PROVING A TRADEMARK HAS BEEN DILUTED: THEORIES OR FACTS?

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SYNOPSIS

Until the 2003 Supreme Court decision in Victoria's Secret, too many courts assumed that an accused nonconfusing use that closely resembles a famous mark would in fact result in blurring and damage to the senior user's famous mark. The main lesson of the Victoria's Secret case is that courts, in deciding claims for violation of the federal Anti-Dilution Act, should not rest their decision upon assumptions but should require evidence to prove the critical elements of a claim of dilution of a trademark.

In this paper, I examine a claim for dilution by blurring and split it into its three elements required for a statutory violation. The three elements are

(1) multiple violative uses will occur such that they may cumulatively cause damage to the famous mark;

(2) the accused mark will, to the ordinary consumer, call to mind the famous mark; and

(3) blurring will cause damage to the strength of the famous mark.

I examine each of these three factual elements of a blurring claim and discuss why persuasive evidence is needed, not just theoretical assumptions that dilution of the famous mark will inevitably occur. I argue that even if the federal Anti-Dilution Act is amended in the future to permit a violation by a *likelihood* of dilution (rather than by actual dilution, as at present), courts should demand proof that each of the three factual elements of a claim are likely to occur. This requires a firm evidentiary basis to find that the three elements will in all probability occur.[1]

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1. This paper focuses on the issue of proving that dilution by blurring has occurred or is likely to occur. It does not discuss validity issues concerning what is a "famous"

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mark, and it does not discuss dilution by tarnishment.

I. INTRODUCTION

A. Dilution in the United States

For several decades, starting in 1947, a number of states enacted antidilution laws. But for various reasons they were seldom invoked and rarely resulted in findings of liability. Not until enactment of a federal law in 1996 did dilution emerge as a hotly debated and litigated issue within the trademark bar and the judiciary in the United States. This law was called the Federal Trademark Dilution Act (FTDA).[2] The key portions of the federal Act provide,

> The owner of a famous mark shall be entitled, subject to the principles of equity and upon such terms as the court deems reasonable, 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, and to obtain such other relief as is provided in this subsection.
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> The term "dilution" means the lessening of the capacity of a famous mark to identify and distinguish goods or services, regardless of the presence or absence of—
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> (1) competition between the owner of the famous mark and other parties, or
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> (2) likelihood of confusion, mistake, or deception.[3]

I estimate that as of the end of 2003 there were almost 400 reported judicial decisions from both trial and appellate courts interpreting and applying the federal antidilution law. So there is a considerable body of case law precedent. Unfortunately, much of the case law does not help make sense of what an antidilution law means. There are several splits of authority

2. Pub. L. No. 104-98, 109 Stat. 985 (codified as amended at Lanham Act § 43(c), 15 U.S.C. § 1125(c) (2000)).

3. Lanham Act §§ 43(c)(1), 45, 15 U.S.C. §§ 1125 (c)(1), 1127 (2000).

among federal courts located in different parts of the thirteen federal circuits. Consistency and predictability are hard to find.

The kind of uses that state and federal legislators had in mind as targets of their antidilution laws were the hypothetic examples of Dupont shoes, Buick aspirin, Schlitz varnish, Kodak pianos, and Bulova gowns.[4] These kinds of junior uses were assumed to cause some damage to the famous marks.

In 2003, the U.S. Supreme Court decided its first trademark dilution case. It concerned the alleged dilution of the trademark VICTORIA'S SECRET for women's clothing and lingerie.[5] The Court held that under the 1996 federal Anti-Dilution Act, proof of actual dilution, not just the likelihood of dilution, is required.[6] In Elizabethtown, Kentucky, located south of Louisville, Victor and Cathy Moseley were using the mark VICTOR'S LITTLE SECRET in a strip mall retail store selling men's and women's lingerie, adult videos, and sex toys. The district court granted plaintiff Victoria's Secret summary judgment on the federal Anti-Dilution Act claim, finding dilution by tarnishment.[7] The Moseleys appealed and the appellate court affirmed, finding dilution by both blurring and tarnishment.[8] The Court reversed, returning the case to the district court for a possible trial at which the plaintiff would be required to produce evidence of actual dilution of its trademark.[9]

Many members of the trademark bar reflexively recoiled in alarm and dismay at the court's reading of the FTDA in Victoria's Secret. Immediately after the Victoria's Secret decision, the International Trademark Association (INTA) appointed a select committee to study the FTDA. In the spring of 2004, the committee made its recommendations, and INTA presented them in the form of a draft bill at a hearing of the House Judiciary Subcommittee on Courts, the Internet, and Intellectual

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4. Mead Data Cent., Inc. v. Toyota Motor Sales, U.S.A., Inc., 875 F.2d 1026, 1031 (2d Cir. 1989) (reviewing the legislative history accompanying New York antidilution law); H.R. REP. NO. 104-374, at 3 (1995) (listing three examples of dilution of famous marks contemplated by the U.S. House of Representatives: DUPONT on shoes, BUICK on aspirin, and KODAK on pianos). The same three examples appear in the House and Senate remarks on the bill. 141 CONG. REC. S19,310 (daily ed. Dec. 29, 1995) (statement of Sen. Hatch); 141 CONG. REC. H14,317 (daily ed. Dec. 13, 1995) (statement of Rep. Moorhead).

5. Moseley v. V Secret Catalogue, Inc., 537 U.S. 418, 423 (2003).

6. *Id.* at 432–33 (contrasting state statutes with federal statutes).

7. *Id.* at 425. At the same time, the district court granted the Moseleys summary judgment on the traditional infringement claim, finding that Victoria's Secret had no possibility of proving a likelihood of confusion.

8. *Id.* at 427.

9. *Id.* at 434.

Property.[10] The draft bill proposed to tighten up some of the requirements for a mark to qualify for protection and to change somewhat the definition of "dilution."[11] Most relevant to this paper is the proposal to overrule in part the Victoria's Secret case and to change the statutory requirement from proof of actual dilution to proof that dilution is "likely."[12] Thus, INTA has recommended that Congress insert the word "likely" so that, like many state antidilution laws, a likelihood of dilution will be sufficient to violate the statute. If this happens, the hope seems to be that the Court's insistence on evidence of dilution will be rendered obsolete. I do not think that this will be, or should be, the case.

