
**THE TRADEMARK DILUTION REVISION ACT OF 2006:
Prospective Changes To Dilution Definition, Claim Analyses,
And Standard Of Harm**

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Introduction

The trademark is one of the most valuable marketing tools used today in the United States.² Famous, nationally renowned trademarks are often synonymous with multi-billion dollar industries.³ Trademarks promote marketing by communicating product source, quality, and desirability to consumers.⁴ Federal laws provide two primary types of trademark protection.⁵ First, traditional trademark

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1. J.D. Candidate, Suffolk University Law School, 2007. This Note is dedicated to Elinor Ryan Devlin. Special thanks to Professor Jessica Silbey for her assistance.
 2. Lynda J. Oswald, “Tarnishment” And “Blurring” Under The Federal Trademark Dilution Act of 1995, 36 AM. BUS. L.J. 255 (1999).
 3. *Id.* at 255 & n.3.
 4. *Trademark Dilution Revision Act of 2005: Hearing on H.R. 683 Before the Subcomm. On Courts, the Internet, and Intellectual Property of the H. Comm. on the Judiciary*, 109th Cong. 8 (2005) [hereinafter *Hearing*] (statement of Anne Gundlefinger, President, International Trademark Association) [hereinafter *Gundlefinger*] (stating “famous marks ‘foster a lasting psychological grip on the public consciousness,’ have a value that is ‘incalculable,’ and possess an ‘unseen but dynamic pull’ on consumers.”) (citations omitted). “The protection of trade-marks is the law’s recognition of the psychological function of symbols. . . . A trade-mark is a merchandising short-cut which induces a purchaser to select what he wants, or what he has been led to believe he wants. The owner of a mark exploits this human propensity by making every effort to impregnate the atmosphere of the market with the drawing power of a congenial symbol. Whatever means employed, the aim is the same – to convey through the mark, in the minds of potential customers, the desirability of the commodity upon which it appears. Once this is attained, the trade-mark owner has something of value.” Oswald, *supra* note 2, at 256 (quoting *Mishawaka Rubber & Woolen Mfg. Co. v. S.S. Kresge Co.*, 316 U.S. 203, 205 (1942)).
 5. DAVIDS S. WELKOWITZ, TRADEMARK DILUTION: FEDERAL, STATE AND INTERNATIONAL LAW 4 (2002) (explaining the difference between traditional trademark infringement laws and trademark anti-dilution law). Under §
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infringement laws prohibit junior use of similar trademarks on competing goods which may lead to consumer confusion.⁶ Second, for only the most famous trademarks, anti-dilution law prohibits junior use of similar trademarks on competing or non competing goods, regardless of consumer confusion.⁷

Trademark dilution theory is one of the most contentious aspects of trademark law.⁸ Although Congress enacted the Federal Trademark Dilution Act ("FTDA") in 1996, courts struggle to interpret the statutory language.⁹ The definition of dilution is unclear, and the appropriate standard for injunctive relief is hotly contested.¹⁰ Additionally, no uniform framework for litigating dilution claims exists.¹¹ The Supreme Court's 2003 edict on trademark dilution in *Moseley v. V Secret Catalogue, Inc.* did little to quell disputes because the Court only addressed the standard of harm necessary for injunctive relief.¹² Recently, in response to the Supreme Court's interpretation of the FTDA in *Moseley*, Congress proposed an overhaul of the trademark anti-dilution law.¹³ Presently, Congress appears close to enacting the Trademark Dilution Revision Act of

43(a) of the Lanham Act there is an additional cause of action which relates to dilution and infringement, but concerns unregistered marks, and can extend to false advertising, and false designation of origin (rights of attribution and publicity). Lanham Act, 15 U.S.C. § 43(a) (2000); *Dastar Corp. v. Twentieth Century Fox Film Corp.*, 540 U.S. 806 (2003); *Gilliam v. American Broadcasting Cos.*, 538 F.2d 14 (2d Cir. 1976); *Allen v. National Video, Inc.*, 1986 U.S. Dist. LEXIS 23701 (S.D.N.Y. 1986).

6. Lanham Act, 15 U.S.C. § 1125(a) (2000). Under the statutory definition, "trademark" identifies a good and "service mark" identifies a service, but throughout this note, the word trademark refers to both goods and services. 15 U.S.C. § 1127.
7. Federal Trademark Dilution Act of 1995, 15 U.S.C. §§ 1125(c), 1127 (2000).
8. Thomas R. Lee, *Demystifying Dilution*, 84 B.U.L. REV. 859, 863-64 (2004) (noting trademark dilution has engendered controversy among American legal analysts since 1927).
9. 15 U.S.C. §§ 1125(c), 1127; Lee, *supra* note 8, at 862 (stating federal codification of dilution theory intensified the doctrinal debate on the use and foundation of dilution and explaining interpretive differences of dilution among federal courts).
10. Lee, *supra* note 8, at 862 (explaining interpretive differences of dilution among federal courts).
11. WELKOWITZ, *supra* note 5, at 61 (noting the lack of an analytical framework for dilution claims).
12. *Moseley v. V Secret Catalogue, Inc.*, 537 U.S. 418 (2003); Lee, *supra* note 8, at 864 (arguing the *Moseley* decision does not strike at the heart of conceptual differences over what dilution is).
13. Trademark Dilution Revision Act of 2006, H.R. 683, 109th Cong. (2006) (as enacted by the Senate, March 8, 2006).

2006 (“TDRA”).¹⁴

This note evaluates whether the proposed TDRA provides beneficial alternatives to the current definition of dilution, methodologies for analyzing claims, and standard of harm necessary for injunctive relief. Part I provides an overview of trademark law and historical highlights of trademark dilution, including the emergence of blurring and tarnishment theories. Part II investigates the inherent weaknesses of the FTDA definition of dilution, explores courts’ various methodologies for analysis of dilution claims, and explains the interpretations of the standard of harm necessary for injunctive relief. Part III explains the Supreme Court’s interpretation of the FTDA and identifies statutory language changes made by the TDRA in the three areas of dilution law explored in Part II. Part IV discusses the prospective impact of the TDRA in the three areas highlighted in Part II. Part V concludes the TDRA effectively addresses the need for a clear definition of dilution and analytical framework, and presents a pragmatic standard for injunctive relief.

I. Overview Of Trademark And Dilution Law And Evolution Of Trademark Dilution Law

A. Overview

Trademark laws regulate identification of goods and services.¹⁵ A trademark is a “word, name, symbol, or device” that identifies and distinguishes goods.¹⁶ A trademark communicates the origin and ownership of goods to consumers.¹⁷ Through personal experience or advertising, consumers associate trademarks with the quality and brand reputation of affiliated products.¹⁸

14. *Id.*

15. Lanham Act, 15 U.S.C. §§ 1051-1141 (2000).

16. 15 U.S.C. § 1127. Usually a product name or logo is the trademark, but distinctive features of product packaging are also protected by trademark law. H.R. REP. NO. 109-23, at 4 (2005); *see also* Qualitex Co. v. Jacobson Prods. Co., 514 U.S. 159, 162 (1995) (holding colors act as “symbols,” as do shapes, sounds, and fragrances); *see also* Two Pesos v. Taco Cabana, 505 U.S. 763, 764, 776 (1992) (holding trademark law protects inherently distinctive trade dress, such as the total image of a restaurant).

17. Layne T. Smith, Comment, *Tarnishment and the FTDA: Lessening the Capacity to Identify and Distinguish*, 2004 B.Y.U.L. REV. 825, 828 (2004).

18. H.R. REP. NO. 109-23, at 4 (2005); *see also* Frank I. Schechter, *The Rational Basis of Trademark Protection*, 40 HARV. L. REV. 813, 818 (1927) (stating

Trademark infringement laws protect consumers from deceptive marketing practices and trademark owners from unfair competition.¹⁹ The basis of a trademark infringement action is the likelihood of consumer confusion arising from use of similar trademarks on related consumer products.²⁰ Trademark owners may seek relief under trademark infringement laws if they can prove consumers may be confused as to the identity or source of the affiliated goods as the result of improper junior use of their trademark or a similar version of their mark.²¹

Federal anti-dilution law was developed to address a gap in the infringement statute, situations where unauthorized, junior trademark use exploits the goodwill of famous marks, but does not result in a likelihood of consumer confusion.²² Anti-dilution law differs from traditional trademark infringement laws in several respects.²³ Unlike infringement laws which protect consumers and trademark owners, many commentators and courts suggest that anti-dilution law protects only trademark owners.²⁴ Whereas trademark infringement laws evolved out of the need to protect consumers from deception, anti-dilution law resulted from a desire to protect only “famous” trademark owners’ economic investments.²⁵ The value of a famous trademark is its “aura” and ability to elicit feelings of goodwill from consumers, which arises from the owner’s substantial economic investment in the mark.²⁶ Anti-dilution law protects the value of famous trademarks by preventing the diminishment of their uniqueness, singularity, and source identification power.²⁷

the true function of the trademark is “to identify a product as satisfactory and thereby stimulate further purchases by the consuming public.”).

19. WELKOWITZ, *supra* note 5, at 4.

20. 15 U.S.C. § 1125(a) (stating any person who uses in commerce “any word, term, name, symbol, or device . . . which . . . is likely to cause confusion . . . as to the origin . . . of his or her goods . . . shall be liable in a civil action.”).

21. *Id.*

22. I.P. Lund Trading ApS, Inc. v. Kohler Co., 163 F.3d 27, 36 (1st Cir. 1998).

23. WELKOWITZ, *supra* note 5, at 5.

24. TCPIP Holding Co. v. Haar Commc’n, Inc., 244 F.3d 88, 95 (2d Cir. 2001) (“The Dilution Act offers no benefit to the consumer public—only to the owner.”); *see also* Moseley v. V Secret Catalogue, Inc., 537 U.S. 418, 428 (2003) (stating dilution law is “not motivated by an interest in protecting consumers”). *But see* Brian A. Jacobs, *Trademark Dilution on the Constitutional Edge*, 104 COLUM. L. REV. 161, 164-65 (2004) (noting dilution law also protects “consumer interests by protecting the uniqueness of trademarks”).

25. WELKOWITZ, *supra* note 5, at 5; *see* Federal Trademark Dilution Act of 1995, 15 U.S.C. § 1125 (2000) (requiring marks be “distinctive and famous”).

