

THE CURRENT STATE OF ANTIDILUTION LAW: THE TRADEMARK DILUTION REVISION ACT AND THE IDENTICAL MARK PRESUMPTION

[T]he preservation of the uniqueness of a trademark should constitute the only rational basis for its protection.¹

INTRODUCTION

The restriction on public access is one of the main sources of tension in intellectual property law.² Trademarks, unlike copyrights and patents, do not offer the mark owner a limited monopoly.³ Rather, trademarks are protectable only where the owner uses the mark as a source indicator in interstate commerce.⁴ Trademarks do not provide a public benefit equivalent to that of copyrights and patents.⁵ Furthermore, an overly protective federal trademark regime may threaten public access to words, symbols, or names. Indeed, several authorities have questioned whether trademark law creates “barriers to entry” into desired market segments.⁶

Courts and scholars have expressed further concern for trademark dilution protection.⁷ Unlike trademark infringement, trademark dilution law does not protect consumer welfare.⁸ Rather, it protects the

1. Frank I. Schechter, *The Rational Basis of Trademark Protection*, 40 HARV. L. REV. 813, 831 (1927) (cited in *Moseley v. V Secret Catalogue, Inc.*, 537 U.S. 418, 429 (2003)).

2. 1 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 6:31 n.15 (4th ed. 2007) [hereinafter MCCARTHY] (“[M]any courts will conduct a balancing test: balancing the public interest in free expression (First Amendment) against the public interest in avoiding consumer confusion (Lanham Act).”). This Note refers to “trademarks” in the broadest sense, including service marks, collective marks, certification marks, trade names, and trade dress. See 15 U.S.C. §§ 1125, 1127 (2000).

3. Trademark registration provides ten years of initial protection, renewable indefinitely. 15 U.S.C. § 1058 (2000). In contrast, copyright protection generally extends seventy years beyond the author’s life, 17 U.S.C. § 302 (2000), and patent protection is limited to twenty years from the filing date, 35 U.S.C. § 154(a)(2) (2000).

4. 15 U.S.C. § 1051(a)(3)(C) (2000); H.R. REP. NO. 109-23, at 25 (2005) (“Trademark law does not involve typical intellectual property rights. . . . [T]he primary policy rationale for traditional trademark law rests on a policy of protecting consumers from mistake and deception.”).

5. Unlike other intellectual property doctrines, which derive explicitly from the Copyright and Patent Clause of the Constitution, trademark law has no direct constitutional basis. *Trade-Mark Cases*, 100 U.S. 82 (1879). Therefore, Congress used its commerce clause powers to implement federal trademark protection. U.S. CONST. art. 1, § 8, cl. 3, 8.

6. 1 MCCARTHY, *supra* note 2, § 2:12.

7. See *Moseley v. V Secret Catalogue, Inc.*, 537 U.S. 418, 429 (2003).

8. See 2 ANNE GILSON LALONDE ET AL., GILSON ON TRADEMARKS § 5A.01[2] (2007) [hereinafter GILSON] (“Proof of likelihood of confusion, the *sine qua non* of trademark infringement, is *not* required in a dilution action.”) (emphasis in original).

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goodwill of mark holders by ensuring that a “famous” mark is not associated with a “diluting” mark, which may “blur” or “tarnish” the famous mark’s distinctiveness.⁹ The Ninth Circuit characterized dilution law as coming “very close to granting ‘rights in gross’ in a trademark.”¹⁰ Trademark dilution law creates serious public access consequences, because the most common remedy for dilution is injunctive relief.¹¹ By enacting the Trademark Dilution Revision Act (TDRA), Congress attempted to strike a balance between the competing interests of the mark owner and the public.¹²

This Note argues that the TDRA made substantial strides toward a more balanced dilution analysis for famous mark owners. Part II reviews the doctrinal development of federal antidilution law, including Congress’s adoption of the Federal Trademark Dilution Act (FTDA), the emergence of an “identical mark presumption,” and the U.S. Supreme Court’s interpretation of dilution law in *Moseley v. V Secret Catalogue*.¹³ Part III summarizes the TDRA’s legislative history and analyzes the trademark-owner-friendly and public-access-friendly provisions of the Act.¹⁴ Part IV analyzes the most important amendments to federal dilution law, particularly the “likely to cause dilution” and “general consuming public” standards, along with retroactivity and preemption of state law.¹⁵ Part V examines recent TDRA cases, the continued vitality of an identical mark presumption, and the role of antidilution law in the overall context of trademark protection.¹⁶ Finally, Part VI recommends how courts should interpret the TDRA to adequately balance the interests of the mark holder and the public.¹⁷

II. BACKGROUND

This Part traces the origins of state and federal trademark protection and the development of state antidilution law.¹⁸ It then discusses

9. H.R. REP. NO. 104-374, at 2 (1995).

10. *Avery Dennison Corp. v. Sumpton*, 189 F.3d 868, 875 (9th Cir. 1999); *accord* *TCPIP Holding Co. v. Haar Commc’ns*, 244 F.3d 88, 95 (2d Cir. 2001).

11. 15 U.S.C. § 1125(c)(2) (2000) (amended 2006).

12. Trademark Dilution Revision Act of 2006 (TDRA), 15 U.S.C. § 1125(c) (Supp. 2007). Section 1125(c) is also referred to as section 43(c) of the Lanham Act, due to the Trademark Act’s numbering system.

13. *See infra* notes 18–91 and accompanying text.

14. *See infra* notes 92–168 and accompanying text.

15. *See infra* notes 169–265 and accompanying text.

16. *See infra* notes 266–315 and accompanying text.

17. *See infra* note 316 and accompanying text.

18. *See infra* notes 22–33 and accompanying text.

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the FTDA and decisions interpreting it.¹⁹ Next, this Part reviews *Moseley v. V Secret Catalogue*, in which the U.S. Supreme Court held that actual dilution, rather than likely dilution, is the requisite standard of harm for injunctive relief.²⁰ Finally, it reviews judicial reactions to *Moseley* and the questions that *Moseley* left unanswered.²¹

A. *The Development of Trademark Dilution Law*

Two main policy rationales underlie trademark protection. First, trademark law prevents consumer confusion regarding the source or sponsor of a good or service.²² Second, trademark law protects the goodwill of the mark holder, who invests time, money, and effort to identify his mark with consumer perception of his products or services.²³ Dilution protection safeguards the famous mark holder's goodwill, irrespective of consumer confusion.²⁴

Frank Schechter introduced trademark dilution theory in his 1927 Harvard Law Review article, recognizing that "the value of the modern trademark lies in its selling power."²⁵ Schechter noted that a diluting party's mark could cause the public to think of another's mark.²⁶ He famously characterized dilution as the "whittling away" of distinctiveness.²⁷

Subsequently, several states passed antidilution statutes to supplement the Lanham Act's infringement protections.²⁸ Two types of dilu-

19. See *infra* notes 34–70 and accompanying text.

20. See *infra* notes 71–78 and accompanying text.

21. See *infra* notes 79–91 and accompanying text.

22. Consumer confusion is the keystone to finding trademark infringement for both registered and unregistered marks. 15 U.S.C. §§ 1114, 1125(a) (2000). Although approaches vary, courts generally analyze several nonexclusive factors for consumer confusion:

(1) the strength of his mark, (2) the degree of similarity between the two marks, (3) the proximity of the products, (4) the likelihood that the prior owner will bridge the gap, (5) actual confusion, and (6) the reciprocal of defendant's good faith in adopting its own mark, the quality of defendant's product, and the sophistication of the buyers.

Polaroid Corp. v. Polarad Elecs. Corp., 287 F.2d 492, 495 (2d Cir. 1961). In addition to point of purchase confusion, courts will consider "initial interest confusion" and "post-sale confusion." 4 McCARTHY, *supra* note 2, §§ 23:6–23:7. Finally, courts also examine confusion as to sponsorship or endorsement, in addition to source or origin confusion. *Id.* § 23:8.

23. 1 McCARTHY, *supra* note 2, § 2:15. See *White Tower Sys., Inc. v. White Castle Sys., Inc.*, 90 F.2d 67, 69 (6th Cir. 1937) ("Good will may be defined as the favorable consideration shown by the purchasing public to goods known to emanate from a particular source.").

24. *Kellogg Co. v. Toucan Golf, Inc.*, 337 F.3d 616, 628 (6th Cir. 2003) (stating that dilution law "only exists to protect the quasi-property rights a holder has in maintaining the integrity and distinctiveness of his mark").

25. Schechter, *supra* note 1, at 831.

26. *Id.*

27. *Id.* at 825.

28. 3–4 McCARTHY, *supra* note 2, §§ 22:10, 24:77. Thirty-six states currently have antidilution statutes. *Id.* § 24:77 n.1. States are hesitant to grant injunctions outside their jurisdictions, so the

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tion emerged: blurring and tarnishment.²⁹ On the one hand, blurring is the use of a mark in any manner likely to cause an unintended association, which would reduce the famous mark's distinctiveness.³⁰ For example, marks such as DUPONT shoes, BUICK aspirin, and KODAK pianos could blur the association with the famous mark owner without necessarily confusing consumers.³¹ Tarnishment, on the other hand, is an association that is likely to disparage a mark owner's goods or services or tarnish the images associated with another's mark.³² The Second Circuit stated that "[t]he sine qua non of tarnishment is a finding that plaintiff's mark will suffer negative associations through defendant's use."³³

B. Federal Trademark Dilution Act

Congress passed the FTDA in 1995.³⁴ Recognizing that the "patch-quilt system" of state dilution protection laws encouraged forum shopping, Congress sought to foster stability for famous mark owners by providing them with nationwide injunctive relief.³⁵ The FTDA required "commercial use in commerce," protecting parodies used in a commercial context.³⁶ Additionally, the FTDA included dilution exemptions for comparative advertising, the noncommercial promotion of competing goods, and news commentaries.³⁷

The FTDA defined dilution as "the lessening of the capacity of a famous mark to identify and distinguish goods or services, regardless of the presence or absence of (1) competition between the owner of the famous mark and other parties, or (2) likelihood of confusion, mis-

impact of these laws are limited. *See, e.g.,* Deere & Co. v. MTD Prods., Inc., No. 94-CIV-2322, 1995 WL 81299 (S.D.N.Y. Feb. 28, 1995) (limiting the permanent injunction to New York state's confines).

29. Additionally, the dilutive use of a protected mark in a domain name may give rise to an actionable claim for cybersquatting, where the registrant has a bad-faith intent to profit from the mark. Anti-Cybersquatting Protection Act, 15 U.S.C. § 1125(d) (2000). Cybersquatting may also be enforced via the ICANN Uniform Domain-Name Dispute Resolution Policy. *See* <http://www.icann.org/udrp/udrp.htm> (last visited Sept. 22, 2007).

30. RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 25(1)(a) (1995).

31. H.R. REP. NO. 104-374, at 3 (1995); S. 1513, 104th Cong. (1995).

32. RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 25(1)(b) (1995).

33. Hormel Foods Corp. v. Jim Henson Prods., Inc., 73 F.3d 497, 507 (2d Cir. 1996).

34. 15 U.S.C. §§ 1125(c), 1127 (2000) (amended 2006).

35. H.R. REP. NO. 104-374, at 3-4 (1995).

36. 15 U.S.C. § 1125(c)(1) (2000) (amended 2006).

37. § 1125(c)(4).

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take, or deception.”³⁸ Although the FTDA failed to define blurring or tarnishment, the legislative history recognized both types of dilution.³⁹

In order to find liability, the FTDA required that another party’s use of a similar mark dilute his mark’s distinctiveness.⁴⁰ Consequently, a circuit split arose concerning whether plaintiffs must demonstrate “actual dilution” or merely a “likelihood of dilution” to obtain injunctive relief. The First, Second, Third, Sixth, and Seventh Circuits adopted a likely dilution standard,⁴¹ while the Fourth and Fifth Circuits adopted an actual dilution standard.⁴² Additionally, courts embracing the likely dilution standard analyzed dilution under various tests. For example, the Second Circuit first developed a rigid six-factor test⁴³ and later provided a flexible ten-factor analysis.⁴⁴ The Third and Sixth Circuits adopted the Second Circuit’s ten-factor analysis.⁴⁵ Other courts, finding several of these factors unhelpful due to

38. § 1127.