I advance my views expressed in this paper as applicable whether Congress amends the antidilution law or not. If only a likelihood of dilution is required, my view is that judges should still demand persuasive evidence that dilution is likely to occur. Persuasive evidence will require proof that dilution is probable.[13] Even the probability of dilution should be proven by evidence, not just by theoretical assumptions about what might occur or could happen.

B. Antidilution Law Internationally

There is considerable international interest in the concept of trademark dilution. New Zealand recently enacted an antidilution law,[14] and Australia is studying whether to do the

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10. *Comm. Print to Amend the Fed. Trademark Dilution Act: Hearing Before the Subcomm. on Courts, the Internet, and Intellectual Prop. of the House Comm. on the Judiciary*, 108th Cong. 5–13 (2004) (statement of Jacqueline A. Leimer, President, INTA).

11. *See* Rochelle D. Jackson, *Witnesses at Hearing Support Revising FTDA to Require Likely, not Actual, Dilution*, 67 PAT. TRADEMARK & COPYRIGHT J. 614, 614 (2004) (observing that hearing witnesses proposed that the FTDA should be amended to require proof of likely dilution).

12. *FTDA: Hearing Before the Subcomm. on Courts, the Internet, and Intellectual Prop. of the House Comm. on the Judiciary*, 107th Cong. 4–9 (2002) (statement of Kathryn Barret Park).

13. Proving that dilution is "likely" is synonymous with proving that dilution is "probable," not just "possible." Under traditional trademark law, all courts agree that proving a "likelihood of confusion" means proving that confusion is "probable," not just "possible." 3 J. THOMAS MCCARTHY, TRADEMARKS & UNFAIR COMPETITION § 23:3 (4th ed. 2004); *see also, e.g.*, Westchester Media v. PRL USA Holdings, Inc., 214 F.3d 658, 663–64 (5th Cir. 2000) ("Likelihood of confusion is synonymous with a probability of confusion, which is more than a mere possibility of confusion."); Estee Lauder Inc. v. The Gap, Inc., 108 F.3d 1503, 1510 (2d Cir. 1997) ("Likelihood of confusion means a probability of confusion; 'it is not sufficient if confusion is merely "possible."'"); Rodeo Collection, Ltd. v. W. Seventh, 812 F.2d 1215, 1217 (9th Cir. 1987) ("Likelihood of confusion requires that confusion be probable, not simply a possibility.").

14. Trade Marks Act, 2002, § 89(1)(d) (N.Z.), http://www2.piperpat.co.nz/tmlaw/s089.html.

same. [15]

The European Union nations have adopted language from the 1988 EU Trademark Directive[16] that is widely seen as a prohibition on dilution.[17] However, there is considerable uncertainty about the scope of the Directive, and the European Court of Justice (ECJ) decisions on point appear perplexed and uncertain.[18] The commentators uniformly refer to EU Trademark Directive Articles 4(4)(a) and 5(2) as antidilution laws,[19] loosely modeled on those in place in the Benelux and other European countries for many years.[20] But the word "dilution" is absent from the Directive. The key language of Article 5(2) provides,

> Any Member State may also provide that the

> (1) A person infringes a registered trade mark if the person does not have the right to use the registered trade mark and uses in the course of trade a sign—
> . . .
> (d) identical with or similar to the registered trade mark in relation to any goods or services that are not similar to the goods or services in respect of which the trade mark is registered where the trade mark is well known in New Zealand and the use of the sign takes unfair advantage of, or is detrimental to, the distinctive character or the repute of the mark.

Id.

15. Advisory Council on Intellectual Property, *Review of Enforcement of Trade Marks* § 4.8.3 (Feb. 2002), http://www.acip.gov.au/reviews.htm ("Should Australia introduce additional provisions to protect 'well-known' or 'famous' marks, either in concert with other countries, or unilaterally?"). The Intellectual Property Research Institute of Australia (IPRIA) recommended that before any further steps be taken, a broad review should be taken of (a) "Whether the theory that protection against dilution leads to benefits for consumers and innovation is borne out in practice" and (b) "Whether the costs of protection against dilution are worth the benefits . . . ." Intellectual Prop. Research Inst. of Austl., *Review of Enforcement of Trade Marks: Submission to the Advisory Council on Intellectual Property in Response to Its Issues Paper on Review of Enforcement of Trade Marks* § 4.3 (June 11, 2002), http://www.acip.gov.au/submissions/ipria.pdf.

16. Council Directive 89/104/EEC, 1989 O.J. (L 40) arts. 4(4)(a), 5(2) [hereinafter Trademark Directive 89/104], http://oami.eu.int/en/mark/aspects/direc/direc.htm.

17. Case 292/00, Davidoff & Cie SA v. Gofkid Ltd., 2003 E.C.R. I-389, [2003] 1 C.M.L.R. 35, AG7 (2003) (observing that all the Member States have implemented Articles 4(4)(a) and 5(2) of Trademark Directive 89/104, *supra* note 16).

18. *Davidoff*, 1 C.M.L.R. 35, paras. 23–30; Case 408/01, Adidas-Salomon AG v. Fitnessworld Trading Ltd., [2004] 1 C.M.L.R. 14, paras. 10–11, 13–22 (2003).

19. WILLIAM CORNISH & DAVID LLEWELYN, INTELLECTUAL PROPERTY: PATENTS, COPYRIGHT, TRADE MARKS AND ALLIED RIGHTS § 17-99, at 711 (5th ed. 2003).

20. TONY MARTINO, TRADEMARK DILUTION 100 (1996) ("Benelux cases [pre-EU Trademark Directive] have enjoined junior uses which arguably engendered an *un*mistaken awareness that the mark denoted a different product emanating from a different source."); Case 375/97, Gen. Motors Corp. v. Yplon SA, 1999 E.C.R. I-5421, [1999] 3 C.M.L.R. 427, para. AG28 (1999) ("[I]n the course of negotiations in the Council, a provision protecting marks 'with a reputation' was included at the request of the Benelux countries, and became Article 5(2) of the Directive."). Before the 1988 EU Trademark Directive, antidilution laws were in force in several European nations. But while the doctrine in the Benelux was part of trademark law, in other countries, such as Germany, it was a part of unfair competition law.