26. WELKOWITZ, *supra* note 5, at 5.

27. Jessica C. Kaiser, Note and Comment, *Victor’s Not So Little Secret*:

Since the purpose of anti-dilution law is not necessarily to protect consumers, as is the case with infringement laws, the likelihood of consumer confusion is largely immaterial to a dilution claim.²⁸ Absent the element of consumer confusion, dilution relief is broader and theoretically more attainable than infringement relief.²⁹ Therefore, dilution easily could supplant infringement protection as a cause of action by trademark owners.³⁰ This outcome would lead to wildly overbroad trademark protection, effectively granting trademark owners “rights in gross.”³¹ Extending “rights in gross” to trademark owners would be the equivalent of granting real property interests.³² As such, trademarks would represent more than source identification tools, giving trademark owners the right to regulate all other use of their trademarks or marks that are similar.³³ To prevent dilution relief from supplanting infringement relief and overprotecting trademarks, the FTDA dilution remedy is restricted to only the most famous trademarks which suffer actual trademark dilution.³⁴

Trademark Dilution Is Difficult But Not Impossible To Prove Following Moseley v. V Secret Catalogue, Inc., 80 CHI.-KENT. L. REV. 425, 426 (2005); *see also Hearing, supra* note 4, at 3 (statement of Rep. Howard L. Berman) [hereinafter *Rep. Berman*] (“Dilution is a concern when an unauthorized use of a famous mark reduces the public’s perception that the mark signifies something unique, singular, or particular.”).

28. Federal Trademark Dilution Act of 1995, 15 U.S.C. § 1125(c) (2000). *But see Nabisco Inc. v. PF Brands Inc.*, 191 F.3d 208, 221 (2d Cir. 1999) (recognizing that confusion is not a necessary element of dilution, but noting that it may be “probative of dilution”).
29. WELKOWITZ, *supra* note 5, at 178.
30. WELKOWITZ, *supra* note 5, at 27; *see also I.P. Lund Trading ApS, Inc. v. Kohler Co.*, 163 F.3d 27, 45 (1st Cir. 1998) (discussing the breadth of dilution law and the intention to protect only famous marks).
31. *Avery Dennison Corp. v. Sumpton*, 189 F.3d 868, 875 (9th Cir. 1999) (noting dilution actions “tread very close to granting ‘rights in gross’” in trademarks) (citations omitted).
32. WELKOWITZ, *supra* note 5, at 178 n.10.
33. *Id.*; *see also Louis Vuitton Malletier v. Dooney & Bourke, Inc.*, 340 F. Supp. 2d 415, 420 (S.D.N.Y. 2004) (stating that “the objective of trademark law is not to harm competition” and that “[a] trademark is not a property right, but an identifier”).
34. 15 U.S.C. § 1125(c) (providing injunctive relief from dilution if junior use of the mark “begins after the mark has become famous and causes dilution”); *Moseley v. V Secret Catalogue, Inc.*, 537 U.S. 418, 433 (2003) (interpreting the statutory language as requiring “actual dilution”); *see also Avery Dennison Corp.*, 189 F.3d at 875 (noting the “famousness prong reinstate[es] the balance – by carefully limiting the class of trademarks eligible for dilution protection, Congress and state legislatures granted the most potent form of trademark protection in a manner designed to minimize undue impact on other uses.”). *But see Trademark Dilution Revision Act of 2006, H.R. 683, 109th Cong. (2006) (as enacted by the Senate, March 8, 2006)*

Another difference between trademark infringement and trademark dilution is that trademark infringement laws prevent consumer confusion by regulating the use of similar marks only on competing goods.³⁵ Anti-dilution law prevents unauthorized junior trademark use on competing or non competing goods from weakening famous trademarks.³⁶ Two commonly recognized forms of trademark dilution are blurring and tarnishment.³⁷ Dilution by blurring occurs when the public sees a famous mark, and thinks of a junior mark's products.³⁸ The association between the famous mark and the good is "blurred" in the mind of the consumer and the "distinctiveness" of the famous mark is weakened.³⁹ Regardless of whether consumers are confused by the junior use, the famous mark loses its ability to uniquely and distinctively identify and distinguish one source.⁴⁰ Consequently, the change in consumers' perception reduces the marketing value or "selling power" of the famous trademark.⁴¹

(requiring only a "likelihood" of dilution for injunctive relief).

35. *Soloflex, Inc. v. Nordictrack, Inc.*, 1994 U.S. Dist. LEXIS 14879, *22, 1994 WL 635123, 31 U.S.P.Q.2d (BNA) 1721 (D. Or. 1994) ("Trademark infringement occurs when an infringer uses substantially identical marks for identical goods.").
36. Federal Trademark Dilution Act of 1995, 15 U.S.C. §1127 (definition of dilution stating that dilution occurs "regardless of the presence or absence of – (1) competition between the owner of the famous mark and other parties").
37. *AutoZone, Inc. v. Tandy Corp.*, 373 F.3d 786, 800 (6th Cir. 2004); *see also* *Eli Lilly & Co. v. Natural Answers, Inc.*, 233 F.3d 456, 466 (7th Cir. 2000) ("Courts recognize two principal forms of dilution: tarnishing and blurring. Dilution by tarnishing occurs when a junior mark's similarity to a famous mark causes consumers mistakenly to associate the famous mark with defendant's inferior or offensive product. Dilution by blurring . . . occurs when consumers see the plaintiff's mark used on a plethora of different goods and services . . . raising the possibility that the mark will lose its ability to serve as a unique identifier of the plaintiff's product.").
38. *Smith*, *supra* note 17, at 832; *see also* *Playboy Enterprises, Inc. v. Welles*, 279 F.3d 796, 805 (9th Cir. 2002) ("Dilution works its harm not by causing confusion in consumers' minds regarding the source of a good or service, but by creating an association in consumers' minds between a mark and a different good or service.").
39. *Smith*, *supra* note 17, at 832; *see also* *Playboy Enterprises, Inc.*, 279 F.3d at 805 (discussing how dilution operates).
40. 15 U.S.C. § 1127; *see also* *Savin Corp. v. The Savin Group*, 391 F.3d 439, 449 (2d Cir. 2004) ("If one small user can blur the sharp focus of the famous mark to uniquely signify one source, then another and another small user can and will do so.") (citations omitted); *see also* *The Scott Fetzer Co. v. House of Vacuums Inc.*, 381 F.3d 477, 489 (5th Cir. 2004) ("Trademark dilution is the weakening of the ability of a mark to clearly and unmistakably distinguish the source of a product.").
41. *Ringling Bros.-Barnum & Bailey Combined Shows Inc. v. Utah Div. of Travel Dev.*, 170 F.3d 449, 456 (4th Cir. 1999) (discussing the history of trademark dilution and how the "selling power" of trademarks can be "whittled away"). *But see* *Lee*, *supra* note 8, at 887-88. Not all equate the

Trademark dilution by tarnishment occurs when the image of a famous trademark is degraded.⁴² Degradation is brought about by unauthorized use of an identical or similar variation of the famous trademark on junior products of inferior quality or with unwholesome images.⁴³ The tarnishing use alters the singular image of the famous trademark, causing consumers to perceive the famous trademark in a less positive light.⁴⁴ The altered perception of the famous mark causes immediate injury to the commercial value of the trademark.⁴⁵

The federal anti-dilution statute has inherent risks that are beyond the scope of this note.⁴⁶ Whereas patents and copyrights are only protected for a limited time to encourage innovation and creativity, protection against trademark dilution – because of the evolving breadth of its application – may indefinitely shelter a trademark because dilution, as evolved, lacks the important limitations of commercial competition and consumer confusion.⁴⁷ The extension of such protection and corresponding grant of rights in gross to trademark owners may unreasonably impede freedom of speech.⁴⁸

reduction in the ability to identify and distinguish with a reduction in a mark's "selling power." *Id.* "This understanding of dilution can be expressed in economic terms: A trademark seeks to economize on information costs by providing a compact, memorable, and unambiguous identifier of a product or service. If a trademark serves an information-economizing function, then dilution occurs when there is an interference with that function since 'the economy is less when, because the trademark has other associations, a person seeing it must think for a moment before recognizing it as the mark of another product or service.'" *Id.* (citations omitted).

42. *Deere & Co. v. MTD Prods., Inc.*, 41 F.3d 39, 43 (2d Cir. 1994) ("Tarnishment generally arises when plaintiff's trademark is linked to products of shoddy quality, or is portrayed in an unwholesome or unsavory context likely to evoke unflattering thoughts about the owner's product"); *see also* *Hasbro, Inc. v. Internet Entm't Group, Ltd.*, 1996 U.S. Dist. LEXIS 11626, 1996 WL 84858 (W.D. Wash. 1996) (holding operation of the sexually explicit "candyland.com" diluted Hasbro's trademark "Candy Land" children's board game).
43. *Deere & Co.*, 41 F.3d at 43.
44. Smith, *supra* note 17, at 833-35; *see also* *Hormel Foods Corp.*, 73 F.3d 497, 507 (2d Cir. 1996) ("The sine qua non of tarnishment is a finding that plaintiff's mark will suffer negative associations through defendant's use.").
45. *Four Seasons Hotel & Resorts B.V. v. Consorcio Barr, S.A.*, 267 F. Supp. 2d 1268, 1332 (S.D. Fla. 2003) (holding defendant's failure to comply with the quality control standards "diminished the capacity of the mark to distinguish the high quality of Plaintiffs' services.>").
46. WELKOWITZ, *supra* note 5, at 5-6.
47. *Hearing*, *supra* note 4, at 3-4 (statement of Rep. Berman) (recognizing patents and copyrights are only protected for a limited time to promote innovation and creativity, where as dilution law might inadvertently protect a trademark owner's rights in perpetuity).
48. WELKOWITZ, *supra* note 5, at 6; *see supra* note 34, and accompanying text.