39. “The purpose of H.R. 1295 is to protect famous trademarks from subsequent uses that blur the distinctiveness of the mark or tarnish or disparage it, even in the absence of a likelihood of confusion.” H.R. REP. NO. 104-374, at 2 (1995).

40. 15 U.S.C. § 1125(c)(1) (2000) (amended 2006) (“The owner of a famous mark shall be entitled . . . to an injunction against another person’s commercial use in commerce of a mark or trade name, if such use begins after the mark has become famous and *causes dilution* of the distinctive quality of the mark” (emphasis added)).

41. *See, e.g.*, *V Secret Catalogue, Inc. v. Moseley*, 259 F.3d 464 (6th Cir. 2001), *rev’d*, 537 U.S. 418 (2003); *Eli Lilly & Co. v. Natural Answers, Inc.*, 233 F.3d 456 (7th Cir. 2000); *Times Mirror Magazines, Inc. v. Las Vegas Sports News, L.L.C.*, 212 F.3d 157 (3d Cir. 2000); *Nabisco, Inc. v. PF Brands, Inc.*, 191 F.3d 208 (2d Cir. 1999); *I.P. Lund Trading ApS v. Kohler Co.*, 163 F.3d 27 (1st Cir. 1998).

42. *Compare Westchester Media v. PRL USA Holdings, Inc.*, 214 F.3d 658 (5th Cir. 2000) (requiring actual dilution but not necessarily economic harm), *with Ringling Bros.-Barnum & Bailey Combined Shows, Inc. v. Utah Div. of Travel Dev.*, 170 F.3d 449 (4th Cir. 1999) (requiring proof of actual economic harm via lost sales or profits).

43. *Mead Data Cent., Inc. v. Toyota Motor Sales, Inc.*, 875 F.2d 1026, 1035 (2d Cir. 1989) (Sweet, J., concurring) (“(1) similarity of the marks; (2) similarity of the products covered by the marks; (3) sophistication of consumers; (4) predatory intent; (5) renown of the senior mark; [and] (6) renown of the junior mark”).

44. The ten-factor test included the following factors:

- (a) Distinctiveness.
- (b) Similarity of the marks.
- (c) Proximity of the products and likelihood of bridging the gap.
- (d) Interrelationship among the distinctiveness of the senior mark, the similarity of the junior mark, and the proximity of the products.
- (e) Shared consumers and geographic limitations.
- (f) Sophistication of consumers.
- (g) Actual confusion.
- (h) Adjectival or referential quality of the junior use.
- (i) Harm to the junior user and delay by the senior user.
- (j) Effect of the senior’s prior laxity in protecting the mark.

Nabisco, Inc. v. PF Brands, Inc., 191 F.3d 208, 217–22 (2d Cir. 1999).

45. *See Moseley*, 259 F.3d at 477; *Times Mirror Magazines, Inc.*, 212 F.3d at 168–69.

overlap with trademark infringement law, simplified their blurring tests.⁴⁶ The Seventh Circuit focused on the renown of the senior mark and the similarity between marks.⁴⁷ The Eighth Circuit looked to the similarities between marks and whether consumers identify the defendant's product with the plaintiff's famous mark.⁴⁸ Thus, each circuit focused on the similarity between marks.

Additionally, several courts looked for identity—or at least substantial similarity—between marks.⁴⁹ For example, defendant's LEXUS mark was not sufficiently identical to plaintiff's LEXIS mark to warrant dilution protection.⁵⁰ This close identity prerequisite continues today, as demonstrated by *Moseley* and recent TDRA cases.⁵¹

In addition to creating confusion over proof of dilution, Congress failed to articulate a clear standard for determining when a mark is famous.⁵² Although the FTDA provided eight factors for consideration,⁵³ courts split on the amount of fame necessary for dilution protection. In *Times Mirror Magazines, Inc. v. Las Vegas Sports News, L.L.C.*, the Third Circuit applied the fame factors within a “niche market,” finding that THE SPORTING NEWS was sufficiently famous within its target market.⁵⁴ Niche fame may result from fame in a geographic area or within a particular line of products or services.⁵⁵ Circuits that adopted a niche fame standard generally found that “a mark not famous to the general public is nevertheless entitled to protection from dilution where both the plaintiff and defendant are operating in the same or related markets, so long as the plaintiff's mark possesses a high degree of fame in its niche market.”⁵⁶ The Fourth, Fifth, Sixth, Seventh, and Ninth Circuits adopted the Third Circuit's fame stan-

46. *See, e.g.*, *Autozone, Inc. v. Tandy Corp.*, 373 F.3d 786, 804–05 (6th Cir. 2004).

47. *Eli Lilly & Co. v. Natural Answers, Inc.*, 233 F.3d 456, 468–69 (7th Cir. 2000).

48. *Luigino's, Inc. v. Stouffer Corp.*, 170 F.3d 827, 832–33 (8th Cir. 1999).

49. The Ninth Circuit required that an accused diluter's mark be “identical or nearly identical” to plaintiff's mark for dilution protection to apply. *Playboy Enters., Inc. v. Welles*, 279 F.3d 796, 806 (9th Cir. 2002).

50. *Mead Data Cent., Inc. v. Toyota Motor Sales, Inc.*, 875 F.2d 1026, 1031–32 (2d Cir. 1989); *see also Luigino's, Inc.*, 170 F.3d at 832 (finding that LEAN CUISINE and LEAN N' TASTY were not sufficiently similar).

51. *See infra* notes 295–300 and accompanying text.

52. *See infra* notes 53–63 and accompanying text.

53. 15 U.S.C. § 1125(c)(1) (2000) (amended 2006).

54. 212 F.2d 157, 165 (3d Cir. 2000).

55. 4 McCARTHY, *supra* note 2, § 24:105. Courts that have applied niche fame relied primarily on “the degree of recognition of the mark in the trading areas and channels of trade” factor in the FTDA fame analysis. 15 U.S.C. § 1125(c)(1)(F) (2000) (amended 2006).

56. *Times Mirror Magazines, Inc.*, 212 F.2d at 164.

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dard.⁵⁷ Although it accepted niche fame, the Ninth Circuit reserved protection for “truly prominent and renowned”⁵⁸ marks with a “household name.”⁵⁹

In contrast, the First and Second Circuit adopted a “general public” fame standard.⁶⁰ In *TCPIP Holding Co. v. Haar Communications, Inc.*, the court implemented a general public fame standard to find that the plaintiff’s THE CHILDREN’S PLACE mark was not sufficiently famous or distinctive to warrant dilution protection.⁶¹ General public fame, unlike niche fame, requires sufficient fame across a “significant percentage” of the general consuming public.⁶² Many commentators supported a general public fame standard, stating that niche fame would swallow infringement, contrary to congressional intent.⁶³

Despite circuit splits concerning the level of dilution and fame, courts generally interpreted the FTDA through a five-element test, requiring that the plaintiff show the following: (1) its mark is famous; (2) its mark is distinctive; (3) the defendant is making commercial use of its mark in commerce; (4) the defendant’s use of its mark came after the plaintiff’s mark became famous; and (5) the defendant’s use of its mark dilutes the distinctiveness of the plaintiff’s mark.⁶⁴ Some courts applied a four-factor test, collapsing fame and distinctiveness into a single requirement.⁶⁵ Thus, based on the FTDA language “whether a mark is *distinctive and famous*,” another split arose as to whether distinctiveness and fame are two separate requirements.⁶⁶

57. See, e.g., *Playboy Enters. v. Netscape Commc’ns Corp.*, 354 F.3d 1020 (9th Cir. 2004); *Thane Int’l v. Trek Bicycle Corp.*, 305 F.3d 894 (9th Cir. 2002); *Advantage Rent-A-Car, Inc. v. Enter. Rent-A-Car Co.*, 238 F.3d 378 (5th Cir. 2001); *Times Mirror Magazines, Inc.*, 212 F.3d at 165; *Syndicate Sales, Inc. v. Hampshire Paper Corp.*, 192 F.3d 633 (7th Cir. 1999).

58. *Avery Dennison Corp. v. Sumpton*, 189 F.3d 868, 875 (9th Cir. 1999).

59. *Thane Int’l, Inc.*, 305 F.3d 894, at 911.

60. See *TCPIP Holding Co. v. Haar Commc’ns, Inc.*, 244 F.3d 88, 98–99 (2d Cir. 2001); *I.P. Lund Trading ApS v. Kohler Co.*, 163 F.3d 27, 45–47 (1st Cir. 1998).

61. 244 F.3d at 98–99.

62. 4 MCCARTHY, *supra* note 2, § 24:105.

63. See Heidi L. Belongia, Comment, *Why Is Fame Still Confusing? Misuse of the “Niche Market Theory” Under the Federal Trademark Dilution Act*, 51 DEPAUL L. REV. 1159, 1159–60 (2002).

64. See *Kellogg Co. v. Exxon Corp.*, 209 F.3d 562, 577 (6th Cir. 2000).

65. The four-prong test was articulated in *Panavision Int’l, L.P. v. Toepfen*, 141 F.3d 1316, 1324 (9th Cir. 1998).

66. 15 U.S.C. § 1125(c) (2000) (amended 2006) (emphasis added). Distinctiveness measures a mark’s ability to distinguish a party’s goods or services. *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 768–69 (1992). Suggestive and arbitrary marks, such as KODAK film, are immediately eligible for trademark protection, because they are inherently distinctive. *Id.* at 768. Descriptive marks, such as BLUE RIBBON, must acquire distinctiveness by establishing a secondary meaning. *Id.* at 769.

The First, Second, Fifth, and Sixth Circuits held that fame and distinctiveness are distinct requirements,⁶⁷ while the Third and Ninth Circuits treated them as one requirement.⁶⁸ Finally, the Second Circuit developed a minority view that, in the dilution context, distinctiveness refers specifically to *inherent* distinctiveness.⁶⁹ Meanwhile, the Third and Ninth Circuits declared that either inherent or acquired distinctiveness would suffice.⁷⁰

C. Moseley v. V Secret Catalogue

In *Moseley*, the Supreme Court sought to resolve the circuit split concerning whether the actual dilution or the likely dilution standard is appropriate for injunctive relief.⁷¹ The *Moseley* Court considered whether the defendant lingerie store owner's use of VICTOR'S LITTLE SECRET to describe his lingerie and novelty business diluted the plaintiff's VICTORIA'S SECRET mark.⁷² Although the lower courts found in favor of the plaintiff, the Supreme Court reversed.⁷³ The Court held that the FTDA required proof of actual dilution, not merely likely dilution.⁷⁴ The Court reasoned that mere mental association did not necessarily result in dilution.⁷⁵ Although it did not require economic harm, the Court implied that data, such as consumer survey results, could serve as circumstantial evidence of actual dilution.⁷⁶ The Court also added fuel to the "identical mark presumption"

67. See *Advantage Rent-A-Car, Inc. v. Enter. Rent-A-Car Co.*, 238 F.3d 378 (5th Cir. 2001); *V Secret Catalogue, Inc. v. Moseley*, 259 F.3d 464, 469–70 (6th Cir. 2001); *Nabisco, Inc. v. PF Brands, Inc.*, 191 F.3d 208, 216 n.2 (2d Cir. 1999); *TCPIP Holding Co. v. Haar Commc'ns, Inc.*, 244 F.3d 88, 98–99 (2d Cir. 2001).

68. *Times Mirror Magazines, Inc. v. Las Vegas Sports News, L.L.C.*, 212 F.3d 157, 167 (3d Cir. 2000); *Panavision Int'l, L.P.*, 141 F.3d at 1324.

69. *TCPIP Holding Co.*, 244 F.3d 88, 100 (2d Cir. 2001) (enumerating two inquiries for distinctiveness: (1) whether plaintiff's mark achieved a sufficient degree of acquired distinctiveness to warrant fame; and (2) whether the mark possesses a sufficient degree of inherent distinctiveness).

70. *Times Mirror Magazines, Inc.*, 212 F.3d at 157; *Avery Dennison Corp. v. Sumpton*, 189 F.3d 868 (9th Cir. 1999). The FTDA's legislative history supported both inherent and acquired distinctiveness. H.R. REP. NO. 104-374, at 7 (1995).

71. *Moseley v. V Secret Catalogue, Inc.*, 537 U.S. 418 (2003).

72. *Id.* at 423.