> proprietor [of a registered trademark] shall be entitled to prevent all third parties not having his consent from using in the course of trade any sign which is identical with, or similar to, the trade mark in relation to goods or services which are *not similar* to those for which the trade mark is registered, where the latter has a reputation in the Member State and where use of that sign without due cause takes *unfair advantage of, or is detrimental to, the distinctive character or the repute of the trade mark*. [21]

The European Court of Justice seems averse to use the word "dilution" and even more averse to refer to the theoretical, historical, and logical foundations of the dilution concept.[22] Advocate General (A.G.) Jacobs, who has guided the ECJ in many IP cases, has usually avoided using the word "dilution."[23] Only in 2003 in the Adidas case did A.G. Jacobs attempt to pin down what "dilution" means and take a look (albeit an abbreviated one) at its history and purpose.[24] There, he defined "dilution" as "detriment to the distinctive character of a trademark" and divided it into the two classic categories used in the United States: blurring and tarnishment.[25] Jacobs also blended in the concept of "free riding," using the example of ROLLS ROYCE whiskey.[26]

The ECJ has never attempted to examine the historical, logical, and theoretical foundations of the dilution concept in order to resolve rationally the thorny questions surrounding antidilution laws. The European Court's analysis seems tentative and vague.

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21. Trademark Directive 89/104, *supra* note 16, art. 5(2) (emphasis added). Article 4(4)(a) of the EU Trademark Directive mirrors this language in the context of opposition to registration. *See id.* art. 4(4)(a). Unexplored by the ECJ is the scope and meaning of the open-ended phrase, "without due cause takes unfair advantage of." *See* CORNISH & LLEWELYN, *supra* note 19, § 17-101, at 713 ("[I]t is enough to show that a defendant is taking unfair advantage, without showing that the proprietor is suffering detriment.")

22. *See Adidas-Saloman* for one of the rare uses of the word "dilution" by the Court itself. *Adidas-Saloman*, 1 C.M.L.R. 14, para. 37 (referring to the argument by the Commission of the European Communities that the Directive relates to "a likelihood of dilution of or detriment to the mark's reputation"). In 1998, the ECJ said that an accused mark that calls to mind a senior trademark could result in a dilution of the image linked to the senior mark. *See* Case 251/95, Sabel BV v. Puma AG, 1997 E.C.R. I-6191, [1998] 1 C.M.L.R. 445, para. 15 (1997).

23. Two exceptions are when Jacobs employed the word "dilution" to characterize a claim under the Benelux law. *See Sabel*, 1 C.M.L.R. 445, para. AG39; *Gen. Motors Corp.*, 3 C.M.L.R. 427, para. AG10.

24. *Adidas-Salomon*, 1 C.M.L.R. 14, paras. 37–40.

25. *Id.*

26. *Id.* para. 39.

C. The Theory of Dilution by Blurring

The federal statutory definition of what constitutes "dilution" of a famous mark clearly encompasses the traditional theory of dilution by "blurring." Dilution by blurring is the classic or "traditional" injurious impact of the dilution theory as envisioned by its original proponents. The theory is that customers or prospective customers will see the plaintiff's mark used by other persons to identify different sources on a plethora of different goods and services. The assumption is that the unique and distinctive significance of the mark to identify and distinguish one source might be diluted and weakened.[27] If several more uses that call to mind the famous mark are likely to follow within a short period, the assumption of antidilution theory is that the strength of the famous mark will be weakened. Should this be assumed or must it be proven by a preponderance of the evidence?

II. WHY IS THERE A NEED FOR A STRONG ANTIDILUTION LAW WHEN THERE IS A BROAD SCOPE OF PROTECTION THROUGH THE TRADITIONAL LIKELIHOOD OF CONFUSION RULE?

If a legal system has a test of likelihood of confusion that broadly encompasses confusion over sponsorship, affiliation, or connection, then many of the "deficiencies" cited by proponents of a broad antidilution law disappear. In such a setting, the alleged "need" for a separate system of protection though a dilution theory is much less pressing, and the burden of persuasion on proponents who advocate a broad scope to antidilution laws is much greater.

United States law made such an expansion of the scope of "confusion" by fits and starts in case law over a period of several decades from about 1940 through 1970.[28] An amendment to the federal Lanham Act in 1962[29] opened the door to expansion of

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27. Frank I. Schechter, *The Rational Basis of Trademark Protection*, 40 HARV. L. REV. 813, 825 (1927). Schechter is widely regarded as the commentator who initiated the theory of trademark dilution. In 1927, he urged legal protection against "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." *Id*. The Schechter proposal for a new form of protection was limited to situations where the junior mark was identical, when the famous mark was coined or arbitrary, and only if the uses were on noncompeting and nonsimilar goods or services. *Id*. at 825, 828–31.

28. *See* 4 MCCARTHY, *supra* note 13, § 24:2 (chronicling the three stages of development of the law regarding infringement by use on noncompetitive goods).

29. 1 MCCARTHY, *supra* note 13, § 5:6. "In 1962, the key definition of infringement [in the Lanham Act] was broadened by an amendment that eliminated the requirement that confusion, mistake or deception had to be of 'purchasers as to the source of origin of

the likely confusion rule, and it was finally codified in 1989.[30] Whether the mark is registered or not, the federal test of infringement is the very expansive one of likelihood of confusion not just over source, but also over sponsorship, affiliation, or connection.[31] This test sweeps a wide swath of exclusivity for the owner of a strong and famous mark. When a senior mark is famous and very strong, then the traditional confusion-based rules apply to their broadest and most robust extent.[32]

I am not arguing that the present scope of the test for a likelihood of confusion by sponsorship, affiliation, or connection should be broadened even further to accommodate "dilution-type" situations. There is no need to do so. Many cases now urged by proponents of a broad scope for dilution can easily be taken care of by the present state of the traditional likelihood of confusion test. For example, under the traditional likelihood of confusion test, the following accused uses were held to be infringements of well-known marks:

- JAGUAR perfume was held to be an infringement of JAGUAR for luxury autos;[33]

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such goods or services.'" *Id.*

30. The broad scope of "confusion" was codified in 1989 in Lanham Act § 43(a). 4 *id.* § 24.2. A federal claim under Lanham Act § 43(a) for infringement of an unregistered mark is triggered by a use that "is likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association" of the user with the senior user. 15 U.S.C. § 1125(a)(1)(A) (2000).