These two issues highlight the need to tightly restrict dilution relief.⁴⁹ Ultimately, the goal of anti-dilution law is to merely supplement trademark infringement law in extremely narrow circumstances in which consumers are not apt to be confused as to the source of goods, but misuse of the famous mark is unfair because its goodwill is exploited.⁵⁰

B. Introduction of Trademark Dilution Theory in the United States

In 1927, Frank Schechter introduced the theory of trademark dilution.⁵¹ He postulated that trademarks not only identified the source of goods, but also possessed the power to sell goods to consumers.⁵² He acknowledged the historic purpose of trademark law was to protect consumers from confusion and deception as to the source of goods.⁵³ Nevertheless, he believed trademark misuse caused famous trademark owners to suffer economic injury to their property right, as distinct from the harm of consumer confusion about the source of the goods.⁵⁴

See generally Robert N. Klieger, *Trademark Dilution: The Whittling Away Of The Rational Basis For Trademark Protection*, 58 U. PITT. L. REV. 789 (1997) (criticizing dilution statutes for extending “rights in gross” to trademark owners).

49. WELKOWITZ, *supra* note 5, at 6.

50. I.P. Lund Trading ApS, Inc. v. Kohler Co., 163 F.3d 27, 45-47 (1st Cir. 1998) (discussing the breadth of dilution law and the legislative intent to restrict relief to situations where junior use of “[s]upermarks” caused no consumer confusion, but use of the trademark seems unfair because it trades on the goodwill of the famous mark, “for example the use of DuPont Shoes, Buick aspirin, and Kodak pianos”).

51. Schechter, *supra* note 18, at 813; *see also* Mathias Strasser, *The Rational Basis of Trademark Protection Revisited: Putting the Dilution Doctrine Into Context*, 10 FORDHAM INTELL. PROP. MEDIA & ENT. L.J. 375, 404 (2000) (asserting the concept of trademark protection in the absence of consumer confusion in the United States began with Frank Schechter); *see generally* Symposium, *Trademark Dilution: Moseley and Beyond*, 14 FORDHAM INTELL. PROP. MEDIA & ENT. L.J. 849 (2004) (noting Schechter was an attorney and trademark counsel for the BVD Company, and his advocacy of trademark dilution likely was prompted by his own desire for better protection of his BVD mark).

52. Schechter, *supra* note 18, at 819.

53. *Id.* at 816, 819.

54. *Id.* at 825. “[T]he use of trademarks on entirely non-related goods may of itself concretely injure the owner of the mark even in the absence” of consumer confusion. *Id.* “If you allow Rolls Royce restaurants, and Rolls Royce cafeterias, and Rolls Royce pants, and Rolls Royce candy, in 10 years you will not have the Rolls Royce mark any more.” Hearings Before the House Comm. on Patents, 72d Cong. 15 (1932) (statement of Frank I. Schechter).

Schechter premised his economic injury theory on the value of the connection between famous trademarks and consumers.⁵⁵ He believed trademarks with the utmost public awareness, such as ROLLS-ROYCE, AUNT JEMIMA'S, KODAK, and RITZ-CARLTON were preeminently unique.⁵⁶ As such, unauthorized, junior use of these famous trademarks damaged their commercial value by eroding their singular connections with consumers.⁵⁷ Schechter described the injury to the trademark owner as "the gradual whittling away or dispersion of the identity and hold upon the public mind of the mark or name by its use upon non-competing goods."⁵⁸ Today, when the economic power of famous trademarks is "whittled away," it is commonly referred to as having been diluted.⁵⁹

Schechter viewed his theory as based on a fair trade principal.⁶⁰ He deflected critics concerned about monopolies by arguing the trademark dilution theory enhanced market competition by requiring goods to be marketed under their own trademarks and by their own merits.⁶¹ He pointedly noted new laws were needed to prevent junior trademark users from free riding on the favorable reputations of famous trademarks.⁶²

55. Schechter, *supra* note 18, at 831.

56. *Id.* at 829-30.

57. *Id.* at 825. Schechter cited a 1924 German case where the court found that owners of well known mouth wash "Odol" were entitled to prevent a steel products company from using the same name, although the companies were not economic competitors. *Id.* at 831-32. The major premise of the case was that the owners of the mouthwash trademark had created a demand for their product, and therefore their trademark had a unique drawing power. *Id.* Although the opposing party adopted the same term for a completely different product, the point was that the trademark owners had "the utmost interest in seeing that its mark is not diluted [verwässert]: it would lose in selling power if everyone used it as the designation of his goods." Schechter, *supra* note 18, at 831-32. The argument was that the connection in the public mind between the trademark and the originally identified good would be diffused if the mark were applied to more and more products, even if they were unrelated. *Id.*

58. Schechter, *supra* note 18, at 825.

59. WELKOWITZ, *supra* note 5, at 7-9.

60. Schechter, *supra* note 18, at 833.

61. *Id.*

62. Perkins Act, H.R. 1159: Hearings Before the House Comm. on Patents, 72 Cong. (1932) (statement of Frank I. Schechter) ("[I]f you allow Rolls Royce restaurants and Rolls Royce cafeterias, and Rolls Royce pants, and Rolls Royce candy, in 10 years you will not have the Rolls Royce mark any more. That is the point.") Although Schechter testified in favor of federal dilution legislation before the House Committee on Patents as early as 1932, his efforts were unsuccessful, and dilution was not included in the 1946 Trademark Act. *Id.* See also *Thane Int'l v. Trek Bicycle Corp.*, 305 F.3d 894, 904, 911 (9th Cir. 2002) (noting that the "animating concern of the

After publication of Schechter's article, dilution theory was slow to emerge in American courts.⁶³ In 1928, a New York court quoted Schechter's article to support the theory that a junior trademark user should not be allowed to use a trademark to associate itself with the favorable public perception of the original trademark, even if it were a non-competing product.⁶⁴ In the case, the well known jeweler, Tiffany & Co., sought dilution relief from a movie production company incorporated as "Tiffany Productions, Inc." which, in addition to using a similar trade name, was using a similar company symbol, a diamond.⁶⁵ The court noted that the defendant company wrongfully acquired an unfair advantage by appropriating the goodwill of the senior Tiffany trademark when it used a similar mark, even on an unrelated good.⁶⁶ As a result, the court enjoined the defendants from using the name "Tiffany" or a diamond symbol in their corporate name or in connection with their business.⁶⁷ The next major dilution case did not surface until 1947 in Massachusetts, when the Bulova Watch Company brought an action against a local shoe company for stamping shoes with the name "Bulova Fine Shoes."⁶⁸ In providing relief from trademark dilution, the court held that "use [of the mark] by defendant, even on non-competing goods, may result in injury to the plaintiff's reputation and dilute the quality of the trademark."⁶⁹

In 1947 Massachusetts became the first state to enact trademark dilution legislation.⁷⁰ The statutory language provided for injunctive relief against a "likelihood of dilution of the distinctive quality of a trade name or trademark" even in the "absence of competition

dilution protection is that the user of the diluting mark appropriates or free rides on the investment made by the trademark holder.").

63. WELKOWITZ, *supra* note 5, at 10.

64. *Tiffany & Co. v. Tiffany Prods., Inc.*, 264 N.Y.S. 459, 462 (N.Y. Sup. Ct. 1932) (noting Schechter's theory that "[t]he real injury in such cases of non-competitive products 'is the gradual whittling away or dispersion of the identity and hold upon the public mind of the mark or name by its use upon noncompeting goods. The more distinctive or unique the mark the deeper is its impress upon the public consciousness and the greater its need for protection against vitiation or dissociation from the particular product in connection with which it has been used.'"), *aff'd*, 260 N.Y.S. 821 (N.Y. App. Div. 1932), *aff'd*, 262 N.Y. 482, 188 N.E. 30 (1933).

65. *Tiffany & Co.*, 264 N.Y.S. at 460-61.

66. *Id.* at 463.

67. *Id.*

68. *Bulova Watch Co. v. Stolzberg*, 69 F. Supp. 543, 545 (D. Mass. 1947).

69. *Id.* at 547.

70. Act of May 2, 1947, ch. 307, §7a, 1947 Mass. Acts 300, *codified as amended* at MASS. GEN. LAWS ANN. ch. 110B, §12 (West 1999).

between the parties or the absence of confusion.”⁷¹ Six years passed before another state enacted a trademark anti-dilution law, and almost forty-nine years passed before Congress enacted federal trademark anti-dilution law.⁷² Therefore, prior to 1996, state statutes were the principal source of dilution law.⁷³ Currently, there are thirty-seven states with various versions of dilution statutes.⁷⁴

C. Emergence of Federal Dilution Law

The federal government made no move to codify trademark dilution until 1988, when a reform package amending the federal trademark statute (“Lanham Act”) was introduced in the Senate.⁷⁵ Included was a dilution provision which initially referred to blurring and tarnishment.⁷⁶ The tarnishment language was eventually eliminated by the Senate.⁷⁷ The remaining dilution language did not survive conference committee.⁷⁸

Eight years later, Congress again amended the Lanham Act to include a cause of action for trademark dilution.⁷⁹ The Federal Trademark Dilution Act of 1995 (“FTDA”) was to encompass all recognized forms of dilution, including blurring and tarnishment.⁸⁰ Several factors contributed to successful passage of the FTDA.⁸¹ At the time, a “patch-quilt system” of twenty-five state laws provided varied levels of protection against trademark dilution.⁸² Some states provided greater shelter to trademark owners, whereas others were more concerned with preserving market competition.⁸³ Congress

71. MASS. GEN. LAWS ANN. ch. 110B, §12 (West 1999).

72. WELKOWITZ, *supra* note 5, at 12.

73. *Id.* at 139.

74. DAVIDS S. WELKOWITZ, TRADEMARK DILUTION: FEDERAL, STATE AND INTERNATIONAL LAW 2004 5 (Supp. 2004).

75. S. 1883, *reprinted in* S. REP. NO. 100-515 (Sept. 15, 1988), 1988 U.S.C.C.A.N. 5577, 5583.

76. *Id.*

77. Smith, *supra* note 17, at 841.

78. *Id.*; *see also* Matthew C. Oesterle, Note, *It's As Clear As Mud: A Call To Amend The Federal Trademark Dilution Act of 1995*, 81 CHI.-KENT. L. REV. 235, 245-46 (2006) (discussing roadblocks to the passage of federal dilution statute).