73. *V Secret Catalogue, Inc. v. Moseley*, No. 3:98CV-395-S, 2000 WL 370525, at *6 (W.D. Ky. Feb. 9, 2000) (holding in favor of the plaintiff based on dilution by tarnishment), *aff'd*, 259 F.3d 464, 476–77 (6th Cir. 2001) (affirming after finding dilution by tarnishment and blurring), *rev'd*, 537 U.S. 418 (2003).

74. *Moseley*, 537 U.S. at 433 ("This text unambiguously requires a showing of actual dilution, rather than a likelihood of dilution.").

75. *Id.* at 434. ("'Blurring' is not a necessary consequence of mental association. (Nor, for that matter, is 'tarnishing.')").

76. *Id.*

fire by stating that, where a junior mark and senior mark are identical, no further proof of actual dilution may be necessary.⁷⁷ In his concurrence, Justice Kennedy left open the possibility that actual dilution may not necessarily require an impact on present power, suggesting that an impact on potential power may suffice.⁷⁸

D. Post-Moseley Reaction

Moseley frustrated the FTDA's goals and left many questions unanswered. The Court failed to articulate a clear standard for determining when a plaintiff has proven actual dilution.⁷⁹ Additionally, the Court questioned whether tarnishment was an actionable claim under the FTDA, stating that state antidilution laws differed substantially from the FTDA.⁸⁰ These dicta called into question the comprehensiveness of federal antidilution law and prompted Congress to amend the FTDA.⁸¹ Nevertheless, several courts continued to recognize dilution by tarnishment as actionable under the FTDA.⁸²

Although courts uniformly adopted an actual dilution standard post-*Moseley*, some distinguished their more plaintiff-friendly state dilution laws. For example, the Second Circuit found that New York's likely dilution standard remained good law, despite *Moseley*'s actual dilution dictate for federal relief.⁸³ In *Savin Corp. v. Savin Group*, the Second Circuit addressed *Moseley*'s implication that a plaintiff could establish actual dilution by proving commercial use of an identical mark.⁸⁴ Following *Moseley*, several courts considered the use of an identical mark to be per se evidence of actual dilution.⁸⁵ *Savin* held

77. *Id.* ("It may well be, however, that direct evidence of dilution such as consumer surveys will not be necessary if actual dilution can reliably be proved through circumstantial evidence—the obvious case is one where the junior and senior marks are identical.")

78. *Id.* at 435–36 (Kennedy, J., concurring) (stating that "capacity" could refer to present or potential power of a famous mark).

79. See Kathleen Goodberlet, Note, *The Trademark Dilution Revision Act of 2006: Prospective Changes to Dilution Definition, Claim Analyses, and Standard of Harm*, 6 J. HIGH TECH. L. 249 (2006).

80. *Moseley*, 537 U.S. at 432.

81. See Goodberlet, *supra* note 79.

82. See *AutoZone, Inc. v. Tandy Corp.*, 373 F.3d 786, 801 (6th Cir. 2004); cf. *Starbucks Corp. v. Wolfe's Borough Coffee, Inc.*, No. 01-Civ.-5981, 2005 WL 3527126, at *8 (S.D.N.Y. Dec. 23, 2005) (questioning whether tarnishment was within the scope of federal antidilution law, but reaffirming its inclusion in New York's antidilution law).

83. *Savin Corp. v. Savin Group*, 391 F.3d 439, 456 (2d Cir. 2004); see also *Nissan Motor Co. v. Nissan Computer Corp.*, 378 F.3d 1002, 1015 (9th Cir. 2004) (contrasting California's likely dilution standard).

84. 391 F.3d at 450.

85. See, e.g., *Am. Honda Motor Co. v. Pro-Line Protoform*, 325 F. Supp. 2d 1081, 1085 (C.D. Cal. 2004).

that, “where a plaintiff who owns a *famous* senior mark can show the commercial use of an identical junior mark, such a showing constitutes circumstantial evidence of the actual-dilution element of an FTDA claim.”⁸⁶ In *Ty, Inc. v. Softbelly’s, Inc.*, the Seventh Circuit considered whether the BEANIES mark owner had proven actual dilution.⁸⁷ Judge Posner questioned the *Moseley* identical mark presumption and opined that no consumer survey could satisfy an actual dilution burden.⁸⁸ Although some courts phrased the presumption as “per se evidence” and other courts phrased it as “circumstantial evidence,” the bottom line was that a plaintiff would not succeed under federal dilution law if his mark was not closely identified with his accused diluter’s mark.

The *Moseley* Court also failed to resolve the circuit split regarding the fame and distinctiveness requirements. Most courts held that, consistent with the distinctiveness requirement for infringement, either inherent or acquired distinctiveness would suffice for FTDA protection.⁸⁹ In *Savin*, the court applied the Second Circuit’s minority distinctiveness test, requiring both inherent and acquired distinctiveness.⁹⁰ Courts also continued to dispute the proper scope of the “fame” requirement, although they trended toward a general public standard.⁹¹

III. TRADEMARK DILUTION REVISION ACT OF 2006

Many courts and practitioners reacted negatively to *Moseley*’s findings. Consequently, Congress proposed amendments to the FTDA that would clarify the scope of the Act and create a likely dilution standard of harm.⁹² The TDRA substantially altered the antidilution law landscape. This Part summarizes the TDRA’s legislative history and analyzes the trademark-owner-friendly and public-access-friendly provisions of the Act.⁹³

86. *Savin Corp.*, 391 F.3d at 452 (emphasis in original). “[A] mere similarity in the marks—even a close similarity—will not suffice to establish per se evidence of actual dilution.” *Id.* at 453.

87. 353 F.3d 528, 536 (7th Cir. 2003) (holding that BEANIE BABIES was not sufficiently identical to SCREENIE BABIES).

88. *Id.*

89. *See, e.g.*, *Herman Miller, Inc. v. A. Studio S.R.L.*, No. 1:04-CV-781, 2006 WL 2456218, at *6 (W.D. Mich. Aug. 22, 2006).

90. *Savin Corp.*, 391 F.3d at 449.

91. *See, e.g.*, *Gen. Motors Corp. v. Autovation Techs., Inc.*, 317 F. Supp. 2d 756, 763 (E.D. Mich. 2004); *but see* *800-JR CIGAR, Inc. v. GoTo.com, Inc.*, 437 F. Supp. 2d 273 (D.N.J. 2006) (finding fame in niche market).

92. *See* H.R. REP. NO. 109-23 (2005).

93. *See infra* notes 94–168 and accompanying text.

A. *Legislative History*

Congress introduced the TDRA in February 2005.⁹⁴ During the House Judiciary Committee debates, International Trademark Association (INTA) representatives criticized *Moseley*'s actual dilution standard.⁹⁵ The Committee also heard testimony from industry groups regarding the fame and distinctiveness requirements.⁹⁶ The amendments embraced a "likely to cause dilution" standard of harm and adopted a "general consuming public" standard for determining fame.⁹⁷ Further, Congress clarified the scope of antidilution law by creating separate causes of action for blurring and tarnishment.⁹⁸ The President signed the TDRA into law on October 6, 2006.⁹⁹

B. *Favorable Amendments for Trademark Owners*

The TDRA resolved many vexing issues resulting from FTDA interpretations and *Moseley*. Several TDRA amendments should increase a mark holder's likelihood of receiving injunctive relief. Specifically, key changes favoring mark holders include the following: (1) a likely dilution standard of proof; (2) inherent or acquired distinctiveness for a famous mark; (3) a clearly defined cause of action for dilution by tarnishment; and (4) dilution protection for famous, non-functional trade dress.¹⁰⁰

1. *Likely Dilution Standard of Harm*

In response to *Moseley*, Congress established a new dilution standard.¹⁰¹ The TDRA replaced the ambiguous FTDA language, "causes dilution,"¹⁰² with a likely dilution standard:

Subject to the principles of equity, the owner of a famous mark that is distinctive, inherently or through acquired distinctiveness, shall be entitled to an injunction against another person who, at any time after the owner's mark has become famous, commences use of a mark or trade name in commerce that is *likely to cause dilution* by blurring or dilution by tarnishment of the famous mark, regardless

94. H.R. Res. 683, 109th Cong. (2005) (enacted).

95. *Trademark Dilution Revision Act of 2005: Hearing Before the Subcomm. on Courts, the Internet and Intellectual Property of the Comm. on the Judiciary*, 109th Cong. 6 (2005) (statement of Anne Gundelfinger on behalf of INTA).

96. *Id.* at 7-31.

97. H.R. REP. NO. 109-23 (2005).

98. *Id.*

99. Trademark Dilution Revision Act of 2006, Pub. L. No. 109-312, 120 Stat. 1730 (2006).

100. 15 U.S.C. § 1125(c)(1), (c)(2)(C), (c)(4) (Supp. 2007).

101. § 1125(c)(1).

102. 15 U.S.C. § 1125(c)(1) (2000) (amended 2006).

of the presence or absence of actual or likely confusion, of competition, or of actual economic injury.¹⁰³

Congress enacted the new provision, because it believed that proving actual dilution is unnecessary.¹⁰⁴ The new standard also repudiated the Fourth Circuit's holding in *Ringling Bros.-Barnum & Bailey Combined Shows, Inc. v. Utah Division of Travel Development*, which required a showing of actual dilution via proof of actual economic loss.¹⁰⁵ Under the TDRA, plaintiffs can bring successful dilution claims without proving actual economic injury.¹⁰⁶

The likely dilution standard is consistent with state antidilution laws and the FTDA's legislative history. It requires a lower burden of proof for plaintiffs and should lead to a higher likelihood of success in federal claims.¹⁰⁷ Finally, the new standard for demonstrating dilution is consistent with trademark infringement law, which requires a likelihood of consumer confusion.¹⁰⁸

2. *Independent Showing of Either Acquired or Inherent Distinctiveness*

The TDRA resolved the circuit split regarding distinctiveness, declaring that distinctiveness may be satisfied via either acquired or inherent distinctiveness.¹⁰⁹ Congress also clarified the role of distinctiveness in dilution analysis. Under the FTDA, courts considered eight factors indicating whether a mark is "distinctive and famous."¹¹⁰ The first factor was "the degree of inherent or acquired distinctiveness of the mark."¹¹¹ Consequently, some courts applied fame and distinctiveness as one requirement.¹¹²

Congress removed distinctiveness from the fame analysis.¹¹³ This confirms that fame and distinctiveness are indeed two separate re-

103. 15 U.S.C. § 1125(c)(1) (Supp. 2007) (emphasis added).

104. H.R. REP. NO. 109-23, at 3 (2005).

105. 170 F.3d 449, 461 (4th Cir. 1999).

106. 15 U.S.C. § 1125(c)(1) (Supp. 2007) ("regardless of . . . economic injury").

107. In *Eli Lilly Co. v. Natural Answers, Inc.*, 233 F.3d 456, 468 (7th Cir. 2000), the Seventh Circuit reasoned that actual dilution would leave mark owners without an adequate remedy, stating that diminished revenue is difficult to show and that customer surveys are expensive, time-consuming, and subject to manipulation. *Id.* The TDRA avoids these cumbersome actual dilution requirements.

108. 15 U.S.C. § 1114(1)(a) (2000) ("likely to cause confusion").

109. 15 U.S.C. § 1125(c)(1) (Supp. 2007) ("[T]he owner of a famous mark that is distinctive, inherently or through acquired distinctiveness, shall be entitled to an injunction . . .").

110. 15 U.S.C. § 1125(c)(1) (2000) (amended 2006).

111. § 1125(c)(1)(A).

112. See *supra* notes 67-70 and accompanying text.

113. See 15 U.S.C. § 1125(c)(2)(A) (Supp. 2007).

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quirements, which is consistent with case law and legal authority.¹¹⁴ Although the Second Circuit doubted that a mark lacking inherent distinctiveness could be sufficiently famous for dilution, Congress determined that marks with acquired distinctiveness are eligible for dilution protection.¹¹⁵ The acquired or inherent distinctiveness requirement is consistent with trademark infringement analysis.¹¹⁶ The amount of proof necessary to show distinctiveness is “not sufficient to demonstrate fame in a dilution case.”¹¹⁷ Thus, the stronger “general consuming public” fame requirement should alleviate concern over dilution protection for marks with acquired distinctiveness.¹¹⁸

3. *Dilution by Tarnishment*

Furthermore, the TDRA formally recognized a cause of action for dilution by tarnishment.¹¹⁹ Congress also eliminated the general definition of trademark dilution and created new definitions for each cause of action.¹²⁰ It defined tarnishment as an “association arising from the similarity between a mark or trade name and a famous mark that harms the reputation of the famous mark.”¹²¹ Although the FTDA’s legislative history mentioned tarnishment, the Act itself failed to explicitly embrace the term.¹²² Congress rejected Justice Stevens’s suggestion in *Moseley* that federal dilution protection may be narrower than state antidilution law, precluding tarnishment as a claim.¹²³ Rather, Congress clearly intended to implement both blurring and tarnishment causes of action and thus expressly added tarnishment to the TDRA.¹²⁴

After *Moseley*, some courts opined that the FTDA was limited to dilution by blurring claims.¹²⁵ The TDRA’s clear support for dilution by tarnishment aids famous mark holders, because damage to a mark owner’s reputation is easier to demonstrate than a blurred associa-

114. 2 GILSON, *supra* note 8, § 5A.01[4][b].

