enhances its goodwill. On the other hand the contributions of the consumer cloud the boundaries of ownership of the mark. Google’s fluid trademark strives to build goodwill with the consumer and enhance the reputation of the brand. It even offers opportunities for collaboration as Google sponsors user contests to develop this daily artwork. Fluid trademarks bring up their own legal issues in the sharing economy; what are the protectable elements of the mark? Is it in the outline, the colors, or, in one Google example, the X-ray composition? Is each trendy expression of the mark a different trademark, such that the company is not really using the mark as registered?

For purposes of U.S. federal registration, there is no current provision in the USPTO’s Trademark Manual of Examination Procedure allowing multiple variations of a mark to be registered as one mark. If
the mark keeps changing, it is considered a phantom mark, with too many variables acting to eliminate the distinct source indicating function of a trademark.33 A viable option for protection might be claiming copyright protection in the variations of the fluid marks, as it is well established that a trademark may also be copyrighted.34 Social media provides an almost limitless forum for brand variations and ramps up the utility of updating the appearance of marks. Brand owners have always faced the challenge of keeping brands current. The analysis of registrability has remained constant: is a mark as presented still recognizable as the prior embodiment of the mark or is the change a material alteration of the mark?35 If the permutations of the mark are so

33 See id.

34 See 1 J. Thomas McCarthy, McCarthy on Trademarks and Unfair Competition § 6:5 (4th ed. 2016). While a discussion of copyright issues in a sharing economy is beyond the scope of this article, the fundamental concepts of copyrights also seem to be contrary to a sharing mentality.

numerous as to be material, the fluidized variations of the trademark cannot be considered to be the same mark as registered.\textsuperscript{36} They must be independently protectable under traditional rules, such as representing marks which are either inherently distinctive or which have acquired distinctiveness, in order to qualify for protection under the Lanham Act.

\textit{The term “trademark” includes any word, name, symbol, or device, or any combination thereof—}

\begin{itemize}
  \item[(1)] used by a person, or
  \item[(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. \\
  \textit{(See 15 U.S.C. § 1127)}
\end{itemize}

In a sharing economy, is it fair use for “sharers” to use or create a reworked or creative rendition of a famous brand in the manner that some brand owners themselves may seek to vary their marks? How can a brand effectively police social media for potential improper use of its trademark

\textsuperscript{36} 3 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 19:133 (4th ed. 2016) (citing \textit{In re} Dillard Dep't Stores, 33 U.S.P.Q.2d (BNA) 1052 (Comm'r Pat. & Trademarks 1993)).
when, for example, a blogger could be modifying a brand’s own interactive use of its mark by using it with the “sharer’s” own creative permutation? A brand’s interactive, consumer-friendly strategy can draw great attention to the brand and permit personalization which creates a closer tie between consumer and brand owner, but it endangers trademark rights unless the brand owner continues to set parameters for how consumers can use its trademark properly. Brand enforcement faces new challenges when fluid marks are in play, as their dynamic nature combines with the sharing mindset to make consumer misuse difficult to prevent. The sharing economy inputs an additional variable into the idea of legal trademark protection. Is it prudent for a brand to have a more vaguely defined mark, such as a fluid trademark, or does practicality call for a traditional, fixed trademark, so that enforcement and consumer-facing guidelines are more straightforward?

While as yet there is no case law on this point, a recent case involving an alleged infringement of a
Louis Vuitton bag by Dooney & Bourke, seems to provide some insight.\textsuperscript{37} Louis Vuitton used its famous Toile Monogram Mark in a repetitive pattern of many bright colors on a black background on a new handbag series.\textsuperscript{38} A year later, Dooney & Bourke released a new series with its own mark in a multicolored series on a white background.\textsuperscript{39} Ultimately no confusion was found. Although the Second Circuit found that the unregistered aspects of the variations of the famous mark were inherently distinctive, the lower court, on remand, found there was enough variation by Dooney in the unregistered components to make confusion between the two competitors’ patterns unlikely.\textsuperscript{40} The court’s focus


\textsuperscript{38} See id. at 112.

\textsuperscript{39} See id.

on the differences in the unregistered “fluid” components of the pattern seems to indicate that even if the strength of the registered component of the mark is great, the variations of a fluid mark might not be distinctive enough to prevent unauthorized use by a “sharer” or use by a competitor.

Is it prudent for a Brand to have a more vaguely defined mark, or a traditional fixed mark so that enforcement and consumer facing guidelines are more straightforward?