31. *See* 4 MCCARTHY, *supra* note 13, § 24:6; *see also, e.g.*, *In re* Save Venice N.Y., Inc., 259 F.3d 1346, 1355 (Fed. Cir. 2001) ("The related goods test measures whether a reasonably prudent consumer would believe that non-competitive but related goods sold under similar marks derive from the same source, or are affiliated with, connected with, or sponsored by the same trademark owner."); Westchester Media v. PRL USA Holdings, Inc., 214 F.3d 658, 666 (5th Cir. 2000) ("When products or services are noncompeting, the confusion at issue is one of sponsorship, affiliation, or connection."); Johnny Blastoff, Inc. v. L.A. Rams Football Co., 188 F.3d 427, 436 (7th Cir. 1999) ("The 'keystone' of trademark infringement is 'likelihood of confusion' as to source, affiliation, connection or sponsorship of goods or services among the relevant class of customers and potential customers.").

32. *See* 2 MCCARTHY, *supra* note 13, § 11:73 (indicating that "strong" marks are given "strong" protection); 4 *id.* § 24:49 (same); *see also, e.g.*, Champions Golf Club, Inc. v. The Champions Golf Club, Inc., 78 F.3d 1111, 1117 (6th Cir. 1996) ("The stronger the mark, the more likely it is that encroachment on it will produce confusion."); GoTo.com, Inc. v. Walt Disney Co., 202 F.3d 1199, 1207 (9th Cir. 2000) (stating the stronger the mark, "the greater protection the mark is accorded by trademark laws"); Recot, Inc. v. Becton, 214 F.3d 1322, 1327–28 (Fed. Cir. 2000) ("Famous marks are accorded more protection precisely because they are more likely to be remembered and associated in the public mind than a weaker mark. . . . [W]e hold that the fame of the mark must always be accorded full weight when determining the likelihood of confusion.").

33. Jaguar Cars Ltd. v. Skandrani, 18 U.S.P.Q.2d 1626, 1629, 1631 (S.D. Fla. 1991) (noting that JAGUAR is a very strong mark entitled to the "widest protection available" and that plaintiff expanded into the fragrance market, albeit after defendant).

- BACARDI jewelry was held to be an infringement of BACARDI for rum;[34]
- K2 cigarettes was held barred from registration as conflicting with K2 for skis;[35]
- LEVI'S men's cologne was held barred from registration as conflicting with LEVI'S for wearing apparel;[36]
- LLOYD'S OF LONDON men's cologne was held barred from registration as conflicting with LLOYD'S OF LONDON for insurance services;[37]
- MONOPOLY for wearing apparel was held barred from registration as conflicting with MONOPOLY for a board game;[38]
- TIFFANY for an automobile was held barred from registration as conflicting with TIFFANY for jewelry stores.[39]

Such decisions giving a broad scope of exclusivity to owners of strong and famous marks are neither recent nor unusual. They are routine. Because of such decisions, trademark lawyers routinely tell their clients to stay away from famous marks, no matter how distant the product or service line.

A parallel expansion of the likelihood of confusion test more recently occurred in Europe. In the Sabel case in 1998,[40] A.G. Jacobs said that "likelihood of association" in European Trademark Directive Articles 4(1)(b) and 5(1)(b) was not simply an inept use of words that were intended to encompass the theory of an antidilution law.[41] Rather, I think that "likelihood of association" represents an expanded form of the traditional test of likelihood of confusion.[42]

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34. Bacardi & Co. v. Bacardi Mfg. Jewelers Co., 174 U.S.P.Q. 284, 286 (N.D. Ill. 1972), *aff'd*, 475 F.2d 1406 (7th Cir. 1973) (unpublished).

35. K2 Corp. v. Philip Morris Inc., 192 U.S.P.Q. 174 (T.T.A.B. 1976), *aff'd*, 555 F.2d 815 (C.C.P.A. 1977).

36. *In re* Arthur Holland, Inc., 192 U.S.P.Q. 494 (T.T.A.B. 1976).

37. Corp. of Lloyd's v. Louis D'Or of France, Inc., 202 U.S.P.Q. 313 (T.T.A.B. 1979).

38. Gen. Mills Fun Group, Inc. v. Tuxedo Monopoly, Inc., 204 U.S.P.Q. 396 (T.T.A.B. 1979), *aff'd*, 648 F.2d 1335 (C.C.P.A. 1981).

39. Tiffany & Co. v. Classic Motor Carriages Inc., 10 U.S.P.Q.2d 1835 (T.T.A.B. 1989).

40. Case 251/95, Sabel BV v. Puma AG, 1997 E.C.R. I-6191, [1998] 1 C.M.L.R. 445 (1997).

41. *Id.* paras. AG44–AG49.

42. Both A.G. Jacobs and the ECJ rejected the view that "likelihood of association" means that the accused mark merely calls to mind the senior mark. *Id*. para. AG56, para. 18. A.G. Jacobs said in *Sabel* that the fact that the junior mark serves merely to call to mind the senior mark is *not* sufficient to establish a likelihood of confusion of association. *Id*. para. AG56. The same rule holds in the United States. *See* 3 MCCARTHY, *supra* note 13, § 23:9; *In re* Ferrero, 479 F.2d 1395, 1397 (C.C.P.A. 1973) ("The very fact of calling to

In the Canon case,[43] the ECJ cleared up an important question left unclear after *Sabel*: Is likelihood of confusion limited to confusion over origin, or does it also encompass confusion that there is an association with the senior user by sponsorship, affiliation, or connection? A.G. Jacobs said of Directive Article 4(1)(b), "[I]f, despite recognizing that the goods or services have different places of origin, the public is likely to believe that there is a link between the two concerns, there will be a likelihood of confusion within the meaning of the Directive."[44] I read these statements as adopting the position that likelihood of confusion includes confusion as to sponsorship, affiliation, or connection.

A.G. Jacobs's view in the Canon case was completely consistent with U.S. law when he noted that the stronger the senior mark, the broader the scope of protection that should be given to it when it challenges a similar mark used on far flung goods and services that are quite different from those of the senior user.[45] This is congruent with U.S. law on point.[46]

Given this parallel expansion in the United States and the EU of the definition of "likely confusion," what exactly are the cases that are not taken care of by confusion over sponsorship, affiliation, or connection and that demand a broad scope for a new and radically different kind of exclusive right for trademarks? Although such unusual cases may well exist, should not any antidilution law be confined to such rare cases?