115. H.R. REP. NO. 109-23, at 9 (2005).

116. *See supra* note 22 and accompanying text.

117. 2 GILSON, *supra* note 8, § 5A.01[4][b].

118. *See infra* notes 224–244 and accompanying text.

119. *See* 15 U.S.C. § 1125(c)(2)(C) (Supp. 2007).

120. § 1125(c)(2)(B)–(C) (amending 15 U.S.C. § 1127 (2000)).

121. § 1125(c)(2)(C).

122. *Moseley v. V Secret Catalogue, Inc.*, 537 U.S. 418, 432 (2003).

123. *See id.*

124. *See* 15 U.S.C. § 1125(c)(2)(C) (Supp. 2007).

125. *See, e.g., Scott Fetzer Co. v. House of Vacuums, Inc.*, 381 F.3d 477, 489 n.8 (5th Cir. 2004).

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tion.¹²⁶ Thus, finders of fact should recognize tarnishment more easily than blurring.¹²⁷ The enhanced fair use defense should alleviate concern that tarnishment might chill expressive speech, such as “gripe sites.”¹²⁸

4. Trade Dress Dilution

Although the FTDA did not specifically address trade dress, several courts recognized that trade dress could be diluted.¹²⁹ While some courts expressed doubt that trade dress was within the scope of antidilution law,¹³⁰ the TDRA firmly established that trade dress was eligible for dilution protection.¹³¹ Moreover, the plaintiff bears the burden of showing that the claimed trade dress is not only famous, but also nonfunctional.¹³² Additionally, if a portion of the claimed trade dress is a registered mark, the plaintiff must demonstrate that the unregistered material is famous apart from the registered component.¹³³ These requirements should preserve dilution protection for famous trade dress owners, while preventing expansive application for less-distinctive trade dress.¹³⁴

126. However, if the accused diluter parodies a mark, dilution by tarnishment is more likely to be met with a First Amendment defense than dilution by blurring. See 4 MCCARTHY, *supra* note 2, § 24:90.

127. Dilution by tarnishment is arguably easier for an individual judge or juror to identify. Blurring, on the other hand, often requires a critical mass beyond the mere association of one potential consumer.

128. See Margreth Barrett, *Internet Trademark Suits and the Demise of “Trademark Use,”* 39 U.C. DAVIS L. REV. 371 (2006). Gripe sites allow disgruntled customers to post comments about their experiences with a particular vendor. Several courts have found these sites to be protected speech based on the criticism and parody doctrines. See, e.g., *Bally Total Fitness Holding Corp. v. Faber*, 29 F. Supp. 2d 1161 (C.D. Cal. 1998) (finding that a “Bally sucks” web page was protected speech and did not cause consumer confusion as to source). However, there are two mechanisms by which mark holders can bring suit against these site holders, and a lower threshold for dilution may increase litigation. See *supra* note 29 and accompanying text.

129. See, e.g., *Binney & Smith v. Rose Art Indus.*, No. CIV.-A.-00-2939, 2001 WL 910943 (E.D. Pa. Aug. 9, 2001) (holding that CRAYOLA trade dress was sufficiently famous and non-functional to warrant dilution protection); cf. *I.P. Lund Trading ApS v. Kohler Co.*, 163 F.3d 27 (1st Cir. 1998) (holding that KOHLER faucet design was not sufficiently famous to warrant dilution protection).

130. See *Syndicate Sales, Inc. v. Hampshire Paper Corp.*, 192 F.3d 633, 639 (7th Cir. 1999) (stating that it could not “say that the contention that the statute is inapplicable to trade dress is totally without merit”).

131. 15 U.S.C. § 1125(c)(4) (Supp. 2007).

132. *Id.*

133. *Id.*

134. Additionally, injunctive relief remains the core remedy for dilution. § 1125(c)(5). Damages are not awarded absent a showing of willful intent to trade on a mark’s recognition or to harm a famous mark’s reputation. § 1125(c)(5)(B). The TDRA also provides that validly registering a mark completely bars a trademark dilution action. § 1125(c)(6).

C. Favorable Amendments for Public Access

Although Congress provided substantial protection for mark holders, the TDRA also includes several amendments supporting the public's interest in free access. Provisions that should adequately balance the public's interest with that of the famous mark owner include (1) a general public fame standard, (2) a multi-factor determination of dilution by blurring, and (3) expanded fair use protections.¹³⁵

1. General Public Fame Standard Rather Than Niche Market Fame

The appropriate standard of fame is one of the greatest sources of controversy in federal dilution law.¹³⁶ The FTDA did not clearly state the appropriate standard for fame, leading several courts to apply a niche market approach.¹³⁷ Considerations of the geographic extent of the trading area, channels of trade, and degree of recognition in the trading areas and channels supported a niche market standard.¹³⁸ The *Moseley* Court failed to analyze the appropriate fame standard for the VICTORIA'S SECRET mark, because the parties conceded that the mark was sufficiently famous.¹³⁹ This ambiguity sparked extensive academic debate regarding the appropriate fame standard.¹⁴⁰

The TDRA formally adopted the position that a famous mark must be sufficiently famous to the general public, rather than a niche market.¹⁴¹ It provides that "a mark is famous if it is widely recognized by the *general consuming public* of the United States as a designation of source."¹⁴² The TDRA also consolidated the eight FTDA fame factors into four factors:

- (i) The duration, extent, and geographic reach of advertising and publicity of the mark, whether advertised or publicized by the owner or third parties.
- (ii) The amount, volume, and geographic extent of sales of goods or services offered under the mark.
- (iii) The extent of actual recognition of the mark.

135. § 1125(c)(2)(A), (c)(2)(B), (c)(3).

136. S. REP. NO. 100-515, at 7 (1988) ("The provision is specifically intended to address a narrow category of famous registered trademarks where the unauthorized use by others, on dissimilar products for which the trademark is not registered, dilutes the distinctiveness of the famous work.").

137. See *supra* notes 53–63 and accompanying text.

138. 15 U.S.C. § 1125(c)(1) (2000) (amended 2006).

139. *Moseley v. V Secret Catalogue, Inc.*, 537 U.S. 418, 419 (2003).

140. See, e.g., *Belongia*, *supra* note 63.

141. 15 U.S.C. § 1125(c)(2) (Supp. 2007).

142. § 1125(c)(2)(A) (emphasis added).

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- (iv) Whether the mark was registered under the Act of March 3, 1881, or the Act of February 20, 1905, or on the principal register.¹⁴³

Congress created the four-factor analysis to strongly discourage use of the niche fame standard.¹⁴⁴ Congress removed the factors that supported the niche fame standard and eliminated the inherent or acquired distinctiveness factor.¹⁴⁵

2. *Dilution by Blurring*

The FTDA failed to define blurring, instead relying on the general definition of dilution.¹⁴⁶ The TDRA defines dilution by blurring as an “association arising from the similarity between a mark or trade name and a famous mark that impairs the distinctiveness of the famous mark.”¹⁴⁷ The TDRA provides a non-exhaustive list of six factors for consideration:

- (i) The degree of similarity between the mark or trade name and the famous mark.
- (ii) The degree of inherent or acquired distinctiveness of the famous mark.
- (iii) The extent to which the owner of the famous mark is engaging in substantially exclusive use of the mark.
- (iv) The degree of recognition of the famous mark.
- (v) Whether the user of the mark or trade name intended to create an association with the famous mark.
- (vi) Any actual association between the mark or trade name and the famous mark.¹⁴⁸

Although blurring can be difficult to conceptualize, courts need further direction on how to objectively apply it.¹⁴⁹ Additionally, *Moseley*'s observation that mere mental association is insufficient for blurring likely remains good law.¹⁵⁰

3. *Exemptions from Dilution Liability*

Finally, the TDRA enumerated a series of exclusions from federal dilution claims.¹⁵¹ The TDRA incorporated each of the three defenses from the FTDA and expanded the scope of the fair use defense:

143. § 1125(c)(2).

144. H.R. REP. NO. 109-23, at 25 (2005).

145. See 15 U.S.C. § 1125(c)(2)(A) (Supp. 2007).

146. 15 U.S.C. § 1127 (2000) (amended 2006).

147. 15 U.S.C. § 1125(c)(2)(B) (Supp. 2007).

148. *Id.*

149. Several courts have expressed skepticism about finding dilution by blurring, because the injury is subtler than an injury via tarnishment. See 4 McCARTHY, *supra* note 2, § 24:120.

150. *Moseley v. V Secret Catalogue, Inc.*, 537 U.S. 418, 433 (2003).

151. 15 U.S.C. § 1125(c)(3) (Supp. 2007).

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(A) Any fair use, including a nominative or descriptive fair use, or facilitation of such fair use, of a famous mark by another person other than as a designation of source for the person's own goods or services, including use in connection with—

- (i) advertising or promotion that permits consumers to compare goods or services; or
- (ii) identifying and parodying, criticizing, or commenting upon the famous mark owner or the goods or services of the famous mark owner.

(B) All forms of news reporting and news commentary.

(C) Any noncommercial use of a mark.¹⁵²

During the congressional hearings, the ACLU and others expressed concern over the TDRA's newly proposed standards, particularly the likely dilution and tarnishment amendments.¹⁵³ Senators Orrin Hatch and Patrick Leahy sought to include safeguards protecting First Amendment freedom of expression.¹⁵⁴ The FTDA provided exclusions for comparative advertising, noncommercial uses, and news reporting.¹⁵⁵ The TDRA retained these defenses and significantly expanded them.¹⁵⁶

First, Congress added fair use protection for nominative and descriptive uses.¹⁵⁷ In addition to comparative advertising, the fair use provision now includes parody, criticism, and commentary on the mark owner or his goods.¹⁵⁸ In the dilution context, a nominative fair use occurs when a defendant uses a plaintiff's trademark to describe the plaintiff's goods or services.¹⁵⁹ For example, a former Playmate's use of the phrase "Playmate of the Year" to truthfully describe herself was a nominative fair use, because she could not reference the trademarked term with a descriptive substitute.¹⁶⁰ The extensive fair use exemption should balance the public's interest with the likely dilution

152. *Id.* The FTDA and the TDRA both protect news reporting and comparative advertising uses. Antidilution law does not reach noncommercial uses because of the interstate commerce requirement for trademark protection.

153. H.R. REP. NO. 109-23 (2005).

154. 152 CONG. REC. S1923 (2006).

155. 15 U.S.C. § 1125(c)(4) (2000) (amended 2006).

156. *See* 15 U.S.C. § 1125(c)(3)(A) (Supp. 2007).

157. *Id.*

158. *Id.*

159. *See* *Playboy Enters., Inc. v. Welles*, 279 F.3d 796, 806 (9th Cir. 2002).

160. *Id.* The traditional "descriptive" fair use defense, set forth in section 33(b)(4) of the Lanham Act, is relevant for comparative advertising purposes. The TDRA provides a dilution liability exemption where a defendant uses a plaintiff's trademark to describe the defendant's own product or service, and the use is for comparative advertising or promotion. 15 U.S.C. § 1125(c)(3)(A) (Supp. 2007).

standard of harm.¹⁶¹ Furthermore, protection of parody and criticism should alleviate concern over the tarnishment cause of action.