79. Federal Trademark Dilution Act of 1995, 15 U.S.C. §§ 1125-1127 (2000).

80. H.R. Rep. No. 104-374 at 2, 104th Cong., 1st Sess., 1995 U.S.C.C.A.N. 1029, 1029 (Nov. 30, 1995). “The purpose is to protect famous trademarks from subsequent uses that blur the distinctiveness of the mark or tarnish or disparage it.” *Id.*

81. Oswald, *supra* note 2, at 269 (discussing FTDA objectives).

82. H.R. REP. NO. 104-374, at 3-4, 1995 U.S.C.C.A.N. 1029.

83. *See Id.*

believed the new federal statute would address rampant forum shopping in states with dilution provisions.⁸⁴ Moreover, interstate commerce would benefit from uniform federal anti-dilution statutory provisions.⁸⁵ Finally, Congress also hoped passage of the FTDA would give the United States a framework to model desired international trademark protection.⁸⁶

II. Interpretation Of The FTDA By Federal Courts

A. Summary

The FTDA defines trademark 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, mistake, or deception.”⁸⁷ A cause of action for injunctive relief from dilution requires that junior use of the trademark occur after the trademark is famous, and that such use “cause dilution of the distinctive quality of the mark.”⁸⁸ Courts have labored to interpret the language of the FTDA.⁸⁹ The definition is vague, the lack of an analytical framework has led to divergent tests for dilution, and the standard of harm has been a source of disagreement between circuits.⁹⁰

B. FTDA Definition Of Dilution And Frameworks For Analyses *Pre-Moseley*

1. Definition of Dilution

The FTDA definition of trademark dilution outlines the broad

84. *Id.*

85. Oswald, *supra* note 2, at 269-270.

86. *Id.* But see WELKOWITZ, *supra* note 5, at 160 (noting that Congress’ “international trade concerns may have been overblown.”).

87. Federal Trademark Dilution Act of 1995, 15 U.S.C. § 1127 (2000).

88. 15 U.S.C. § 1125(c).

89. See, e.g., Julie C. Frymark, Note, *Trademark Dilution: A proposal to Stop the Infection From Spreading*, 38 VAL. U.L. REV. 165, 187-202 (2003) (presenting overview of divergent cases involving dilution statutes). The definition of dilution is elusive, prompting a member of the Supreme Court to state “[i]t would help me a lot if you explained to me what dilution is.” Transcript of Oral Argument, *Moseley v. V Secret Catalogue, Inc.*, 537 U.S. 418 (2003) (no. 01-1015), 71 U.S.L.W. 3366, 2002, WL 31643067, at 4.

90. See generally WELKOWITZ, *supra* note 5, at 229-230.

principles of dilution.⁹¹ Dilution is described as the “lessening of the capacity of a famous mark to identify and distinguish goods or services.”⁹² The definition further specifies dilution is not “confusion, mistake, or deception.”⁹³ The phrase “identify and distinguish” relates to a trademark’s function as a source identification tool.⁹⁴ Therefore, when the phrases “identify and distinguish” and “lessening of the capacity” are combined, the definition indicates dilution is interference with a famous trademark’s source identification function.⁹⁵ The interference derives from unauthorized, junior use of a famous mark or one similar to a famous mark.⁹⁶ In this sense, the definition of dilution is extremely broad.⁹⁷

To prevent granting famous trademark owners rights in gross based on the ambiguous FTDA definition of trademark dilution, courts have endeavored to establish methods to distinguish diluting from non diluting uses of famous trademarks.⁹⁸ Unfortunately, no uniform approach has been established to discern dilution.⁹⁹ In part, the problem lies with the dilution definition, which does not lay out its cause, only the effect.¹⁰⁰ Consequently, different courts have

91. Federal Trademark Dilution Act of 1995, 15 U.S.C. § 1127 (2000). The FTDA defines 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, mistake or deception.” *Id.* See also Oswald, *supra* note 2, at 274 (“The federal Act provides the courts with an opportunity to clarify the parameters of this legal doctrine and to structure a framework that will allow for orderly and reasoned resolution of . . . claims.”).

92. 15 U.S.C. § 1127.

93. *Id.*

94. Lee, *supra* note 8, at 885. The definition of dilution is related to the general definition of a trademark which is “any word, name, symbol, or device” that is used “to identify and distinguish his or her goods . . . from those manufactured or sold by others.” 15 U.S.C. § 1127.

95. Lee, *supra* note 8, at 885.

96. Federal Trademark Dilution Act of 1995, 15 U.S.C. § 1127 (2000); see also *The Scott Fetzer Co. v. House of Vacuums Inc.*, 381 F.3d 477, 489 (5th Cir. 2004) (“Trademark dilution is the weakening of the ability of a mark to clearly and unmistakably distinguish the source of a product.”).

97. Lee, *supra* note 8, at 885; see also *Ringling Bros.-Barnum & Bailey Combined Shows Inc. v. Utah Div. of Travel Dev.*, 170 F.3d 449, 456 (4th Cir. 1999) (discussing the danger of broad dilution interpretation and corresponding creation of property rights in gross for trademark owners); see also *supra* text accompanying notes 31-34.

98. *Eli Lilly & Co. v. Natural Answers, Inc.*, 233 F.3d 456, 468 (7th Cir. 2000); *Ringling Bros.-Barnum & Bailey Combined Shows Inc.* 170 F.3d at 459-461; *Nabisco Inc. v. PF Brands Inc.*, 191 F.3d 208, 227-28 (2d Cir. 1999).

99. See generally WELKOWITZ, *supra* note 5, at 246-257 (giving overview of divergent cases).

100. Federal Trademark Dilution Act of 1995, 15 U.S.C. § 1127 (2000).

different ideas about how dilution actually manifests in the marketplace.¹⁰¹

a. Blurring

Although the FTDA does not reference blurring, courts traditionally have recognized this theory under the statutory definition of dilution.¹⁰² Yet, how blurring causes “the lessening of the capacity of a famous mark to identify and distinguish goods or services” has not been articulated clearly by courts.¹⁰³ Some courts interpret blurring to mean the famous mark fails to operate as a unique product source identifier.¹⁰⁴ Other courts connect blurring to lost revenues.¹⁰⁵ Still others equate blurring with consumer

101. WELKOWITZ, *supra* note 5, at 235-36 (noting that in instances of trademark infringement, circuits generally have similar approaches to the problem of cause and effect, whereas they do not for trademark dilution).

102. Federal Trademark Dilution Act of 1995, 15 U.S.C. § 1127 (2000); *Moseley v. V Secret Catalogue, Inc.*, 537 U.S. 418, 434 (2003) (noting dilution by blurring); *see also* *Eli Lilly & Co. v. Natural Answers, Inc.*, 233 F.3d 456, 466, 469 (7th Cir. 2000) (upholding a claim for trademark dilution under the FTDA); *see also* *Times Mirror Magazines, Inc. v. Las Vegas Sports News, L.L.C.*, 212 F.3d 157, 168 (3d Cir. 2000) (noting “dilution by blurring takes place when the defendant’s use of its mark causes the identifying features of the plaintiff’s famous mark to become vague and less distinctive”); *see also* *I.P. Lund Trading ApS, Inc. v. Kohler Co.*, 163 F.3d 27, 61 (1st Cir. 1998) (recognizing blurring as a type of dilution); *see also* *Hormel Foods Corp. v. Jim Henson Prods.*, 73 F.3d 497, 506 (2d Cir. 1996) (noting a likelihood of dilution can be shown by blurring); *see also* *Starbucks Corp. v. Wolfe’s Borough Coffee, Inc.*, 2005 U.S. Dist. LEXIS 35578 (S.D.N.Y. 2005) (noting “the FTDA protects against dilution of a mark as a unique identifier of plaintiff’s goods, a theory of dilution typically referred to as ‘blurring’”).

103. WELKOWITZ, *supra* note 5, at 243-46.

104. *Eli Lilly & Co.*, 233 F.3d at 466; *see also* *Ringling Brothers-Barnum & Bailey Combined Shows v. B.E. Windows, Co.*, 937 F. Supp. 204, 209 (S.D.N.Y. 1996) (noting dilution by blurring “may occur where the defendant uses or modifies the plaintiff’s trademark to identify the defendant’s goods and services, raising the possibility that the mark will lose its ability to serve as a unique identifier of the plaintiff’s product.”); *see also* *Hormel Foods Corp.*, 73 F.3d at 506 (holding no trademark dilution by blurring because of unlikelihood parody would dissipate famous trademark’s role as a “unique product identifier”).

105. *Ringling Bros.-Barnum & Bailey Combined Shows, Inc. v. Utah Div. of Travel Dev.*, 170 F.3d 449, 457 (4th Cir. 1999) (holding that the FTDA requires an “actual lessening of the senior mark’s selling power” in order for a plaintiff to establish a dilution claim). *Contra* *Eli Lilly*, 233 F.3d at 468 (noting distinctiveness is reduced even if sales are not). *See also* *Nabisco Inc. v. PF Brands Inc.*, 191 F.3d 208, 219, 224 (2d Cir. 1999) (equivocating over whether dilution impacts a mark’s “distinctiveness” or “distinctive selling power”). Recently, the Supreme Court held actual loss of sales or profits is not necessarily part of dilution. *Moseley v. V Secret Catalogue*,

confusion, although the statute makes clear that consumer confusion is not necessary for a dilution claim.¹⁰⁶ Over time, different methodologies for ascertaining the existence of trademark dilution by blurring emerged.¹⁰⁷ The predominant tests are a two-prong test and a multifactor test.¹⁰⁸ Otherwise, courts tend to evaluate blurring claims in a conclusory manner.¹⁰⁹

In the past, the Seventh Circuit relied on the two-prong test to discern dilution by blurring.¹¹⁰ The determinative factors of this analysis stemmed from the similarities of the trademarks and the renown of the famous mark.¹¹¹ Once the court determined the mark was famous, it evaluated similarities between the famous mark and the junior mark.¹¹² Under this test, there is a presumption of dilution based on the similarity of the junior mark to the senior mark.¹¹³

In comparison, the Second Circuit relied on a multifactor test to evaluate trademark dilution by blurring.¹¹⁴ The Third and Sixth Circuits analyzed blurring cases in a similar manner.¹¹⁵ The

Inc., 537 U.S. 418, 433 (2003).