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mind may indicate that the mind is distinguishing, rather than being confused by, two marks.").

43. Case 39/97, Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer Inc., 1998 E.C.R. I-5507, [1999] 1 C.M.L.R. 77, paras. 26–30 (1998) (discussing a case in which owner of CANON for cameras opposed the German registration of CANNON for motion picture and cinema products and services).

44. *Id.* para. 30. "[T]he risk that the public might believe that the goods or services in question come from the same undertaking or, as the case may be, from economically-linked undertakings, constitutes a likelihood of confusion within the meaning of Article 4(1)(b) of the Directive." *Id.* para. 29.

45. *Id.* para. AG32 ("The more well known or unusual a trade mark, the more likely it is that consumers might be confused into believing there to be [a] trade connection between [the] goods or services bearing the same or a similar mark."); *id.* para. 19 (stating that an opposition may be successful under Article 4(1)(b) where the goods or services are different and "the earlier mark, in particular its reputation, is highly distinctive").

46. 2 MCCARTHY, *supra* note 13, § 11:73; *see also, e.g.*, Champions Golf Club, Inc. v. The Champions Golf Club, Inc., 78 F.3d 1111, 1117 (6th Cir. 1996) ("The stronger the mark, the more likely it is that encroachment on it will produce confusion.").

III. ANTIDILUTION CASES SHOULD BE DIFFICULT TO PROVE

A. Too-Facile Case at the Beginning

For reasons that are difficult to determine, just after the 1996 federal Anti-Dilution Act became law, some courts bought the idea forwarded by some owners of famous trademarks that proving a case of dilution in violation of this new law was relatively easy. This thinking eventually led to the notion that all the owner of a "famous" mark needed do to prove a violation and obtain an injunction under this new act was to show that the accused mark was quite similar to the famous mark. Period. I rest my case. Some courts were then content to assume that all of the allegedly evil effects posited by the theory of dilution would occur, without calling for evidence to support this assumption.

Perhaps two of the reasons for this too-facile acceptance of assumptions of injury without proof were (1) the early use of the antidilution act as a weapon against cybersquatters and (2) the difficulty of explaining and comprehending the nature of "dilution,"—how it occurred and how it could "damage" a famous mark. These two possible explanations are discussed below.

Some attorneys for owners of famous marks began to think that it was preferable, because it was easier, to use this new antidilution law in order to prevail in garden variety cases of infringement by a competitor. How else can one explain the litigators' emphasis on, and judicial acceptance of, the antidilution law in the so-called "niche fame" cases?

B. The Start of the 1996 Act: A Weapon Against Cybersquatters

I explore here the possibility that the myth of a streamlined case under the antidilution act stemmed in part from its early use in cybersquatting cases. From its origin in 1996 until 1999, the federal Anti-Dilution Act became well known as the premier legal weapon with which to smite cybersquatters. Until passage in 1999 of the federal Anti-Cybersquatting Act, the antidilution law seemed to litigators and the courts as the logical legal theory to use to combat this new form of unfair competition. It was a new and unfamiliar law, just like the new and unfamiliar plague of cybersquatting.

The usual remedy of traditional trademark infringement did not seem to fit. This was because classical trademark infringement did not fit the mold of the typical cybersquatter. The mere reservation of a domain name, without use in connection with any commercial enterprise, does not trigger

infringement under the Lanham Act.[47] But the courts readily accepted the trademark owners' argument that the cybersquatter did utilize the contested designation in a "commercial use" because the cybersquatter's commercial "business" was to reserve famous trademarks as domain names and then to sell the domain names to the true trademark owners.[48] Dilution was said to exist because the cybersquatter prevented the trademark owner from using its own name as a domain name on its own authorized Internet website in the ".com" top level domain.[49] Because early cybersquatters like Dennis Toeppen were blatantly free riding on famous marks, courts simply intuited that no evidence of harm was needed: these were clear acts of unfair competition and should be called "dilution" in order to be stopped.[50]

The Ninth Circuit admitted that, in stretching the federal Anti-Dilution Act to cover cybersquatting, the court was creating a new form of illegal dilution beyond the traditional categories of tarnishment and blurring.[51] My point is that one of the first applications of the new antidilution law was to get judges and attorneys thinking of the new law as a result-oriented tool, easy to bend and twist to a situation that appeared to be "unfair."

Passage in 1999 of the Anti-Cybersquatting Consumer Protection Act (ACPA) was directed specifically at cybersquatting.[52] It made dilution by cybersquatting largely obsolete. The FTDA will probably no longer be usable for cybersquatting claims.[53] As the Fourth Circuit remarked, "We

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47. *See* HQM, Ltd. v. Hatfield, 71 F. Supp. 2d 500, 507 (D. Md. 1999) ("[N]early every Court to have decided whether mere registration or activation of a domain name constitutes 'commercial use' has rejected such arguments, even when the domain name or names included the .com designation."); 4 MCCARTHY, *supra* note 13, § 25:76.

48. *See, e.g.*, Panavision Int'l, L.P. v. Toeppen, 141 F.3d 1316, 1325 (9th Cir. 1998).

49. *See, e.g.*, Archdiocese of St. Louis v. Internet Entm't Group, Inc., 34 F. Supp. 2d 1145, 1146 (E.D. Mo. 1999) (finding that marks such as PAPAL VISIT 1999, used to publicize the visit of the Pope to St. Louis in January 1999, were likely tarnished by defendant's use of <papalvisit.com> and <papalvisit1999.com> domain names for websites advertising adult entertainment websites); Minn. Mining & Mfg. Co. v. Taylor, 21 F. Supp. 2d 1003, 1003 (D. Minn. 1998) (granting preliminary injunction against cybersquatter who reserved domain names "post-it.com," "post-its.com," and "ipost-it.com" as infringing on 3M's mark POST-IT for stick-on notes); Panavision Int'l, L.P. v. Toeppen, 945 F. Supp. 1296, 1298 (C.D. Cal. 1996) (holding that cybersquatter's "panavision.com" domain name diluted PANAVISION movies and TV cameras), *aff'd*, 141 F.3d 1316 (9th Cir. 1998); Intermatic Inc. v. Toeppen, 947 F. Supp. 1227, 1239–41 (N.D. Ill. 1996) (holding that cybersquatter's "intermatic.com" domain name diluted INTERMATIC electrical products).