Additionally, the FTDA required that, to receive an injunction, a party's diluting use be a "commercial use in commerce."¹⁶² In *Mattel, Inc. v. MCA Records, Inc.*, the Ninth Circuit interpreted this requirement to mean use of a famous and distinctive mark "to sell goods other than those produced or authorized by the mark's owner."¹⁶³ In contrast, the court found that the "noncommercial use" exemption referred to "a use that consists entirely of noncommercial, or fully constitutionally protected, speech."¹⁶⁴ Congress removed the perplexing "commercial use in commerce" language, but retained the exemption for noncommercial uses.¹⁶⁵

Finally, although the TDRA substantially increased the list of exemptions, fair uses are not exempt from liability if the accused diluter uses a mark as a "designation of source" for his own goods or services.¹⁶⁶ This is not necessarily a new concept; courts have long considered whether a junior user utilized his mark or trade name in a "trademark sense" to blur a senior user's mark.¹⁶⁷ Thus, if an accused diluter merely uses a mark in a descriptive manner, there is no dilution, because consumers will not associate that mark with the source of the defendant's product.¹⁶⁸

IV. ANALYSIS

To establish a prima facie case of trademark dilution by blurring or tarnishment, courts should follow this five-factor test: (1) the plaintiff's mark must be famous to a significant portion of the general consuming public; (2) the plaintiff's mark must have inherent or acquired distinctiveness; (3) the defendant's mark must be used in commerce; (4) the defendant's use of his mark must have begun after the plaintiff's mark became famous; and (5) the defendant's mark must be likely to cause dilution to the plaintiff's mark through blurring or

161. 152 CONG. REC. S1922-23 (2006).

162. 15 U.S.C. § 1125(c)(1) (2000) (amended 2006) ("another person's commercial use in commerce of a mark or trade name").

163. 296 F.3d 894, 903 (9th Cir. 2002).

164. *Id.* at 905.

165. 15 U.S.C. § 1125(c)(3)(C) (Supp. 2007).

166. § 1125(c)(3)(A).

167. *See Avery Dennison Corp. v. Sumpton*, 189 F.3d 868, 880 (9th Cir. 1999) ("Commercial use under the Federal Trademark Dilution Act requires the defendant to be using the trademark as a trademark, capitalizing on its trademark status."). A recent TDRA case recognized this lineage and required proof of use as a trademark. *Jarritos, Inc. v. Los Jarritos*, No. C-05-02380-JSW, 2007 WL 1302506, at *18 (N.D. Cal. May 2, 2007).

168. 4 McCARTHY, *supra* note 2, § 24:122.

tarnishment.¹⁶⁹ The TDRA explicitly sets forth several of these requirements, including distinctiveness, use in commerce, and use after the acquisition of fame.¹⁷⁰ The likely dilution and general public fame requirements, on the other hand, are new requirements; thus, courts may vary in applying these factors.¹⁷¹ Additionally, the TDRA does not necessarily preempt state law causes of action. Therefore, plaintiffs may have recourse under state law when they cannot meet the new, stringent requirements.¹⁷²

This Part analyzes select issues that the TDRA failed to resolve. Although the Act embraced a likely dilution standard of harm and a general public fame requirement,¹⁷³ these provisions are ripe for judicial interpretation. Section A analyzes the likely dilution standard and the factors that courts consider in granting injunctive relief for both blurring and tarnishment.¹⁷⁴ Section B reviews the general public fame standard to determine if the new factors limit protection to unique marks.¹⁷⁵ Finally, Sections C and D explore two relevant issues for mark owners: the preemption of state dilution law and the TDRA's retroactivity.¹⁷⁶

A. *Likely Dilution Analysis*

The TDRA adopted a “likely to cause dilution” standard of harm, but it remains to be seen what evidence courts will require to satisfy this burden. Prior to *Moseley*, several circuits required a showing of likely dilution, but the factors they considered varied substantially.¹⁷⁷ After *Moseley*, mere mental association did not necessarily reduce the capacity of a mark to identify goods, while proof of actual economic

169. This test is consistent with the Sixth Circuit approach in *Kellogg Co. v. Exxon Corp.*, 209 F.3d 562, 577 (6th Cir. 2000). However, recent Ninth Circuit cases have not included a separate distinctiveness requirement. See *Jarritos, Inc. v. Los Jarritos*, No. C-05-02380-JSW, 2007 WL 1302506, at *17 (N.D. Cal. May 2, 2007); *Levi Strauss & Co. v. Fox Hollow Apparel Group, L.L.C.*, No. C-06-3765-SC, 2007 WL 1140648, at *3 (N.D. Cal. Apr. 17, 2007). In addition to these five factors, courts should ensure that the defendant is using a mark as a designation of source. 4 McCARTHY, *supra* note 2, § 24:99.

170. However, some courts continue to misinterpret antidilution law to require either fame *or* distinctiveness, even though these are intended to be separate requirements. See *Software Publishers Ass'n v. Scott & Scott, L.L.P.*, No. 3:06-CV-0949-G, 2007 WL 92391, at *8 (N.D. Tex. Jan. 11, 2007) (requiring that a plaintiff's mark be “famous *or* distinctive”) (emphasis added).

171. See *infra* notes 273–294 and accompanying text.

172. See *infra* notes 245–257 and accompanying text.

173. See 15 U.S.C. § 1125(c) (Supp. 2007).

174. See *infra* notes 177–223 and accompanying text.

175. See *infra* notes 224–244 and accompanying text.

176. See *infra* notes 245–265 and accompanying text.

177. See *supra* notes 41–48 and accompanying text.

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harm was unnecessary.¹⁷⁸ Courts will struggle to find likely dilution between these two extremes.

1. *Likely Dilution by Blurring*

A plaintiff, such as Victoria's Secret, would be much more likely to succeed on its dilution claim based on a likely dilution standard.¹⁷⁹ In *Moseley*, Justice Stevens opined that, when a plaintiff can show that a defendant used an identical junior mark, such a showing constitutes circumstantial evidence of actual dilution.¹⁸⁰ Although the TDRA's "likely to cause dilution" standard overruled much of *Moseley*'s analysis, courts will probably continue following the "identical mark presumption," given the heavy focus on similarity between marks.¹⁸¹ Although some courts have questioned the logic of this exception, many have used it to find actual dilution. For instance, the Sixth Circuit applied the presumption, finding actual dilution absent any proof that the defendant made sales or profited from his use of the plaintiff's famous AUDI mark.¹⁸²

However, courts should strictly enforce the use of the identical mark presumption.¹⁸³ In *Savin*, the Second Circuit reiterated that a close similarity is insufficient to establish per se evidence of dilution.¹⁸⁴ The court stressed that strict enforcement of the exception is consistent with the federal antidilution law's purpose and narrow application of dilution law generally.¹⁸⁵ Also, the *Savin* court approved an approach that considered the overall context of a mark's use, including textual, graphic, and media-specific elements.¹⁸⁶ A context-driven analysis should ensure strict enforcement of the identical mark presumption.

In addition to reliance on pre-TDRA tests and the *Moseley* identical mark presumption, courts will depend heavily on the six new dilu-

178. *Savin Corp. v. Savin Group*, 391 F.3d 439, 453 (2d Cir. 2004).

179. *See Moseley v. V Secret Catalogue, Inc.*, 537 U.S. 418 (2003). The Court would analyze the entire context of these marks, including the fonts and colors used. Although the terms are quite similar and the names sound alike, a court should determine whether the overall context of the use is likely to cause dilution by blurring. For tarnishment, Victoria's Secret could argue that *Moseley*'s goods were inferior in quality.

180. *Id.* at 434.

181. *See, e.g., Savin Corp.*, 391 F.3d at 453 (interpreting the *Moseley* mark identity dicta as creating a "presumption of actual dilution").

182. *See Audi AG v. D'Amato*, 469 F.3d 534 (6th Cir. 2006).

183. *Savin Corp.*, 391 F.3d at 453.

184. *Id.*

185. *Id.*

186. *Id.* at 453-54.

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tion by blurring factors.¹⁸⁷ The TDRA factors borrow heavily from state antidilution law and should ensure narrow application of the blurring cause of action.¹⁸⁸

The first TDRA factor is the “degree of similarity between the mark or trade name and the famous mark.”¹⁸⁹ This factor is consistent with the Second and Seventh Circuit likely dilution tests, although it overlaps with infringement likelihood of confusion analysis.¹⁹⁰ The identical mark presumption is also critical, because, if a plaintiff shows that a defendant’s mark is identical, courts might not require evidence of the remaining five factors. Therefore, this factor may become the most critical in the blurring analysis.

The second factor is the “degree of inherent or acquired distinctiveness of the famous mark.”¹⁹¹ Although famous marks with acquired distinctiveness are eligible for dilution protection, courts may find that inherently distinctive marks are more susceptible to blurring than descriptive marks that only recently acquired secondary meanings.¹⁹² Courts have found that a mark must have “a distinctive quality for a significant percentage of the defendant’s market.”¹⁹³

The third factor is the “extent to which the owner of the famous mark is engaging in substantially exclusive use of the mark.”¹⁹⁴ Courts should be less willing to find blurring where consumers associate a famous mark with various sources.¹⁹⁵ The fourth factor is the “degree of recognition of the famous mark.”¹⁹⁶ It mirrors the “re-nown” factors used by several appellate courts and should ensure conservative application of the blurring cause of action.¹⁹⁷ This factor is analogous to the “strength of the mark” in trademark infringement analysis.¹⁹⁸

The fifth factor is “[w]hether the user of the mark or trade name intended to create an association with the famous mark.”¹⁹⁹ Although courts need not find intent for trademark dilution, this factor looks to

187. 15 U.S.C. § 1125(c)(2)(B) (Supp. 2007).

188. *Id.* The six factors are meant to be illustrative; thus, courts may resort to other considerations.

189. § 1125(c)(2)(B)(i).

190. *See supra* note 22 and accompanying text.

191. 15 U.S.C. § 1125(c)(2)(B)(ii) (Supp. 2007).

192. *See Goodberlet, supra* note 79, at 275.

193. *Mead Data Cent., Inc. v. Toyota Motor Sales, Inc.*, 875 F.2d 1026, 1031 (2d Cir. 1989).

194. 15 U.S.C. § 1125(c)(2)(B)(iii) (Supp. 2007).

195. *Goodberlet, supra* note 79, at 276.

196. 15 U.S.C. § 1125(c)(2)(B)(iv) (Supp. 2007).

197. *See supra* note 47 and accompanying text.

198. *See supra* note 22 and accompanying text.

199. 15 U.S.C. § 1125(c)(2)(B)(v) (Supp. 2007).

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the defendant's willful intent or bad faith.²⁰⁰ A finding of intent to create an association could give rise to remedies beyond injunctive relief.²⁰¹ Finally, the sixth factor considers "[a]ny actual association between the mark or trade name and the famous mark."²⁰² Parties may satisfy this factor with consumer surveys or expert testimony.²⁰³

Therefore, courts should weigh all six factors, along with other relevant considerations, to determine if a defendant's mark is likely to cause dilution by blurring. It remains to be seen whether courts will weigh these factors evenly or whether one factor, such as the degree of similarity, will prove more probative than the others. An additional concern with the TDRA factors is their substantial overlap with a likelihood of confusion analysis.²⁰⁴ In trademark litigation, plaintiffs often present infringement, dilution, and state law unfair competition counts together.²⁰⁵ Because injunctive relief is the common remedy for both infringement and dilution, courts can exercise discretion in deciding which cause of action is most appropriate for relief.²⁰⁶

In addition to the six TDRA factors, courts should consider evidence such as expert testimony or consumer surveys.²⁰⁷ If courts accept expert testimony to satisfy the likely dilution standard, plaintiffs should enjoy much success. Surveys may assist in determining the degree of recognition for a famous mark and any actual association between a famous mark and a defendant's mark.²⁰⁸ A consumer survey alone should not satisfy likely dilution, unless it is conducted according to generally accepted statistical principles.²⁰⁹

200. Trademark infringement and dilution are strict liability causes of action. *See* § 1125(c)(5). Although intent was usually only relevant regarding damages, the TDRA includes intent as a factor for consideration in blurring claims. § 1125(c)(2)(B)(v).

201. § 1125(c)(5).

202. § 1125(c)(2)(B)(vi).

203. *See supra* note 76 and accompanying text.

204. The blurring analysis factors of degree of similarity between the marks, degree of recognition, defendant's intent to create an association, and actual association in the dilution are analogous to the infringement analysis factors of degree of similarity between the marks, strength of the mark, defendant's good faith, and actual confusion. *See supra* note 22 and accompanying text. **R**

205. *See, e.g.,* *Louis Vuitton Malletier v. Dooney & Bourke, Inc.*, 454 F.3d 108 (2d Cir. 2006) (analyzing claims of trademark infringement, trademark dilution, and unfair competition under federal and state law).