106. Federal Trademark Dilution Act of 1995, 15 U.S.C. § 1127 (2000). *See e.g.*, *Nabisco Inc.*, 191 F.3d at 221 (noting blurring occurs when consumers confuse marks); *see also* *Origins Natural Resources, Inc. v. Kotler* 2001 WL 492429, 4 (S.D.N.Y. 2001) (noting the Nabisco factors, but using consumer confusion to test for dilution); *see also* *Pocono International Raceway, Inc. v. Pocono Mountain Speedway, Inc.*, 171 F. Supp. 2d 427 (M.D. Pa. 2001) (finding dilution based on a confusion analysis); *see also* *New York State Society of Certified Public Accountants v. Eric Louis Associates, Inc.*, 79 F. Supp. 2d 331, 345-56 (S.D.N.Y. 1999) (finding “initial interest confusion” relevant to dilution analysis).
107. *Eli Lilly & Co. v. Natural Answers, Inc.*, 233 F.3d 456, 468 (7th Cir. 2000); *Ringling Bros.-Barnum & Bailey Combined Shows Inc.* 170 F.3d at 459-461; *Nabisco Inc.*, 191 F.3d at 227-28.
108. *Hearing*, *supra* note 4, at 13 (Gundelfinger noting various judicial approaches to determining dilution by blurring); WELKOWITZ, *supra* note 5, at 246.
109. *Bulova Corp. v. Bulova do Brasil Com. Rep. Imp. & Exp. Ltda.*, 144 F. Supp. 2d 1329, 1331-32, (S.D. Fla. 2001) (finding dilution without much analysis); *Ford Motor Co. v. Ford Fin. Solutions, Inc.*, 103 F. Supp. 2d 1126, 1129 (N.D. Iowa 2000) (same).
110. *Eli Lilly*, 233 F.3d at 466, 469.
111. *Id.*
112. *Id.*
113. WELKOWITZ, *supra* note 5, at 251.
114. *E.g.*, *Nabisco*, 191 F.3d at 228. In *Moseley*, the Supreme Court cited the *Nabisco* test but did not indicate whether it is still a viable test for actual dilution. *Moseley v. V Secret Catalogue, Inc.*, 537 U.S. 418, 426-27 & n.8 (2003).
115. *V Secret Catalogue, Inc. v. Moseley*, 259 F.3d 464, 476 (6th Cir. 2001), *cert. granted*, 535 U.S. 985 (2002), *rev'd*, 537 U.S. 418 (2003); *Times Mirror Magazines, Inc. v. Las Vegas Sports News, L.L.C.*, 212 F.3d 157, 168-69 (3rd Cir. 2000).

multifactor test considered the following: (a) the degree of distinctiveness of the senior mark; (b) the similarity of the marks; (c) the proximity of the products and likelihood of bridging the gap; (d) the interrelationship among the distinctiveness of the senior mark, the similarity of the junior mark, and the proximity of the products; (e) the extent of overlap among the parties' consumers and the geographic reach of their products; (f) the sophistication of consumers; (g) the existence of any actual confusion; (h) the adjectival or referential quality of the junior use; (i) the potential harm to the junior user and the existence of undue delay by the senior user; and (j) the effect of the senior user's prior laxity in protecting the mark.¹¹⁶ The problem with the multifactor test for dilution by blurring is that it closely resembles the test for infringement, which is based on the likelihood of consumer confusion.¹¹⁷ The similarity of the blurring test to the infringement test leads the dilution and infringement cause of actions to coalesce, and the identity of dilution as a needed supplement to infringement to disappear.¹¹⁸

b. Tarnishment

As with blurring, the definition of dilution under the FTDA does not refer to dilution by tarnishment.¹¹⁹ Dilution by tarnishment occurs when junior trademark use detracts from consumers' positive view of

116. *Nabisco Inc. v. PF Brands Inc.*, 191 F.3d 208, 217-222 (2d Cir. 1999).

117. *See Lyons Pshp. v. Giannoulas*, 179 F.3d 384, 388-89 (5th Cir. 1999) (noting the digits of confusion test include: "(1) the type of trademark allegedly infringed, (2) the similarity between the two marks, (3) the similarity of the products or services, (4) the identity of the retail outlets and purchasers, (5) the identity of the advertising media used, (6) the defendant's intent, and (7) any evidence of actual confusion"); *see also* *Polaroid Corp. v. Polarad Electronics Corp.*, 287 F.2d 492, 495 (2d Cir. 1961) (noting factors for confusion analysis include: "(1) the strength of plaintiff's mark; (2) the similarity of the parties' marks; (3) the proximity of the parties' products in the marketplace; (4) the likelihood that the plaintiff will "bridge the gap" between the products; (5) actual consumer confusion between the two marks; (6) the defendant's intent in adopting its mark; (7) the quality of the defendant's product; and (8) the sophistication of the relevant consumer group").

118. *See* Symposium, *supra* note 51, at 863-867 (noting the "blurring . . . between the infringement and unfair competition portions of the statute and the dilution sections of the statute" and suggesting that "the dilution statute is really superfluous").

119. Federal Trademark Dilution Act of 1995, 15 U.S.C. § 1127 (2000).

a famous trademark.¹²⁰ Tarnishment is more difficult to reconcile with the federal statutory definition of dilution than blurring.¹²¹ The definition of dilution is termed as “the lessening of the capacity of a famous mark to identify and distinguish goods or services.”¹²² While tarnishing junior trademark use debases the reputation of a famous mark, it doesn’t necessarily interfere with the famous mark’s ability to identify and distinguish its goods.¹²³ Nevertheless, federal courts have held dilution by tarnishment arises when the famous mark is used in connection with unwholesome or low quality products.¹²⁴

C. Standard of Harm Necessary for Injunctive Relief For Trademark Dilution

The FTDA provides that “[t]he 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.”¹²⁵ After enactment of the FTDA, circuit courts split over whether the owner of a famous trademark had to prove actual harm, or a likelihood of harm, for injunctive relief.¹²⁶

The Fourth and Fifth Circuits held the trademark owner must show

120. WELKOWITZ, *supra* note 5, 259.

121. Ringling Bros.-Barnum & Bailey Combined Shows Inc. v. Utah Div. of Travel Dev., 170 F.3d 449, 452 n.1 (4th Cir. 1999) (asking how “conceptually to fit tarnishment within the theory of dilution”).

122. 15 U.S.C. § 1127.

123. WELKOWITZ, *supra* note 5, at 234 (noting “tarnishing use depends on continuing public association of the famous mark with a unique source of goods or services in order for the second user’s depreciating commentary to be understood.”).

124. I.P. Lund Trading ApS, Inc. v. Kohler Co., 163 F.3d 27, 47 (1st Cir. 1998) (noting blurring and tarnishment); Westchester Media v. PRL USA Holdings, Inc., 214 F.3d 658, 670 n.12, (5th Cir. 2000) (ultimately found no actual dilution but notes dilution by tarnishment); Southeastern La. Entertainment v. Hollywood Entertainment Corp., 56 USPQ2d 1688, 1692 (E.D. La. 2000) (holding Hollywood Video tarnished by Hollywood Connexxion, an adult video distributor); Jews for Jesus v. Brodsky, 993 F. Supp. 282, 306 (D.N.J.), *aff’d*, 159 F.3d 1351 (3d Cir. 1998) (stating the FTDA definition “encompasses traditional state law doctrines of blurring and tarnishment”); American Dairy Queen Corp. v. New Line Prods., Inc., 35 F. Supp. 2d 727, 733 (D. Minn. 1998) (finding tarnishment of trademark by a film); Ringling Bros.-Barnum & Bailey Combined Shows Inc. v. B. E. Windows Corp., 937 F. Supp. 204, 209 (S.D.N.Y. 1996) (noting dilution claims can arise from blurring or tarnishment); Coca-Cola Co. v. Alma-Leo U.S.A., Inc., 719 F. Supp. 725, 728 (N.D. Ill. 1989) (finding tarnishment by “Enjoy Cocaine” poster in style of “Enjoy Coca-Cola” design).

125. 15 U.S.C. § 1125(c).

126. Oesterle, *supra* note 78, at 257.

actual dilution based on the phrase “causes dilution.”¹²⁷ The Fourth Circuit bolstered their interpretation by noting that dilution was defined as a reduction of the “capacity” of the famous trademark to identify and distinguish goods.¹²⁸ That circuit interpreted “capacity” to mean former capacity, not future capacity, of the famous trademark’s ability to identify and distinguish goods.¹²⁹ Applying the actual dilution standard allowed the Fourth Circuit to avoid overprotecting famous trademarks.¹³⁰ They feared that the “likelihood of dilution” standard set up a presumption of harm from any use of a similar mark and thus would result in overprotecting trademarks generally, to the detriment of competition and consumer choice.¹³¹ In other words, by requiring the standard of actual harm, the court hoped to prevent the mark from having improper “property-right-in-gross.”¹³² The courts noted actual harm could be measured by loss of revenue or a consumer survey.¹³³

In stark contrast, in the First, Second, Third, Sixth and Seventh Circuits, trademark owners only had to show a “likelihood” of dilution for injunctive relief.¹³⁴ The Second Circuit argued the Fourth Circuit’s standard was an example of “excessive literalism” and “defeat[ed] the intent of the statute.”¹³⁵ The Seventh Circuit disagreed with the Fourth Circuit’s actual harm standard on the grounds that the Fourth held plaintiffs “to an impossible level of proof.”¹³⁶ The Sixth Circuit noted Congress saw dilution as something requiring “action at its incipience to prevent harm.”¹³⁷ The Sixth Circuit doubted Congress meant to provide injunctive

127. *Ringling Bros.-Barnum & Bailey Combined Shows Inc. v. Utah Div. of Travel Dev.*, 170 F.3d 449, 460-65 (4th Cir. 1999); *Weschester Media v. PRL USA Holdings, Inc.*, 214 F.3d 658 (5th Cir. 2000).

128. *Ringling Bros.-Barnum & Bailey Combined Shows Inc.*, 170 F.3d at 460.

129. *Id.* at 460-61.

130. *Id.* at 456.

131. *Id.* at 457-58 & n.4.

132. *Id.* at 459.

133. *Id.* at 465; *see generally* *Weschester Media v. PRL USA Holdings, Inc.*, 214 F.3d 658 (5th Cir. 2000).