50. Avery Dennison Corp. v. Sumpton, 999 F. Supp. 1337, 1340–41 (C.D. Cal. 1998).

51. *Panavision*, 141 F.3d at 1326.

52. 4 MCCARTHY, *supra* note 13, § 25:78.

53. Ford Motor Co. v. GreatDomains.com, Inc., 177 F. Supp. 2d 635, 655 (E.D. Mich. 2001) (disagreeing with the courts that have held cybersquatting to be a form of dilution

may and do conclude that the enactment of the ACPA eliminated any need to force trademark-dilution law beyond its traditional bounds in order to fill a past hole, now otherwise plugged, in protection of trademark rights."[54]

But this historical beginning of the federal Anti-Dilution Act's application to cybersquatters spread a virus—a contagious perception of the antidilution law as a simple and easy remedy for unfair acts, a remedy that owners of famous trademarks could invoke with no evidence of harm. Unfortunately, this thinking spread to some judges: They began to look at this new legal tool called antidilution law as an easy device to get to an injunction against those considered to be free riders who were competing unfairly.

IV. THE DIFFICULTY OF EXPLAINING AND UNDERSTANDING THE THEORY OF DILUTION BY BLURRING

A. A Radically Different Type of Trespass on a Trademark

No part of trademark law that I have encountered in my forty years of teaching and practicing IP law has created so much doctrinal puzzlement and judicial incomprehension as the concept of "dilution" as a form of intrusion on a trademark. It is a daunting pedagogical challenge to explain even the basic theoretical concept of dilution to students, attorneys, and judges. I have tried mightily. I believe that few can successfully explain it without encountering blank stares of incredulity or worse, nods of understanding which mask and conceal puzzlement and misconceptions. Even the U.S. Supreme Court has failed to grasp the contours of the doctrine.[55]

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and stating that "cybersquatting claims must be brought, if at all, under the ACPA").

54. Porsche Cars N. Am., Inc. v. Porsche.net, 302 F.3d 248, 261 (4th Cir. 2002).

55. In the oral argument of Victoria's Secret before the U.S. Supreme Court on November 12, 2002, the attorney for the defendant was told, "[I]t would help me a lot if you explained to me what dilution is . . . ." Oral Argument at 5, Moseley v. V Secret Catalogue, Inc., 537 U.S. 418 (2003) (No. 01-1015). At no point in the oral argument did any member of the Court seem to be satisfied that he or she had received an adequate answer to that inquiry from the advocates for either side or for the government. *Id*. at 5, 8, 19. In fact, in the opinion itself, the Court made a comment that revealed a misunderstanding of what "dilution" is. The Court referred to the facts of the Fourth Circuit's *Ringling* case where the state of Utah used the slogan "The Greatest Snow on Earth" and was sued for diluting by blurring the Ringling circus's famous slogan "The Greatest Show on Earth." Ringling Bros.-Barnum & Bailey Combined Shows, Inc. v. Utah Div. of Travel Dev., 170 F.3d 449, 451 (4th Cir. 1999). The Court said that "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." *Moseley*, 537 U.S. at 433–34. In my view, this is

Let's face it. For over a hundred years trademark law in the United States has been synonymous with protection of consumers from deception, based on the key finding that confusion was likely. Dilution theory is a wholly new legal basis of trademark exclusivity that has nothing to do with protecting consumers from being confused or deceived.[56] It has proven to be a jolting incongruity to bench and bar. So much so that many, many lawyers and judges have found it difficult to get their minds around such an alien concept so at variance with history and experience.

The 1996 Act, for the first time, enacted into national law the principle of antidilution law that no one can make a diluting use of a famous mark, even though there is no likelihood of customer confusion of source, sponsorship, or approval under traditional trademark infringement law.[57] The enactment inaugurated a new era in federal trademark protection, having the potential to expand significantly the zone of legal exclusivity for famous marks.

Although traditional trademark law rests primarily on a policy of protection of customers from mistake and deception, antidilution law more closely resembles an absolute property right in a trademark. Antidilution law has a strong resemblance not to the law of consumer protection, but to the law of trespass. As the Court observed in Victoria's Secret, "Unlike traditional infringement law, the prohibitions against trademark dilution are not the product of common-law development, and are not motivated by an interest in protecting consumers."[58]

However, there is an argument that economic theory teaches that dilution could harm consumers. That is, there is potential harm to both consumers and mark owners if a once-unique designation loses its uniqueness. The argument is that this makes it harder for consumers to link that designation with a single source—the hallmark of a strong trademark. Under this theory, dilution increases the consumer's search costs by

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wrong. Whether Utah drivers "associate" the famous circus mark by thinking it has some connection with defendant's skiing seems to me to have nothing to do with whether the famous mark is "diluted" by blurring or not. Rather, the issue is whether drivers seeing the Utah slogan see it as so synonymous with the circus slogan that they now recognize two distinct and unconnected sources providing services under the same mark or slogan. That is a requirement of dilution by "blurring."

56. *See, e.g.*, Mark A. Lemley, *The Modern Lanham Act and the Death of Common Sense*, 108 YALE L.J. 1687, 1698 (1999) ("But because consumers need not be confused for dilution to occur, dilution laws represent a fundamental shift in the nature of trademark protection.").

57. 4 MCCARTHY, *supra* note 13, § 24:90.

58. *Moseley*, 537 U.S. at 429.

diffusing the identification power of that designation.[59] Whether this is a significant risk in the real world is unknown and unproven.

B. The New York Experience

A number of judges have meandered down pathways of error in trying to make sense of the theory of dilution. For example, the New York state dilution statute, despite its clear wording to the contrary, was interpreted for many years to require either proof of likelihood of confusion or "unfair intent" on defendant's part.[60] The New York state and federal courts refused for decades to believe that the statute really meant what it literally said. "Despite the seeming intention of this statute to confer protection where the federal Lanham Act might not, viz., even where there is no confusion as to the origin of the goods, the courts have denied relief where confusion is absent."[61] Not until 1977 was this view at least partially put to rest.[62] I believe that this belief, that a dilution case required proof of likely confusion, can be traced to the jarring impact of a wholly unfamiliar notion: a theory of trademark exclusivity divorced from the policy of protecting consumers from confusion and deception.