206. *See* 15 U.S.C. § 1125(c)(5) (Supp. 2007); 15 U.S.C. § 1114(2) (2000).

207. *See* 4 MCCARTHY, *supra* note 2, § 24:68. **R**

208. *Nike, Inc. v. Nikepal Int'l, Inc.*, No. 2:05-CV-1468-GEB-JFM, 2007 WL 609864, at *4 (E.D. Cal. Feb. 27, 2007).

209. *Id.* at *5 (denying summary judgment where plaintiff's survey was flawed, because it was not directed to the general consuming public).

2. Likely Dilution by Tarnishment

Despite dicta in *Moseley*, the TDRA articulated a dilution by tarnishment cause of action.²¹⁰ The tarnishment provision, unlike the blurring provision, does not include a list of factors for consideration.²¹¹ Rather, the TDRA simply defines tarnishment as an “association arising from the similarity between a mark or trade name and a famous mark that harms the reputation of the famous mark.”²¹² Historically, courts have found tarnishment where a defendant uses a plaintiff’s famous mark in a degrading context or on an inferior product, because this creates a negative association.²¹³ For example, a court found that a defendant’s use of the slogan “Enjoy Cocaine” tarnished the goodwill of the famous COCA-COLA mark.²¹⁴

Courts have refused to find dilution by tarnishment where a defendant’s mark is of similar quality or reputation to the plaintiff’s mark,²¹⁵ but have expanded tarnishment to include uses that alter a plaintiff’s famous mark, even in the absence of disparagement.²¹⁶ Therefore, courts should require plaintiffs to show that a defendant’s degrading use or alteration would likely cause harm to its reputation.²¹⁷ Absent degradation, plaintiffs may resort to trademark infringement actions based on consumer confusion.

In tarnishment cases, defendants often assert parody defenses supported by the First Amendment.²¹⁸ The TDRA’s fair use and non-commercial use exemptions protect noncommercial editorials and artistic parodies from dilution liability.²¹⁹ Parodies, especially harmless puns, are unlikely to diminish the distinctiveness of a famous mark holder. For example, in *Hormel Foods Corp. v. Jim Henson Productions Inc.*, the Second Circuit held that Henson’s “Sp’am” puppet was not likely to tarnish the reputation of Hormel’s SPAM mark.²²⁰

210. 15 U.S.C. § 1125(c)(2)(C) (Supp. 2007).

211. Compare § 1125(c)(2)(B), with § 1125(c)(2)(C).

212. § 1125(c)(2)(C).

213. *Deere & Co. v. MTD Prods., Inc.* 41 F.3d 39, 43 (2d Cir. 1994).

214. *See Coca-Cola Co. v. Gemini Rising, Inc.*, 346 F. Supp. 1183 (E.D.N.Y. 1972).

215. *See, e.g., Caterpillar, Inc. v. Walt Disney Co.*, 287 F. Supp. 2d 913, 922 (C.D. Ill. 2003) (declining to find dilution by tarnishment where defendant’s *George 2* movie featured plaintiff’s tractor but did not suggest that the products were of low quality).

216. *See Deere*, 41 F.3d at 45.

217. The first court to apply the TDRA used this approach. *Louis Vuitton Malletier v. Haute Diggity Dog, L.L.C.*, 464 F. Supp. 2d 495, 505 (E.D. Va. 2006).

218. 4 McCARTHY, *supra* note 2, § 24:90.

219. 15 U.S.C. § 1125(c)(3) (Supp. 2007).

220. 73 F.3d 497, 508 (2d Cir. 1996).

A more difficult situation arises where a defendant's use is in a commercial setting but for expressive purposes. In *Mattel, Inc. v. MCA Records*, the Ninth Circuit held that, although the defendant music company used the protected mark BARBIE in a commercial context—namely a pop song titled “Barbie Girl”—the use was non-commercial, because it was primarily expressive speech.²²¹ Courts have been willing to find parody in a commercial setting, because “[a] dilution injunction, by contrast to a trademark injunction, will generally sweep across broad vistas of the economy.”²²² Therefore, courts and practitioners should reserve dilution by tarnishment for situations where a defendant is using a famous mark in a disparaging or degrading fashion for commercial purposes, although this is not necessarily limited to “sexual activity, obscenity, or illegal activity.”²²³

B. General Consuming Public Fame Analysis

The “general consuming public” fame requirement was another major amendment to federal dilution law.²²⁴ The circuits split regarding whether niche fame or general public fame is necessary for dilution protection.²²⁵ The TDRA removed the factors that influenced several courts to apply a niche fame standard.²²⁶ Additionally, Congress removed the degree of distinctiveness from fame consideration, disclaiming the view that fame and distinctiveness are merely one requirement.²²⁷

Congress consolidated the eight FTDA factors into four.²²⁸ The new factors, if strictly interpreted, should preserve sufficient protection for truly famous marks.²²⁹ The first factor is the “duration, extent, and geographic reach of advertising and publicity of the mark whether advertised or published by the owner or third parties.”²³⁰ Ex-

221. 296 F.3d 894, 906–07 (9th Cir. 2002).

222. *Id.* at 904–05. The court found that dilution law's commercial use exemption was consistent with First Amendment case law. *Id.* at 906–07.

223. *Dan-Foam A/S v. Brand Named Beds, L.L.C.*, 500 F. Supp. 2d 296, 307 (S.D.N.Y. 2007) (quoting *Hormel Foods Corp.*, 73 F.3d at 507).

224. “[A] mark is famous if it is widely recognized by the general consuming public of the United States as a designation of source of the goods or services of the mark's owner.” 15 U.S.C. § 1125(c)(2) (Supp. 2007).

225. *See supra* notes 52–63 and accompanying text.

226. *See* 15 U.S.C. § 1125(c)(1)(E)–(F) (2000) (amended 2006) (considering channels of trade and the degree of recognition in those trading areas).

227. § 1125(c)(1)(A).

228. 15 U.S.C. § 1125(c)(2)(A) (Supp. 2007).

229. Similar to the dilution by blurring factors, Congress intended these factors to be illustrative rather than comprehensive. *Id.* (“[T]he court may consider all relevant factors, including the following . . .”).

230. § 1125(c)(2)(A)(i).

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tensive use by third parties may create a presumption that a mark is weak, preventing a court from finding sufficient fame for dilution protection.²³¹ Generally, courts are likely to find sufficient fame where a plaintiff has invested extensive resources in advertising its product.²³²

The second factor is the “amount, volume, and geographic extent of sales of goods or services offered under the mark.”²³³ Consistent with the underlying goal of trademark dilution law, this factor seeks to protect the famous mark’s economic value.²³⁴ The third factor is the “extent of actual recognition of the mark.”²³⁵ Under the TDRA, recognition must extend beyond a mark owner’s market segment to satisfy the fame requirement.²³⁶ Finally, the fourth factor considers whether the mark was federally registered.²³⁷

Because the Second, Third, Fifth, Seventh, and Ninth Circuits applied a niche fame standard before the TDRA’s passage, those circuits must abandon their fame approaches in favor of a general consuming public standard.²³⁸ Several cases finding sufficient niche fame under the FTDA would not find the general public fame now required for protection.²³⁹

A general public fame standard is consistent with the policy rationales underlying dilution protection. One commentator stated that federal dilution protection should be reserved for truly renowned marks or “megastars.”²⁴⁰ Scholars have also argued that “[t]he more famous the trademark, the more likely a court will find infringement.”²⁴¹ Thus, the TDRA may most significantly impact those

231. *See* *Astra Pharm. Prods., Inc. v. Beckman Instruments, Inc.*, 718 F.2d 1201, 1210 (1st Cir. 1983) (holding that plaintiff’s ASTRA mark was weakened by extensive third party use and that defendant’s use would not diminish any remaining distinctiveness).

232. *See, e.g.*, *Audi AG v. D’Amato*, 469 F.3d 534, 547 (6th Cir. 2006) (finding sufficient fame where plaintiff had spent millions of dollars advertising its famous AUDI mark).

233. 15 U.S.C. § 1125(c)(2)(A)(ii) (Supp. 2007).

234. Antidilution law is primarily concerned with protecting the economic value of a trademark. *Schechter*, *supra* note 1, at 831.

235. 15 U.S.C. § 1125(c)(2)(A)(iii) (Supp. 2007).

236. The “degree of recognition of the famous mark” is also relevant in determining dilution by blurring. § 1125(c)(2)(B)(iv).

237. § 1125(c)(2)(A)(iv). This factor is identical to the FTDA. 15 U.S.C. § 1125(c)(1)(H) (2000) (amended 2006).

238. After *Moseley*, courts continued to apply the niche fame standard. *See* *Playboy Enters., Inc. v. Netscape Comm’ns Corp.*, 354 F.3d 1020 (9th Cir. 2004); *800-JR-CIGAR, Inc. v. GoTo.com, Inc.*, 437 F. Supp. 2d 273 (D.N.J. 2006).

239. *See, e.g.*, *Syndicate Sales, Inc. v. Hampshire Paper, Corp.*, 192 F.3d 633, 641 (7th Cir. 1999) (finding sufficient fame in producer’s plastic basket trade dress).

240. ANNE GILSON LALONDE, *CAN’T GET INTO THE DILUTION CLUB? NOW WOULD BE A GOOD TIME TO REVISIT LIKELIHOOD OF CONFUSION 1* (LexisNexis 2007).

241. 2 GILSON, *supra* note 8, § 5A.01[4][b].

marks of sufficient fame to a nonconsumer public.²⁴² Courts should not deny dilution protection to a sufficiently famous mark in an industrial or commercial context, merely because it is not a consumer brand.²⁴³ For example, in *Sanofi-Aventis v. Advancis Pharmaceutical Corp.*, the court held that the ADVENTIS mark was sufficiently famous, because it represented the world's third-largest pharmaceutical company.²⁴⁴ This type of plaintiff warrants fame protection, even though its mark is not a consumer brand.

C. Preemption of State Antidilution Law

As previously noted, the majority of states had antidilution laws prior to the FTDA.²⁴⁵ Many states amended their statutes to match the FTDA's "causes dilution" standard of harm, implying actual dilution.²⁴⁶ After *Moseley*, several courts continued applying a likely dilution standard for state-based antidilution claims.²⁴⁷ Because the TDRA adopted the likely dilution standard of harm, the question of state law preemption should be reexamined.

Although many states have a likely dilution standard, the statutes vary greatly in their terminology and, thus, are open to interpretation. For instance, California's dilution law requires plaintiffs to demonstrate a "[l]ikelihood of injury to business reputation or of dilution of the distinctive quality of a mark . . . notwithstanding the absence of competition between the parties or the absence of confusion as to the source of goods or services."²⁴⁸ The first cases to apply the TDRA in the Ninth Circuit have implied that the same legal standard applies to California state dilution law.²⁴⁹

In contrast, other courts have questioned whether the TDRA preempts state dilution law. The Second Circuit stated that "it is not clear that [the New York dilution law] is coextensive with the amended statute."²⁵⁰ New York's dilution law requires a "[l]ikelihood of injury to business reputation or of dilution of the distinctive quality

242. *Id.* § 5A.01[5][b].

243. *Id.*

244. *Sanofi-Aventis v. Advancis Pharm. Corp.*, 453 F. Supp. 2d 834, 844 (D. Del. 2006).

245. *See supra* note 28 and accompanying text.

246. *See* 765 ILL. COMP. STAT. ANN. 1036/65(a) (West 2001); *see also* *McNeil Nutritionals, L.L.C. v. Heartland Sweeteners, L.L.C.*, No. 06-5336, 2007 WL 1520101, at *17-18 (E.D. Pa. May 21, 2007) (continuing to recognize the actual dilution standard under Pennsylvania state law, recognizing the TDRA's likely dilution standard).

247. *See Savin Corp. v. Savin Group*, 391 F.3d 439, 454-55 (2d Cir. 2004).

248. CAL. BUS. & PROF. CODE § 14330 (West 2007).

249. *See Nike, Inc. v. Nikepal Int'l, Inc.*, No. 2:05-CV-1468-GEB-JFM, 2007 WL 609864, at *5 (E.D. Cal. Feb. 27, 2007).

250. *Starbucks Corp. v. Wolfe's Borough Coffee, Inc.*, 477 F.3d 765, 766 (2d Cir. 2007).