134. *V Secret Catalogue Inc. v. Moseley*, 259 F.3d 464, 475-76 (6th Cir. 2001), *rev'd and remanded*, 537 U.S. 418 (2003); *Eli Lilly & Co. v. Natural Answers Inc.*, 233 F.3d 456 (7th Cir. 2000); *Times Mirror Mags., Inc. v. Las Vegas Sports News, LLC*, 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, Inc. v. Kohler Co.*, 163 F.3d 27 (1st Cir. 1998).

135. *Nabisco*, 191 F.3d at 224.

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

137. *V Secret Catalogue Inc. v. Moseley*, 259 F.3d 464, 475-476 (6th Cir. 2001) (“Confusion leads to immediate injury, while dilution is an infection, which if allowed to spread, will inevitably destroy the advertising value of the mark.”), *rev'd*, 537 U.S. 418 (2003).

relief for situations where proof was “effectively unavailable.”¹³⁸

The Second Circuit characterized the Fourth Circuit’s standard as too limiting because it could only be proved by “actual loss of revenues” or the appropriate consumer survey.¹³⁹ Likewise, the Seventh Circuit noted dilution of the famous mark might not show up as a decrease in revenue, but as slow growth, and that surveys would be expensive and tough to set to demonstrate actual dilution.¹⁴⁰ A concern was that use of diminished revenues to demonstrate trademark dilution might not be an accurate measure if the harm manifested merely as slow economic growth.¹⁴¹ Another concern was that the actual dilution standard harmed the junior user by allowing him to invest in his mark until he caused actual economic harm.¹⁴²

III. The Supreme Court’s Interpretation Of The FTDA And Congressional Reaction

A. *Moseley v. V Secret Catalogue*

Moseley v. V Secret Catalogue gave the Supreme Court the opportunity to weigh in on trademark dilution issues.¹⁴³ The case was brought about by an army colonel who saw an advertisement promoting a local adult novelty store “Victor’s Secret.”¹⁴⁴ He took offense to the “unwholesome, tawdry merchandise” promoted in the advertisement and forwarded it to owners of the “Victoria’s Secret” trademark.¹⁴⁵ The owners of the well known “Victoria’s Secret” trademark brought a cause of action for trademark dilution, among other claims.¹⁴⁶ The issue before the Supreme Court was whether the standard for injunctive relief under the FTDA required a famous trademark owner to show a mere likelihood of dilution or actual dilution of the trademark.¹⁴⁷ The Court held injunctive relief from junior trademark use under the FTDA required a showing of “actual dilution,” not just a “likelihood of dilution.”¹⁴⁸

138. *Id.* at 476.

139. *Nabisco*, 191 F.3d at 223.

140. *Eli Lilly & Co.*, 233 F.3d at 468.

141. *Nabisco*, 191 F.3d at 223-24.

142. *Id.* at 224.

143. *Moseley v. V Secret Catalogue, Inc.*, 537 U.S. 418, 422-23 (2003).

144. *Id.*

145. *Id.*

146. *Id.*

147. *Moseley v. V Secret Catalogue, Inc.*, 537 U.S. 418, 421-22 (2003).

148. *Id.* at 433. Notably, Justice Kennedy in his concurring opinion stated

In the decision, the Court noted that trademark dilution by blurring may occur when consumers see a famous mark and think of the junior trademark user's products.¹⁴⁹ The Court made clear that blurring is more than a "mental association" between the second use and the famous mark, "at least where the marks at issue are not identical."¹⁵⁰ Additionally, the Court rejected the notion that dilution by blurring necessarily requires showing of a "loss of sales or profits."¹⁵¹

Unfortunately, the Court did not elaborate further on how to detect dilution by blurring other than to mention surveys and using "circumstantial evidence" to show actual dilution.¹⁵² The court stated that when the junior and senior marks are identical, reliable circumstantial evidence can prove trademark dilution.¹⁵³ Otherwise, if a contested mark is not identical to a famous mark, actual dilution requires more than consumers' mental association between the junior mark and the famous mark, because blurring does not necessarily arise from mental association.¹⁵⁴ On the facts of the case, the Court reasoned that the army officer may have been offended by the store "Victor's Secret" but there was no evidence "of any lessening of the capacity of the VICTORIA'S SECRET mark to identify and distinguish goods or services."¹⁵⁵ Despite the inherent challenges and difficulties of consumer surveys to demonstrate actual dilution, the Court emphasized the importance of using the standard of actual dilution to discern diluting from non-diluting junior trademark uses.¹⁵⁶ Finally, although the definition of trademark dilution was not

"capacity" could refer to "both the present and the potential power of the famous mark," and that proof of diminished potential might support a dilution claim. *Id.* at 435-36 (Kennedy, J., concurring).

149. *Moseley* 537 U.S. at 433-34. The Court used the facts of the Ringling case where Utah used the slogan "greatest snow on earth," stating "even though Utah drivers may be reminded of the circus when they see a license plate referring to the 'greatest snow on earth,' it by no means follows that they will associate 'the greatest show on earth' with skiing or snow sports, or associate it less strongly or exclusively with the circus." *Id.* The Court used the same idea to support their holding that "Victor's Secret" does not cause people to think of "Victoria's Secret." *Id.* at 434.

150. *Id.* 433-434 (" 'Blurring' is not a necessary consequence of mental association.")

151. *Id.* at 433.

152. *Id.* at 433-35. The Court cited the *Nabisco* test but did not indicate whether it is still a viable test for actual dilution. *Id.* at 426-27 & n.8.

153. *Id.*

154. *Id.* at 433 (" 'Blurring' is not a necessary consequence of mental association.")

155. *Id.* at 434.

156. *Id.*

at issue in *Moseley*, the Court questioned in dicta whether the FTDA definition of dilution included tarnishment.¹⁵⁷ Whether tarnishment is a valid action under the FTDA therefore remains an open question.¹⁵⁸

B. Congressional Reaction To The Supreme Court's *Moseley* Decision

In 2005, Congress reacted to the Supreme Court's interpretation of the federal trademark dilution statute in *Moseley* by proposing new dilution legislation.¹⁵⁹ In House Bill 683, Congress seized the opportunity to redefine trademark dilution and establish new requirements for injunctive relief.¹⁶⁰ House Bill 683 is entitled the "Trademark Dilution Revision Act of 2006" ("TDRA").¹⁶¹ In short, the TDRA completely strikes both the FTDA definition of trademark dilution and the language regarding dilution remedies.¹⁶² In place of those two sections is an entirely revamped 15 U.S.C. § 1125(c), which merges the new definition of trademark dilution with the new language on remedies.¹⁶³

The TDRA definition of dilution is split into two distinct categories, blurring and tarnishment.¹⁶⁴ Blurring is defined 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."¹⁶⁵ Included in the TDRA definition of dilution by blurring is a list of six factors courts may consider in determining whether a junior mark is likely to cause dilution of a famous mark.¹⁶⁶ The six factors include: (i) the degree of similarity between the secondary mark and the famous mark; (ii) the degree of inherent or acquired

157. *Id.* at 432. Nevertheless, Justice Kennedy recognized tarnishment in his concurring opinion, stating the "Court's opinion does not foreclose injunctive relief if respondents on remand present sufficient evidence of either blurring or tarnishment." *Id.* at 436.

158. *Caterpillar Inc. v. Walt Disney Co.*, 287 F. Supp. 2d 913, 922 (C.D. Ill. 2003) ("[*Moseley*] discussed only blurring, although it did leave open the question of whether tarnishment is within the scope of 43(c).").

159. Trademark Dilution Revision Act of 2006, H.R. 683, 109th Cong. (2006) (as enacted by the Senate, March 8, 2006); *Moseley v. V Secret Catalogue, Inc.*, 537 U.S. 418 (2003).

160. Trademark Dilution Revision Act of 2006, H.R. 683, 109th Cong. (2006) (as enacted by the Senate, March 8, 2006).

161. *Id.*

162. *Id.*

163. *Id.*

164. H.R. 683 § 2.

165. *Id.*

166. *Id.*

distinctiveness of the famous mark; (iii) the extent to which the famous mark owner has exclusive use of the famous mark; (iv) the degree of famous mark recognition; (v) intent to create an association with the famous mark by the secondary mark; and (vi) actual association between marks.¹⁶⁷ Dilution by tarnishment is defined as “arising from the similarity between a mark or trade name and a famous mark that harms the reputation of the famous mark.”¹⁶⁸

Most notably, the TDRA articulates a new standard of harm necessary for injunctive relief against trademark dilution.¹⁶⁹ The language states “the owner of a famous mark... 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.”¹⁷⁰ The language makes clear “likely” dilution can occur “regardless of the presence or absence of actual or likely confusion, of competition, or of actual economic injury.”¹⁷¹

Although beyond the scope of the discussion in this note, the bill includes other significant changes.¹⁷² For instance, the bill specifically defines a famous mark as one “widely recognized by the general consuming public of the United States as a designation of source of the goods or services for the mark’s owner.”¹⁷³ The bill also clearly states “the owner of a famous mark that is distinctive, inherently or through acquired distinctiveness, shall be entitled to an injunction.”¹⁷⁴ The factors that a court may consider in determining whether a mark is famous are condensed from seven to four.¹⁷⁵ The four factors in the bill are similar to existing language, focusing on advertising reach, extent of sales, actual recognition of the mark, and registration.¹⁷⁶ Finally, the bill expands the fair use provisions to include nominative and descriptive fair use by another person “other than as a designation of source for the person’s own goods or services, including use in connection with... identifying and parodying, criticizing, or commenting upon the famous mark owner or the goods or services of the famous mark owner.”¹⁷⁷ Comparative

167. *Id.*

168. H.R. 683 § 2

169. *Id.*

170. *Id.*

171. H.R. 683 § 2.

172. *Id.*

173. *Id.*

174. *Id.*

175. H.R. 683 § 2.

176. *Id.*

177. H.R. 683 § 2.

advertising or promotion that permits consumers to compare goods or services, news reporting and commentary and non commercial use of marks continue to be non actionable.¹⁷⁸

IV. Analysis Of The Prospective Impact Of The TDRA On The Definition Of Dilution And Standard For Injunctive Relief

A. Overview

Congressional reaction to Supreme Court's interpretation of the federal trademark statute is embodied in the Trademark Dilution Revision Act of 2006, House Bill 683.¹⁷⁹ Although the impetus for the TDRA was to reverse the holding of *Moseley* on the standard of harm necessary for injunctive relief, Congress has used House Bill 683 as a vehicle for comprehensive reform of trademark dilution law.¹⁸⁰ The goal of this analysis is to ascertain whether the proposed TDRA offers beneficial alternatives to the current definition of dilution, methodologies for analyzing claims, and requirement of "actual dilution" for injunctive relief.¹⁸¹

B. TDRA Definition of Dilution

The TDRA definition of trademark dilution is significantly more specific than it is under the FTDA.¹⁸² The FTDA defines 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, mistake, or deception."¹⁸³ The FTDA definition is weak because it does not directly state what dilution is, or reference the two most prominent theories of trademark dilution, blurring and tarnishment.¹⁸⁴ Additionally, the broad description of the impact of trademark dilution does not explain how

178. *Id.*

179. Trademark Dilution Revision Act of 2006, H.R. 683, 109th Cong. (2006) (as enacted by the Senate, March 8, 2006); *Moseley v. V Secret Catalogue, Inc.*, 537 U.S. 418 (2003).