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59. For example,

> [a] trademark seeks to economize on information costs by providing a compact, memorable, and unambiguous identifier of a product or service. 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 the product or service.

Richard A. Posner, *When Is Parody Fair Use?*, 21 J. LEGAL STUD. 67, 75 (1992).

> Dilution, which does not require a finding of likely confusion, may indirectly take consumer search costs into account. Dilution by blurring is concerned with preventing the erosion of the distinctiveness of the mark because of its use on non-related products. The 'noise' that this creates around the mark may increase consumer search costs.

Maureen A. O'Rourke, *Defining the Limits of Free-Riding in Cyberspace: Trademark Liability for Metatagging*, 33 GONZ. L. REV. 277, 306–07 & n.114 (1998); *see also* Lemley, *supra* note 56, at 1704 n.90 ("The information consumers can obtain and process is in part a function of how clear the association between mark and product remains in their minds; 'clutter' therefore imposes real costs on consumers.").

60. *See, e.g.*, Anti-Defamation League of B'Nai B'Rith v. Arab Anti-Defamation League, 340 N.Y.S.2d 532, 542 (Sup. Ct. 1972); Tiffany & Co. v. L'Agrene Prods. Co., 324 N.Y.S.2d 326, 330 (Sup. Ct. 1971); Cue Publ'g Co. v. Colgate-Palmolive Co., 256 N.Y.S.2d 239, 243 (Sup. Ct. 1965).

61. Girl Scouts of the United States v. Personality Posters Mfg. Co., 304 F. Supp. 1228, 1233 (S.D.N.Y. 1969).

62. Allied Maint. Corp. v. Allied Mech. Trades, Inc., 369 N.E.2d 1162, 1165–66 (N.Y. 1977) (holding that plaintiff's trade name was not strong enough to be diluted).

C. The Judge Sweet Factors

Similarly, how else can one explain the popularity of Judge Sweet's six-factor test for dilution by blurring? Conceived in a concurring opinion in the famed 1989 LEXIS v. LEXUS decision by the Second Circuit, the six factors were intended to bring some form and structure to dilution analysis.[63] I have criticized the test, arguing that "these factors are the offspring of classical likelihood of confusion analysis and are not particularly relevant or helpful in resolving the issues of dilution by blurring."[64] Some courts have agreed that the factors are too grounded in traditional confusion-based law to shed light on dilution-by-blurring analysis.[65] Later, the Second Circuit said that the Sweet factors were not the "fixed test" for dilution and forwarded a new ten-factor test that largely suffered from the same disabilities and irrelevancies as the six-factor test.[66] Why all this back and forth and uncertainty over basic analysis? I think that the counterintuitive and unfamiliar notion of dilution theory is the reason for judicial bewilderment over basic principles.

D. Forcing New Wine into Old Bottles

When faced with a subtle and unfamiliar theory like dilution, it is well known that the human mind will look for connections and parallels to things that are familiar and understood. Thus, the notion of confusion of customers continued to resound throughout dilution law. Some courts[67] and commentators[68] persisted in viewing blurring and confusion as though they were different stops along a single railway line. In

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63. Mead Data Cent., Inc. v. Toyota Motor Sales, U.S.A., Inc., 875 F.2d 1026, 1035 (2d Cir. 1989) (listing as relevant to a dilution by blurring analysis the following: (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").

64. 4 MCCARTHY, *supra* note 13, § 24:94.3.

65. Ringling Bros.-Barnum & Bailey Combined Shows, Inc. v. Utah Div. of Travel Dev., 170 F.3d 449, 464 (4th Cir. 1999) (stating that the Sweet factors "analysis simply is not appropriate for assessing a claim under the federal Act"); I.P. Lund Trading ApS v. Kohler Co., 163 F.3d 27, 49 (1st Cir. 1998) (citing 3 MCCARTHY, *supra* note 13).

66. Nabisco, Inc. v. PF Brands, Inc., 191 F.3d 208, 217–23, 227 (2d Cir. 1999) (affirming a preliminary injunction against Nabisco's dilution of Pepperidge Farms' fish-shaped GOLDFISH brand crackers).

67. *Id.* at 219 (opining that consumer confusion is evidence of dilution by blurring because "[a] junior use that confuses consumers as to which mark is which surely dilutes the distinctiveness of the senior mark").

68. Jerre B. Swann, Sr., *Dilution Redefined for the Year 2000*, 37 HOUS. L. REV. 729, 748 (2000) ("Confusion and dilution are states of mental association existing on a continuum that begins with a mistake as to origin and ends with a gradually diminishing appreciation of the original.").

my view, this is error and misses the key difference between the two doctrines. Blurring and confusion are not stops along the same railway line; they are different lines that proceed in altogether different directions. The mark that confuses does not necessarily dilute. It does not because dilution is a separate legal theory, positing a different kind of damage to a mark that is caused by a different form of consumer perception. Any attempt to weld the two doctrines together is bound to result in obfuscation and befuddlement.

Thus, I believe that the unfamiliarity, subtlety, and counterintuitive nature of blurring theory was easily misunderstood. This misunderstanding led to the erroneous notion that proving an antidilution case was streamlined and easy. Why else were lawyers emphasizing the antidilution law in run-of-the-mill cases against competitors in the niche fame cases?

V. THE NICHE FAME CASES

Under the federal Anti-Dilution Act, some courts have held that niche fame is possible, but is actionable only as against a defendant who is using the mark in the same niche market. Typical of those courts is the statement of the Third Circuit: "We are persuaded 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."[69]

Courts that employ the antidilution law as between competitors apply the law in an environment in which dilution was never intended to be appropriate. For example, in the Sporting News case, the district court issued a preliminary injunction at the behest of The Sporting News.[70] The court found that the accused LAS VEGAS SPORTING NEWS was a likely diluting use.[71] The parties were competitors in the sports publication market.[72] Although the plaintiff pled all the usual legal theories, including likelihood of confusion under Lanham Act §§ 32(1) and 43(a), the district court issued the injunction

69. Times Mirror Magazines, Inc. v. Las Vegas Sports News, L.L.C., 212 F.3d 157, 164 (3d Cir. 2000).

70. Times Mirror Magazines, Inc. v. Las Vegas Sports News, L.L.C., 50 U.S.P.Q.2d 1454, 1455 (E.D. Pa. 1999), *aff'd*, 212 F.3d 157 (3d Cir. 2000).