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of a mark.”²⁵¹ Notably, the New York law, like the California law, does not have a separate fame requirement, although Second Circuit courts have generally required a broad amount of fame.²⁵² Additionally, the Southern District of Texas explicitly stated that Texas law is not coterminous with the TDRA, finding that the state action does not require a showing of fame.²⁵³ Moreover, Illinois’s dilution law requires actual dilution; however, the law only requires fame within Illinois in order to receive injunctive relief, albeit limited to the state’s borders.²⁵⁴

The TDRA states that federal registration is a complete defense to a state-based dilution claim.²⁵⁵ Absent this bar, state antidilution law likely remains a viable option for claimants with less than truly famous marks.²⁵⁶ Although the TDRA does not preclude state causes of action, they are generally limited in scope to injunctive relief within the state.²⁵⁷

D. *The Retroactive Effect of the TDRA*

The TDRA applies retroactively for plaintiffs who had dilution claims prior to October 6, 2006.²⁵⁸ The TDRA’s retroactivity, however, is limited to the forward-looking remedy of injunctive relief.²⁵⁹ According to section 43(c)(5), monetary damages are limited to situations in which a defendant’s first use of an allegedly dilutive mark in commerce began *after* October 6, 2006.²⁶⁰ Even with this limitation, the TDRA’s retroactivity should open the floodgates for litigants who did not have proof of actual dilution.²⁶¹

Most courts ruling on TDRA cases have properly recognized the retroactive likely dilution standard. In *Louis Vuitton Malletier v. Haute Diggity Dog, L.L.C.*, the court applied the *Landsgraf* two-part test for determining a statute’s retroactive effect: (1) “determining whether Congress has expressly prescribed the statute’s reach”; and (2) if Congress did not express an effective date, determining if the

251. NEW YORK GEN. BUS. LAW § 360-1 (McKinney 2007).

252. See *Starbucks Corp.*, 477 F.3d at 766.

253. *Pet Silk, Inc. v. Jackson*, 481 F. Supp. 2d 824, 830 n.7 (S.D. Tex. 2007) (citing TEX. BUS. & COM. CODE ANN. § 16.29 (Vernon 2002)).

254. 765 ILL. COMP. STAT. ANN. 1036/65 (West 2001).

255. 15 U.S.C. § 1125(c)(6) (Supp. 2007).

256. See 4 McCARTHY, *supra* note 2, § 24:80 (citing various cases finding no preemption before the TDRA’s enactment). R

257. See 765 ILL. COMP. STAT. ANN. 1036/65 (West 2001).

258. 15 U.S.C. § 1125(c)(5)(A) (Supp. 2007).

259. See *id.*

260. *Id.*

261. See 4 McCARTHY, *supra* note 2, § 24:131. R

statute would impair existing rights or impose new duties inconsistent with the purpose of the statute.²⁶² The Second Circuit recognized that a federal dilution claim brought under the FTDA must be remanded for consideration under the more plaintiff-friendly TDRA.²⁶³ The Southern District of New York correctly stated that the FTDA actual dilution standard is still relevant for plaintiffs seeking monetary damages for uses prior to October 6, 2006.²⁶⁴ However, the Ninth Circuit incorrectly interpreted federal dilution law by continuing to apply an actual dilution requirement for injunctive relief after October 6, 2006.²⁶⁵

V. IMPACT

With several changes in statutory language and its potential retroactivity, the TDRA should have an immediate impact on dilution claims. The “likely to cause” dilution standard should result in more success for plaintiffs, especially those who can show the use of an identical mark by a junior user. Section A examines whether the first courts to apply the TDRA have properly interpreted its most substantial amendments.²⁶⁶ Section B explores whether dilution should be a distinctive trademark right, given the substantial amount of overlap with infringement and dilution’s similarities to publicity and moral rights.²⁶⁷

A. Early Judicial Interpretations of the TDRA

In the months following the TDRA’s enactment, several courts considered TDRA trademark dilution claims.²⁶⁸ Somewhat surprisingly, plaintiffs only received a favorable outcome in a minority of these cases.²⁶⁹ As this Section demonstrates, courts applied various levels of

262. 464 F. Supp. 2d 495, 504 (E.D. Va. 2006) (citing *Landsgraf v. USI Film Prods., Inc.*, 511 U.S. 244, 280 (1994)).

263. *Starbucks Corp. v. Wolfe’s Borough Coffee, Inc.*, 477 F.3d 765, 766 (2d Cir. 2007).

264. *Dan-Foam A/S v. Brand Named Beds, L.L.C.*, 500 F. Supp. 2d 296, 306 n.87 (S.D.N.Y. 2007).

265. *See Horphag Research Ltd. v. Garcia*, 475 F.3d 1029 (9th Cir. 2007) (adhering to the actual dilution standard and finding that identical mark usage did not require any additional circumstantial evidence).

266. *See infra* notes 268–300 and accompanying text.

267. *See infra* notes 301–315 and accompanying text.

268. Additionally, the Trademark Trials and Appeals Board first applied the antidilution law in *7-Eleven, Inc. v. Wechsler*, Opp. No. 91117739 (T.T.A.B. May 15, 2007) (finding no dilution by blurring of opposer’s GULP family of marks by registrant’s GULPY mark).

269. *See Dan-Foam A/S*, 500 F. Supp. 2d at 325–26; *Levi Strauss & Co. v. Fox Hollow Apparel Group, L.L.C.*, No. C-06-3765-SC, 2007 WL 1140648 (N.D. Cal. Apr. 17, 2007); *Pet Silk, Inc. v. Jackson*, 481 F. Supp. 2d 824 (S.D. Tex. 2007).

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depth in their TDRA analyses, particularly regarding dilution by blurring claims and the general public fame standard. This Section reviews how courts applied the likely dilution standard in blurring and tarnishment contexts.²⁷⁰ A summary of the courts' general public fame analyses follows.²⁷¹ Finally, this Section demonstrates the continued vitality of the identical mark presumption.²⁷²

1. *Mixed Application of the "Likely to Cause" Dilution Standard*

First, several courts acknowledged that the TDRA responded to *Moseley's* actual dilution requirement.²⁷³ The courts varied in their approaches to analyzing blurring and tarnishment claims. In *Louis Vuitton Malletier v. Haute Diggity Dog, L.L.C.*, the Eastern District of Virginia was the first court to apply the TDRA.²⁷⁴ The plaintiff, holder of the unique LOUIS VUITTON marks, sought an injunction against the defendant selling plush stuffed toys under parodic names, such as "Chewy Vuiton."²⁷⁵ Although the court acknowledged the likely dilution standard and the TDRA blurring factors, it relied instead on New York state antidilution standards to find no dilution by blurring or tarnishment.²⁷⁶

While *Louis Vuitton* did not warrant the *Moseley* identical mark presumption, the court erred by failing to consider the TDRA's blurring factors. The court found the defendant's products to be parodies but did not consider whether the defendant used those parodies as a "designation of source."²⁷⁷ Although fair use is exempted from dilution liability, the exemption does not apply when a defendant uses a diluting mark as its source indicator.²⁷⁸ On appeal, the Fourth Circuit

270. See *infra* notes 273–284 and accompanying text.

271. See *infra* notes 285–294 and accompanying text.

272. See *infra* notes 295–300 and accompanying text.

273. See, e.g., *Milwaukee Elec. Tool Corp. v. Robert Bosch Tool Corp.*, No. 05-C-1171, 2007 WL 2875232, at *3 (N.D. Ill. Sept. 28, 2007) (recognizing that the TDRA effectively overruled the niche fame holding from *Syndicate Sales, Inc. v. Hampshire Paper Corp.*, 192 F.2d 633, 641 (7th Cir. 1999)); *Louis Vuitton Malletier v. Haute Diggity Dog, L.L.C.*, 464 F. Supp. 2d 495, 504 (E.D. Va. 2006) ("[T]he dilution statute was amended by Congress to exclude the 'actual dilution' requirement in place of a 'likely dilution' one."). In fact, the Second Circuit remanded *Starbucks Corp. v. Wolfe's Borough Coffee, Inc.* for consideration under the likely dilution standard, despite the district court's analysis of a state law dilution claim at trial. No. 01 Civ. 5981, 2005 WL 3527126 (S.D.N.Y. Dec. 23, 2005), *vacated and remanded*, 477 F.3d 765 (2d Cir. 2007).

274. *Louis Vuitton Malletier*, 464 F. Supp. 2d at 495.

275. *Id.* at 498 (also selling products such as "Chewnel #5," "Dog Perignon," and "Sniffany & Co").

276. *Id.* at 505.

277. Emma Barraclough, *The Dilution Debate*, INTA DAILY NEWS, May 1, 2007, at 25.

278. See 15 U.S.C. § 1125(c)(3)(A) (Supp. 2007).

affirmed the district court's finding of parody, despite disagreeing with the court's analysis of dilution by blurring.²⁷⁹

After *Louis Vuitton*, other courts generally performed a more thorough analysis of dilution by blurring, often requiring some type of survey evidence to support a showing of likely dilution. In *Autozone, Inc. v. Strick*, the plaintiff made no showing of dilution from use of defendant's OILZONE mark.²⁸⁰ In *Nike, Inc. v. Nikepal Int'l, Inc.*, the plaintiff's survey evidence was inadequate to warrant summary judgment because of a small sample size, which was not directed toward the general consuming public of the United States.²⁸¹ In *Century 21 Real Estate, L.L.C. v. Century Insurance Group*, the court undertook a thorough analysis of the six blurring factors, finding that the marks were not sufficiently similar and that consumers had not made a mental association with the defendant's CENTURY SURETY GROUP mark.²⁸² For the most part, these courts meticulously analyzed blurring, requiring some form of consumer survey or anecdotal evidence consistent with *Moseley's* directive.

Only a handful of the TDRA cases involved dilution by tarnishment. In *Louis Vuitton*, the court dismissed the plaintiff's tarnishment claim, because the defendant's product was a parody and because it was not used on an inferior product or in a demeaning manner.²⁸³ In *Dan-Foam A/S v. Brand Named Beds, L.L.C.*, the court denied defendant's motion for summary judgment on its dilution by tarnishment claim, because its gray market mattresses, sold under the TEMPUR-PEDIC mark, contained material differences that could diminish the famous mark's value.²⁸⁴ Thus, the scope of the tarnishment cause of action remains to be seen.

279. *Louis Vuitton Malletier S.A. v. Haute Diggity Dog, L.L.C.*, 507 F.3d 252 (4th Cir. 2007).

280. 466 F. Supp. 2d 1034, 1045 (N.D. Ill. 2006).

281. No. 2:05-CV-1468-GEB-JFM, 2007 WL 609864, at *4-5 (E.D. Cal. Feb. 27, 2007). After a bench trial, the court found dilution by blurring based on the following evidence: (1) NIKE's fame prior to the first use of NIKEPAL; (2) the high degree of similarity between the marks; (3) the inherent distinctiveness in NIKE's mark; (4) the substantially exclusive use of NIKE by the plaintiff; (5) the high degree of recognition of NIKE; (6) the defendant's intent to create an association; and (7) actual evidence of association based on the plaintiff's survey. *Nike, Inc. v. Nikepal Int'l, Inc.*, No. 2:05-CV-1468, 2007 WL 2782030 (E.D. Cal. Sept. 18, 2007). *Nike* is perhaps the most significant dilution finding to date, because the case clearly involved no likelihood of confusion, yet likely dilution was found.

282. No. CIV-03-0053-PHX-SMM, 2007 WL 484555, at *14-18 (D. Ariz. Feb. 9, 2007).

283. *Louis Vuitton Malletier v. Haute Diggity Dog, L.L.C.*, 464 F. Supp. 2d 495, 505 (E.D. Va. 2006). *But see* *Diane Von Furstenberg Studio v. Snyder*, No. 1:06-CV-1356, 2007 WL 2688184 (E.D. Va. Sept. 10, 2007) (finding dilution by tarnishment based on defendant's use of identical DVR mark, for high-quality women's apparel, on goods of "shoddy quality").

284. 500 F. Supp. 2d 296, 325 (S.D.N.Y. 2007).