180. H.R. 683; see discussion *supra* Part III regarding major components of the FTDA; see also *Hearing, supra* note 4, at 6 (statement of Gundlefinger). "Nine years and hundred of cases after the FTDA was enacted, virtually everyone—courts, litigants, commentators alike—agree that the law is a mess." *Hearing, supra* note 4, at 6 (statement of Gundlefinger).

181. H.R. 683.

182. *Id.*

183. Federal Trademark Dilution Act of 1995, 15 U.S.C. § 1127 (2000).

184. *Id.*

“the lessening of the capacity of a famous mark to identify and distinguish goods or services” manifests in the marketplace, or provide a framework for analyzing dilution claims.¹⁸⁵ By contrast, the TDRA definition of trademark dilution addresses each of these shortcomings.¹⁸⁶ The definition of trademark dilution is divided explicitly into two distinctive categories, blurring and tarnishment.¹⁸⁷ In addition, the TDRA offers a statutory framework for analyzing trademark dilution claims.¹⁸⁸

1. Blurring

a. Definition Of Blurring

The definition of dilution by blurring in the TDRA is an improvement over the general definition of dilution under the FTDA.¹⁸⁹ The TDRA specifically defines 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.”¹⁹⁰ In contrast, the FTDA describes dilution broadly as the “lessening of the capacity of a famous mark to identify and distinguish goods or services.”¹⁹¹ Nevertheless, courts hold the FTDA dilution definition encompasses dilution by blurring.¹⁹² A key difference between the two definitions is that the FTDA definition of dilution merely references the end result of dilution, without describing its genesis as an association between similar marks.¹⁹³ This has led some courts to focus on the source identification role of the trademark, others to

185. *Id.*; see also WELKOWITZ, *supra* note 5 at 60.

186. Trademark Dilution Revision Act of 2006, H.R. 683, 109th Cong. (2006) (as enacted by the Senate, March 8, 2006).

187. *Id.*

188. *Id.*

189. *Id.*

190. *Id.*

191. Federal Trademark Dilution Act of 1995, 15 U.S.C. § 1127 (2000).

192. *Moseley v. V Secret Catalogue, Inc.*, 537 U.S. 418, 434 (2003) (noting dilution by blurring); *Eli Lilly & Co. v. Natural Answers, Inc.*, 233 F.3d 456, 466, 469 (7th Cir. 2000) (upholding a claim for trademark dilution under the FTDA); *Times Mirror Magazines, Inc. v. Las Vegas Sports News, L.L.C.* 212 F.3d 157, 168 (3d Cir. 2000) (noting “dilution by blurring takes place when the defendant’s use of its mark causes the identifying features of the plaintiff’s famous mark to become vague and less distinctive”); *I.P. Lund Trading ApS, Inc. v. Kohler Co.*, 163 F.3d 27, 61 (1st Cir. 1998) (stating blurring is a recognized type of dilution); *Hormel Foods Corp. v. Jim Henson Prods.*, 73 F.3d 497, 506 (2d Cir. 1996) (noting a likelihood of dilution can be shown by blurring).

193. 15 U.S.C. § 1127.

stress lost revenues as indicative of blurring, and still others to view confusion as evidence of blurring.¹⁹⁴ The TDRA addresses these inconsistencies by stating explicitly that dilution arises from similarities between trademarks.¹⁹⁵ Therefore, the new definition of blurring requires the owner of a famous mark to prove consumers associate the famous mark with a junior mark because of their similarity, and that such an association is likely to impair the distinctiveness of the famous mark.¹⁹⁶

TDRA advocates emphasize that the focus on the similarity, or identity, of the two marks will prevent courts from dispensing injunctions under circumstances where there exists mere product similarities or market competition between trademark owners on related or similar goods.¹⁹⁷ The significance of this claim may be inflated considering that similarities between trademarks have naturally been evaluated in trademark dilution actions.¹⁹⁸ The generally accepted standard is that marks be “substantially similar.”¹⁹⁹ While it is possible this claim implies trade dress or product design trademarks would not be protected under the TDRA, it is unlikely.²⁰⁰ In the past, courts have noted that the FTDA applies to famous marks in general, “and does not restrict the definition of that term to names or traditional marks.”²⁰¹ Similarly, the TDRA language does not alter the Lanham Act trademark definition to prevent it from including “any word, name, symbol, or device... used to identify and distinguish... goods... and to indicate the source of the goods.”²⁰² Thus, trade dress remains protected under the TDRA as it was under the FTDA.²⁰³

194. See *supra* text accompanying notes 104-106.

195. Trademark Dilution Revision Act of 2006, H.R. 683, 109th Cong. (2006) (as enacted by the Senate, March 8, 2006).

196. *Id.*

197. *Hearing, supra* note 4, at 12 (statement of Gundelfinger) (noting “not just any mental association will suffice—it must be an association that arises from the similarity or identity of the two marks, as opposed to an association that arises because of product similarities or competition between the owners of the two marks, or for some other reason.”).

198. *Eli Lilly & Co. v. Natural Answers, Inc.*, 233 F.3d 456, 469 (7th Cir. 2000); *Nabisco Inc. v. PF Brands Inc.*, 191 F.3d 208, 218 (2d Cir. 1999); *Ringling Bros.-Barnum & Bailey Combined Shows Inc. v. Utah Div. of Travel Dev.*, 170 F.3d 449, 453 (4th Cir. 1999).

199. *Ringling Bros.-Barnum & Bailey Combined Shows Inc.*, 170 F.3d 618.

200. *I.P. Lund Trading ApS, Inc. v. Kohler Co.*, 163 F.3d 27, 50 (1st Cir. 1998).

201. *I.P. Lund Trading ApS, Inc.*, 163 F.3d at 45.

202. Federal Trademark Dilution Act of 1995, 15 U.S.C. § 1127 (2000).

203. See Trademark Dilution Revision Act of 2006, H.R. 683, 109th Cong. (2006) (as enacted by the Senate, March 8, 2006).

b. Factors For Analyzing Blurring Claims

The TDRA definition of blurring includes six factors to aid courts in determining whether a junior mark is likely to cause dilution of a famous trademark by blurring.²⁰⁴ While the factors are a new addition to the statute, they reflect earlier court tests for discerning trademark dilution.²⁰⁵ The benefit of promulgating the factors test is that it will bring greater uniformity to the court analyses of dilution claims.²⁰⁶ For instance, the Seventh Circuit evaluates dilution by using a two-prong test considering the renown of the trademark and the similarities of the marks.²⁰⁷ In contrast, the Second Circuit employs a more complex multi-factor test, although it also evaluates famous marks' distinctiveness and trademark similarities.²⁰⁸ In the wake of the *Moseley* decision, it is unclear whether these tests are valid, as they were developed to detect a likelihood of dilution, and Supreme Court held the FTDA requires a showing of actual dilution.²⁰⁹ The TDRA rectifies this situation by establishing clear guidelines for blurring analyses.²¹⁰

The TDRA factors indicate that the level of market distinctiveness achieved by the famous trademark is a pivotal issue in a blurring analysis.²¹¹ The first factor requires courts to determine the degree of similarity between the junior mark and the famous mark.²¹² If a consumer associates the two marks, the famous mark's ability to singularly communicate its source and unique reputation is impaired.²¹³ Although similarities between trademarks may indicate blurring, the language of this factor does not indicate how similar

204. H.R. 683 § 2. The six factors germane to a blurring analysis under the TDRA include: (i) the degree of similarity between the secondary mark and the famous mark; (ii) the degree of inherent or acquired distinctiveness of the famous mark; (iii) the extent to which the famous mark owner has exclusive use of the famous mark; (iv) the degree of famous mark recognition; (v) intent to create an association with the famous mark by the secondary mark; and (vi) actual association between marks. *Id.*

205. *Eli Lilly & Co. v. Natural Answers, Inc.*, 233 F.3d 456, 469 (7th Cir. 2000); *Nabisco Inc. v. PF Brands Inc.*, 191 F.3d 208, 228 (2d Cir. 1999).

206. *Eli Lilly & Co.* 233 F.3d at 469. *C.f. Nabisco Inc.*, 191 F.3d at 228.

207. *Eli Lilly & Co. v. Natural Answers, Inc.*, 233 F.3d 456, 469 (7th Cir. 2000).

208. *Nabisco Inc. v. PF Brands Inc.*, 191 F.3d 208, 228 (2d Cir. 1999).

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

210. Trademark Dilution Revision Act of 2006, H.R. 683, 109th Cong. (2006) (as enacted by the Senate, March 8, 2006).

211. *Hearing*, *supra* note 4, at 13 (statement of Gundelfinger).