2. *Limiting Dilution Protection to Truly Famous Marks*

Many of the first TDRA cases did not involve a detailed analysis of the fame requirement, because the parties did not contest the plaintiff's fame. Marks such as LOUIS VUITTON, AUTOZONE, NIKE, and CENTURY 21 would undoubtedly satisfy the general consuming public test. Additionally, courts in the Ninth Circuit acknowledged that the TDRA's general public fame standard overruled the niche fame standard.²⁸⁵ In *Jarritos*, the court denied the owner of the JARRITOS mark, a soft drink manufacturer, dilution protection, because the court stated that a mark must be "truly prominent and renowned" to warrant dilution relief.²⁸⁶ The defendant used the LOS JARRITOS mark for its restaurant.²⁸⁷ The court was not persuaded by the plaintiff's fame evidence, because it provided only limited documentation of its national distribution and advertising campaign.²⁸⁸

In contrast, the plaintiff in *Dan-Foam* presented sufficient evidence of general public fame for its TEMPUR-PEDIC mark to survive summary judgment.²⁸⁹ The plaintiff provided extensive evidence of its nationwide advertising and publicity activities, including expenditures in excess of \$250 million promoting the brand.²⁹⁰ Tempur-Pedic also provided evidence of sales in excess of \$2 billion over a three-year timeframe.²⁹¹ Although the court considered each of the TDRA fame factors, it stated that "neither the TDRA nor the FTDA require a court to consider all of the statutory factors when making a determination of fame, nor do the statutes require a court to use any of the factors listed in either version of the statute if the court finds other factors more relevant."²⁹² Time will tell whether additional courts follow suit in their fame analyses.

Finally, one court incorrectly interpreted the TDRA by continuing to recognize niche fame. In *Pet-Silk, Inc. v. Jackson*, the Southern District of Texas adhered to a market fame standard, finding that the PET-SILK mark was sufficiently famous in the pet supply and dog grooming market.²⁹³ Although Pet-Silk could have relied on Texas

285. *Century 21 Real Estate*, 2007 WL 484555, at *14; *Jarritos, Inc. v. Los Jarritos*, No. C-05-02380-JSW, 2007 WL 1302506, at *17 (N.D. Cal. May 2, 2007).

286. *Jarritos*, 2007 WL 1302506, at *17.

287. *Id.* at *1.

288. *Id.* at *18. The court also found that the plaintiff failed to demonstrate that the defendant used the JARRITOS mark "as a trademark." *Id.*

289. *Dan-Foam A/S*, 500 F. Supp. 2d at 325.

290. *Id.* at 299.

291. *Id.*

292. *Id.*

293. 481 F. Supp. 2d 824, 830 (S.D. Tex. 2007).

state antidilution law, this type of plaintiff should be ineligible for federal antidilution protection.²⁹⁴

3. *Continued Reliance on the Identical Mark Presumption*

Among the first several contested dilution cases under the TDRA, the majority of courts gave extensive consideration to the identical mark presumption. In *Dan-Foam*, the court applied the presumption where an unauthorized distributor was using an identical replica of plaintiff's famous TEMPUR-PEDIC mark.²⁹⁵ In *Pet Silk*, the court noted that, although the defendant's use of PET SILK in its domain names was not identical, it was close enough to find dilution.²⁹⁶ In *Century 21*, the court found that defendant's use of CENTURY was not substantially similar to plaintiff's CENTURY 21 mark.²⁹⁷ In *Jarritos*, defendant's mark was not "identical, or nearly identical" to plaintiff's mark, and, thus, the court found no dilution.²⁹⁸ Finally, courts applying the pre-TDRA dilution standard for uses prior to October 6, 2006 also relied on the identical mark presumption to provide circumstantial evidence of actual dilution.²⁹⁹

These cases demonstrate that, although Congress provided six non-exhaustive factors for determining dilution by blurring, courts will continue to rely first and foremost on the amount of similarity between the plaintiff's mark and the accused diluter's mark. It is unlikely that Congress intended identity to be a super-factor that reigns supreme over the other five factors. But, as these cases demonstrate, a plaintiff who cannot prove close proximity of his mark to the defendant's mark will not succeed on a federal dilution claim.³⁰⁰

294. See TEX. BUS. & COM. CODE ANN. § 16.29 (Vernon 2002) (articulating no fame requirement). See also *World Triathlon Corp. v. Dawn Syndicated Prods.*, No. 08:05-CV-983-T-27EAJ, 2007 WL 2875456 (M.D. Fla. Sept. 28, 2007) (finding that plaintiff's IRONMAN mark was not sufficiently famous to warrant protection because of extensive third-party use of the mark).

295. 500 F. Supp. 2d at 323.

296. 481 F. Supp. 2d at 832.

297. *Century 21 Real Estate, L.L.C. v. Century Ins. Group*, No. CIV-03-0053-PHX-SMM, 2007 WL 484555, at *15 (D. Ariz. Feb. 9, 2007).

298. *Jarritos, Inc. v. Los Jarritos*, No. C-05-02380-JSW, 2007 WL 1302506, at *17 (N.D. Cal. May 2, 2007).

299. See, e.g., *Jada Toys, Inc. v. Mattel, Inc.*, 496 F.3d 974 (9th Cir. 2007) (denying plaintiff's summary judgment motion because there was a question of fact whether HOT RIGZ mark was nearly identical to HOT WHEELS); *Lorillard Tobacco Co. v. Van Dyke Liquor Mkt., Inc.*, 471 F. Supp. 2d 822, 833 (E.D. Mich. 2007) (finding actual dilution where defendant retailer used a counterfeit identical mark on tobacco products).

300. Professor McCarthy has stated that when a famous mark is fanciful and coined, the use of an identical mark is strong evidence of association. 4 MCCARTHY, *supra* note 2, § 24:116. But when a famous mark is not coined, no presumption of dilution should follow from an identical mark unless the senior user can prove association via some kind of evidence, such as a survey. *Id.*

B. Should Dilution Be a Trademark Right?

In addition to varied court interpretations of the TDRA, there has been considerable debate concerning whether dilution should be a separate actionable right for mark owners. Because antidilution law, unlike infringement, does not require consumer confusion, trademark dilution is more difficult to justify, given the harsh remedy of injunctive relief. Congress stated that dilution law potentially offers more protection for a famous mark holder than infringement law.³⁰¹ This danger is especially prominent under the TDRA, with its likely dilution evidentiary requirement.

Historically, courts have been reluctant to embrace dilution by blurring, because the injury is subtle compared to tarnishment.³⁰² Blurring has been described as “death by a thousand cuts” or “being stung by a hundred bees.”³⁰³ In many blurring cases, it is difficult to identify a particularized harm to the plaintiff mark holder.³⁰⁴ Furthermore, it is often difficult to distinguish dilution from infringement, especially when the TDRA’s six-factor blurring test substantially overlaps with trademark infringement’s likelihood of confusion test.³⁰⁵

Additionally, it is difficult to craft an evidentiary rule to guide plaintiffs. In *Moseley*, the Court opined that, in the absence of identical marks, a plaintiff could demonstrate circumstantial evidence by pointing to consumer survey data or other empirical evidence.³⁰⁶ Courts have struggled to determine what type of survey could be crafted to measure blurring without venturing into a confusion analysis.³⁰⁷

One commentator stated that trademark dilution is better characterized as a corporate right of publicity than an extension of trademark protection.³⁰⁸ The right of publicity is not universally recognized, but protection is generally limited to well-known identities and circumstances in which a defendant’s action creates an unau-

301. H.R. REP. NO. 104-374, at 3 (1995).

302. See 4 McCARTHY, *supra* note 2, § 24:100.

303. *Trademark Dilution Revision Act of 2005: Hearing Before the Subcomm. on Courts, the Internet and Intellectual Property of the H. Comm. on the Judiciary*, 109th Cong. 4 (2005) (statement of Rep. Howard L. Berman); *Savin Corp. v. Savin Group*, 391 F.3d 439, 449 (2d Cir. 2004) (quoting 4 McCARTHY, *supra* note 2, § 24:94).

304. See 4 McCARTHY, *supra* note 2, § 24:100.

305. A plaintiff’s success or failure in a dilution claim commonly mirrors his success or failure in an infringement claim.

306. *Moseley v. V Secret Catalogue, Inc.*, 537 U.S. 418, 434 (2003).

307. *Ty, Inc. v. Softbelly’s, Inc.*, 353 F.3d 528, 535 (7th Cir. 2003) (“We are not sure what question could be put to consumers that would elicit a meaningful answer . . .”).

308. See Kristine Boylan, *The Corporate Right of Publicity in Federal Trademark Dilution Legislation*, 88 TRADEMARK REP. 349 (1998).

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thorized association between the famous identity and a product.³⁰⁹ This right is concerned primarily with the economic interests of the famous person or his heirs, similar to dilution's goal of protecting a famous mark holder's economic goodwill.³¹⁰ Other commentators, including Professor McCarthy, have expressed doubt that the right of publicity should be extended beyond natural persons.³¹¹ Nevertheless, it is reasonable to believe that truly unique marks could be adequately protected under a corporate right of publicity.

Dilution by tarnishment, more so than dilution by blurring, involves a direct injury to the famous mark holder's well-being. Tarnishment coverage is somewhat analogous to copyright law's moral rights doctrine.³¹² Moral rights protection extends beyond economic incentives and protects moral interests, such as the right to claim authorship.³¹³ The moral right most comparable to tarnishment is the right "to prevent any intentional distortion, mutilation, or other modification" of a qualifying work that would blemish the honor or reputation of the author.³¹⁴ An author's honor or reputation shares many qualities with a trademark owner's goodwill. Both doctrines protect against unauthorized alterations; however, tarnishment is primarily concerned with the trademark holder's economic interests, while moral rights law is concerned with the artist's noneconomic interests. Despite these differences, moral rights protection shares many of the same characteristics with dilution by tarnishment.³¹⁵

While related doctrines, such as the right of publicity and moral rights, have similarities to dilution protection, mark owners are best served by a distinct cause of action for the protection of truly famous trademarks. Dilution by blurring, particularly, should be narrowly construed in uniformity with infringement.

309. See *White v. Samsung Elecs. Am., Inc.*, 971 F.2d 1395 (9th Cir. 1992).

310. Schechter, *supra* note 1, at 831.

311. See J. Thomas McCarthy, *The Human Persona as Commercial Property: The Right of Publicity*, 19 COLUM.-VLA J.L. & ARTS 129 (1995).

312. See 17 U.S.C. § 106A (2000). International law offers a much broader scope of moral rights coverage. See Berne Convention for the Protection of Literary and Artistic Works, Article 6*bis*, Sept. 9, 1886, available at http://www.wipo.int/treaties/en/ip/berne/pdf/trtdocs_wo001.pdf (last visited Sept. 22, 2007).

313. 17 U.S.C. § 106A(a)(1).

314. § 106A(a)(3)(A).

315. See generally Roberta Rosenthal Kwall, *Inspiration and Innovation: The Intrinsic Dimension of the Artistic Soul*, 81 NOTRE DAME L. REV. 1945 (2006).

VI. CONCLUSION

The Trademark Dilution Revision Act is undoubtedly a positive step for antidilution law. Congress recognized the major problems with the FTDA and *Moseley* and appropriately resolved the most contentious issues. The TDRA should result in a more uniform application of antidilution law and thus minimize forum shopping. Moreover, the likely dilution and general fame standards are consistent with the core purpose of trademark dilution protection—protecting goodwill for unique trademark holders. Additionally, the clearly defined causes of action for blurring and tarnishment should ensure adequate protection for famous mark holders, especially those who can take advantage of the identical mark presumption.

The enhanced protections for mark owners, if liberally applied, could destroy the balance of rights for the public, including both competitors and consumers. Professor McCarthy stated that “the present state of antidilution law has been bloated far out of proportion to its original purpose and intent.”³¹⁶ Courts must protect nominative and descriptive fair uses, along with parodies and satires, from dilution liability. The expanded exemptions for these fair uses should prevent a chilling effect on expressive, noncommercial speech, while simultaneously allowing famous mark owners to attack commercial uses that have no expressive value. Therefore, courts must strictly interpret the TDRA to ensure that the law is applied properly for unique mark owners.

*Jeremy M. Roe**

316. 4 McCARTHY, *supra* note 2, § 24:68.

* J.D. Candidate 2008, DePaul University College of Law; M.B.A. 2004, DePaul University Kellstadt Graduate School of Business; B.A. 2000, Ball State University. I would like to thank Professor Roberta Kwall for her guidance and suggestions on this Note. I would also like to thank my wife, Dr. Stephanie Bonne, for her love and support.