212. Trademark Dilution Revision Act of 2006, H.R. 683, 109th Cong. (2006) (as enacted by the Senate, March 8, 2006).

213. *Hearing*, *supra* note 4, at 14 (statement of Gundelfinger).

marks must be to meet the standard for blurring.²¹⁴ Additionally, more specific language in this factor might prevent courts examining trademark similarities from probing for consumer confusion, which is not an element of trademark dilution.²¹⁵

The second factor recommends that courts determine the degree of inherent or acquired distinctiveness of the famous mark.²¹⁶ Notably, the TDRA cause of action covers famous trademarks that possess either inherent or acquired distinctiveness.²¹⁷ This new statutory language will alleviate a circuit split over whether marks with acquired distinctiveness are protected.²¹⁸ The majority of courts have held famous marks that have acquired distinctiveness over the years from extensive sales and promotion are protected under the FTDA.²¹⁹ Yet, some courts held that dilution protection is available only to inherently distinctive marks, which prevented descriptive marks with acquired secondary meaning from ever seeking protection from dilution, regardless of how famous they became over time.²²⁰ Under the TDRA, it is intended that an inherently distinctive trademark will be more susceptible to blurring than a descriptive trademark just introduced on the market.²²¹ Regardless, the TDRA makes clear that trademarks with acquired distinctiveness are eligible for protection as well.²²²

The third factor encourages courts to evaluate the extent to which the owner of the famous mark is engaging in substantially exclusive use of the mark.²²³ If a trademark is widely used on the market, consumers will have already made an association between the famous mark and multiple other sources or brand attributes.²²⁴ For instance,

214. WELKOWITZ, *supra* note 5, at 287 (discussing “substantially similar” marks under the FTDA).

215. Federal Trademark Dilution Act of 1995, 15 U.S.C. §§ 1125(c), 1127 (2000); *see, e.g.*, Nabisco Inc. v. PF Brands Inc., 191 F.3d 208, 215 (2d Cir. 1999) (discussing consumer confusion in the decision).

216. H.R. 683 § 2.

217. *Id.*

218. Nabisco Inc. v. PF Brands Inc., 191 F.3d 208, 215 (2d Cir. 1999); *contra* I.P. Lund Trading ApS, Inc. v. Kohler Co., 163 F.3d 27, 27-42 (1st Cir. 1998).

219. Ringling Bros.-Barnum & Bailey Combined Shows, Inc. v. Utah Div. of Travel Dev., 955 F. Supp. 605 (E.D. Va. 1997), *aff’d*, 170 F.3d 449 (4th Cir. 1999); Times Mirror Magazines, Inc. v. Las Vegas Sports News, L.L.C., 212 F.3d 157 (3d Cir. 2000).

220. TCP/IP Holding Co. v. Haar Comms., Inc., 244 F.3d 88, 95 (2d Cir. 2001); Nabisco Inc. v. PF Brands Inc., 191 F.3d 208, 215 (2d Cir. 1999).

221. *Hearing, supra* note 4, at 14 (statement of Gundlefinger).

222. Trademark Dilution Revision Act of 2006, H.R. 683, 109th Cong. (2006) (as enacted by the Senate, March 8, 2006).

223. H.R. 683 § 2.

224. *Hearing, supra* note 4, at 14 (statement of Gundlefinger).

“Blue Ribbon” is a term commonly used in the marketplace, therefore consumers are less likely to associate a “Blue Ribbon” trademark with only one source.²²⁵ Since consumers associate the term with a variety of products, it is less likely to be blurred.²²⁶ Evaluating the extent to which the owner of the famous mark engages in substantially exclusive use of the mark seems to be a helpful addition to the statutory framework for blurring analyses.²²⁷

The fourth factor involves an assessment of the degree of recognition by consumers of the famous mark.²²⁸ The more famous the mark, the greater the likelihood for damage to its distinctive qualities such as its source or brand attributes.²²⁹ The fifth factor asks whether the junior user intended to create an association with the famous mark.²³⁰ If the junior user intended to trade on the famous mark, there is a corresponding admission of famousness of the senior mark.²³¹ Finally, courts can use the sixth factor to determine if there is any actual association between the junior use and the famous mark.²³² Naturally, a consumer survey demonstrating consumer association between the marks would prove actual association.²³³

The TDRA factors for assessing blurring will provide circuit courts with a uniform and fairly clear framework in which to evaluate the probability that junior trademark use dilutes the distinctiveness of the famous mark.²³⁴ While the tests inevitably involve subjective weighing, they flag for courts the most important aspects of determining trademark dilution.²³⁵ This will assist in restricting dilution to the narrowest circumstances.²³⁶

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

226. *Id.*

227. *Id.*

228. Trademark Dilution Revision Act of 2006, H.R. 683, 109th Cong. (2006) (as enacted by the Senate, March 8, 2006).

229. *Id.*

230. *Id.*

231. *Hearing, supra* note 4, at 14 (statement of Gundlefinger).

232. *Id.*

233. *Id.*

234. *Hearing, supra* note 4, at 13 (statement of Gundlefinger).

235. H.R. 683 § 2.

236. *I.P. Lund Trading ApS, Inc. v. Kohler Co.*, 163 F.3d 27, 45-47 (1st Cir. 1998) (discussing the breadth of dilution law and the legislative intent to restrict relief to situations where junior use of “[s]upermarks” caused no consumer confusion, but use of the trademark seems unfair because it trades on the goodwill of the famous mark, “for example the use of DuPont Shoes, Buick aspirin, and Kodak pianos”).

2. Tarnishment

Dilution by tarnishment is defined in the TDRA 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.”²³⁷ Federal codification of tarnishment is a significant development in the wake of the *Moseley* decision, which questioned whether tarnishment was a form of dilution.²³⁸ Although the Supreme Court noted the issue only in dicta, injunctive relief from tarnishment faces an uncertain future under the FTDA because of its conspicuous absence from the statute.²³⁹

C. New Standards for Injunctive Relief

Under the FTDA as interpreted by the Supreme Court in *Moseley*, owners of famous marks are entitled to an injunction against other commercial use of their trademarks only if use by the other caused dilution.²⁴⁰ Notably, the TDRA significantly changes the standard of harm necessary for injunctive relief from dilution by substituting the phrase “likely to cause dilution” for “causes dilution.”²⁴¹ The language also states “likely dilution” may occur “regardless of the presence or absence of actual or likely confusion, of competition, or of actual economic injury.”²⁴² The standard of harm under the TDRA is a direct response to that articulated by the Supreme Court in *Moseley*.²⁴³

As a result of the “likelihood of dilution” standard articulated by the TDRA, famous trademarks may pursue injunctive relief prior to the imposition of actual injury.²⁴⁴ The premise of trademark anti-dilution law is to prevent dilution.²⁴⁵ Enabling famous trademark owners to respond to inappropriate junior use at the first sign of

237. H.R. 683 § 2.

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

239. *Id.* For instance, one court noted the Supreme Court’s questioning of tarnishment as a cause of action under the dilution statute, but pointed out that the defendant in the case had not suggested the court change its prior assumptions. *Scott Fetzer Co. v. House of Vacuums Inc.*, 381 F.3d 477, 489 (5th Cir. 2004).

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

241. H.R. 683 § 2.

242. *Id.*

243. *Hearing, supra* note 4, at 3 (statement of Rep. Berman).

244. *Hearing, supra* note 4, at 12 (statement of Gundelfinger).

245. *Id.*

impropriety is consistent with this premise.²⁴⁶ Also, this standard recognizes that diluting harm is immediate and irreparable.²⁴⁷

The new standard also promotes adjudication of dilution cases before the junior user invests heavily in a diluting mark.²⁴⁸ Under the FTDA, a junior user may invest heavily in his diluting trademark prior to adjudication of the dilution case.²⁴⁹ Such a situation might induce a court to allow a laches defense.²⁵⁰ Nevertheless, the new “likelihood of dilution” language of the TDRA ensures the owner of a famous mark will not get caught between suing too early and failing to prove actual harm, and losing on laches grounds.²⁵¹ The change in standard of harm also brings trademark dilution relief in line with other Lanham Act standards, which, for instance, do not require actual confusion for trademark infringement relief.²⁵²

The TDRA improves trademark protection by limiting potential for interference with famous marks, and reducing opportunities for litigation over ambiguous statutory language.²⁵³ The Act clarifies for trademark owners and third parties when dilution liability arises under federal statute.²⁵⁴ Moreover, the TDRA reduces incentives to forum shop among state courts with a lower standard for injunctive relief against dilution.²⁵⁵

V. Conclusion

Due to the imprecise language of the FTDA, courts have struggled to define the most fundamental aspects of trademark dilution. The Supreme Court’s decision in *Moseley* does not adequately address the pressing interpretive differences that currently plague the Federal

246. *Id.*; See also *Hearing, supra* note 4, at 3 (statement of Rep. Berman) (recognizing victims of dilution suffer “death by a thousand cuts, where significant injury is caused by the cumulative effect of many small acts of dilution.”).

247. *V Secret Catalogue Inc. v. Moseley*, 259 F.3d 464, 475-76 (6th Cir. 2001), *rev’d and remanded*, 537 U.S. 418 (2003).

248. *Hearing, supra* note 4, at 12 (statement of Gundelfinger).

249. *Id.*

250. *Id.*

251. *Id.*

252. *Id.* Section 32(1) of the Lanham Act imposes liability for a use that is “likely to cause confusion or to cause mistake, or to deceive.” 15 U.S.C. §1114(1). Section 43(a)(1)(A) also imposes liability for uses “likely to cause confusion.” 15 U.S.C. §1125(a)(1)(A).

253. H.R. REP. NO. 109-23, at 15 (2005) (Rep. Smith).

254. *Id.* at 5 (Rep. Smith) (stating that circuit splits on the meaning and application of core statutory provisions “complicates ability of mark holders to protect their property and businesses to plan their commercial affairs.”).

255. *Hearing, supra* note 4, at 5 (statement of Gundelfinger).

Trademark Dilution Act. Although the Court articulated the standard requiring actual trademark dilution for injunctive relief, it did not clarify how actual dilution could be proven nor did it rectify other fundamental trademark dilution issues mentioned above.

House Bill 683 is an appropriate solution to the interpretive difficulties plaguing the courts. The bill articulates a clear definition of dilution, limiting injunctive relief to specific instances of blurring and tarnishment of famous trademarks. The TDRA definition of blurring is consistent with past characterizations of dilution as a “whittling away of distinctiveness.”²⁵⁶ The list of factors to analyze blurring claims is relevant and specific. Additionally, the definition of tarnishment makes clear that the reputation of the trademark must be harmed. Evaluating trademark dilution claims always will involve some subjective evaluation of whether and how much the junior mark interferes with the famous mark, regardless of how well drafted the statutory language is. The advantage of the TDRA is that it defines the parameters of trademark dilution more clearly than in the past.

256. Schechter, *supra* note 18, at 833.