71. *Id.* at 1458.

72. *Times Mirror Magazines*, 212 F.3d at 161.

based solely upon the federal Anti-Dilution Act.[73] The court of appeals affirmed, finding that THE SPORTING NEWS was a famous mark within the niche market of sports periodicals.[74] Judge Barry, dissenting, argued that this use of the antidilution law was both misguided and unnecessary: "[I]f the parties here operate within the sports periodicals market, then this case, at least in my view, is a garden variety infringement case, and the complaint alleges just that."[75]

Acceptance of antidilution law when there is only niche market fame carries antidilution law into trademark disputes between competitors, producing a strange result. The legal theory of antidilution was conceived to protect strong marks against a diluting use by a junior user in a product or service line far removed from that in which the famous mark appears. As mentioned above, the most popular list of offending examples against which antidilution laws are directed is Dupont shoes, Buick aspirin, Schlitz varnish, Kodak pianos, and Bulova gowns. The assumption is that traditional likelihood of confusion cannot be proven in such cases. Hence, a kind of "extra-special" legal exclusivity was felt necessary to give the owners of strong marks the kind of protection that they "deserve" when the rules of normal likelihood of confusion law would not do the job. Thus, using the antidilution law when the parties are competitive or when they are selling their products in the same niche market sounds a jarring and dissonant note. Why the need to invoke the "super weapon" of the antidilution law to resolve a garden variety infringement case?[76]

The European Court of Justice has also fallen into this error. In its 2003 Davidoff decision, the ECJ rejected the opinion of A.G. Jacobs and decided, contrary to the wording of the EU Directive, that the antidilution provisions could be (and later in Adidas said they must be) invoked against a competitor.[77] A.G. Jacobs argued that the antidilution provisions of EU Trademark Directive

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73. *Id.* at 162 ("The district court granted the preliminary injunction solely on trademark dilution by blurring grounds and did not consider Times Mirror's other claims.").

74. *Id.* at 166.

75. *Id.* at 174 (Barry, J., dissenting).

76. 4 MCCARTHY, *supra* note 13, § 24:112.1 (stating that "the federal anti-dilution act does not require courts to recognize the phenomenon of niche fame").

77. Case 292/00, Davidoff & Cie SA v. Gofkid Ltd., 2003 E.C.R. I-389, [2003] 1 C.M.L.R. 35, paras. 9, 30 (2003) (involving the owner of the mark DAVIDOFF, which was registered and used on jewelry and smokers' articles, and its attempt to prevent the registration and use in Germany of the mark DURFEE for similar goods); *see also* Case 408/01, Adidas-Salomon AG v. Fitnessworld Trading Ltd., [2004] 1 C.M.L.R. 14, paras. 13, 20, 22 (2003).

Articles 4(4)(a) and 5(2) were a special form of exclusive rights reserved solely for cases of nonsimilar goods or services.[78] But the ECJ rejected Jacobs's opinion and held that an antidilution law is an overarching legal remedy applicable to any and all situations, whether the goods and services are competitive, similar, or nonsimilar.[79] Later that same year, the court adhered to this position in the Adidas case.[80]

Courts that do recognize niche market fame say that antidilution laws can be used only if the marks are directed at the same group of potential customers.[81] The problem with this reasoning is that antidilution law was not designed to apply in such a case. Antidilution law was conceived as a right that would create liability when the traditional likelihood of confusion infringement remedy would not work because there was a vast difference between the parties' product lines.

As Judge Ellis remarked, "[I]t seems an odd act of statutory interpretation that permits the owner of a famous mark to prevent dilution only by competitors in the owner's niche market, particularly since in such an instance, relief would likely already be available to the mark's owner under a § 43(a) infringement theory."[82] If the mark is indeed "famous" in its niche market, why would the senior user even need to invoke the special protections afforded by the antidilution law when the accused mark is in use in the same market?[83] I believe the answer is that a number of attorneys for famous mark owners believed that it would be easier to win dilution-based cases than cases based on classic confusion-based rules.

78. *Davidoff*, 1 C.M.L.R. 35, para. AG33.

79. *Id.* para. 30.

80. *Adidas-Salomon*, 1 C.M.L.R. 14, para. 20 (holding that the EU Trademark Directive must "grant protection which is at least as extensive for identical or similar goods or services as for non-similar goods or services").

81. Thane Int'l, Inc. v. Trek Bicycle Corp., 305 F.3d 894, 908 (9th Cir. 2002).

82. Wash. Speakers Bureau, Inc. v. Leading Authorities, Inc., 33 F. Supp. 2d 488, 503 (E.D. Va. 1999), *aff'd*, 217 F.3d 843 (4th Cir. 2000) (unpublished table opinion).

83. Certainly, if the mark is "famous" in its niche market, it should be easy to prove a likelihood of confusion by a junior user's use of a similar mark in the same niche market. The more "famous" and "well known" a plaintiff's mark, the greater the likelihood that the accused use will cause confusion. *See* 2 MCCARTHY, *supra* note 13, § 11:73; Champions Golf Club, Inc. v. The Champions Golf Club, Inc., 78 F.3d 1111, 1117 (6th Cir. 1996) ("The stronger the mark, the more likely it is that encroachment on it will produce confusion.").

VI. IT SHOULD BE MORE DIFFICULT TO PROVE A DILUTION CASE THAN A CONFUSION-BASED CASE

The above discussion posits that for at least two reasons, some segments of both bench and bar fell into the error of thinking that it was easier to prove an antidilution case than one based on classical confusion-based rules. I believe that this is exactly the reverse of what should be the situation.

The Ninth Circuit has observed that an injunction against dilution can have a much more sweeping impact on both fair commercial actions and free speech than one issued in an ordinary infringement case: "A dilution injunction, by contrast to a trademark injunction, will generally sweep across broad vistas of the economy."[84] Such a broad remedy should require a rigorous evidentiary showing.

The Trademark Review Commission has referred to the dilution remedy as an "extraordinary" one that required a significant showing of fame.[85] Thus, on the validity issue, to be protected, a mark must be truly prominent and renowned.[86] To remain true to this goal on the separate infringement issue, a case for dilution should be structured so as to make it more difficult to prevail in a dilution-based case than in a traditional confusion-based case. The evidentiary hill facing the plaintiff should be steeper than in the run-of-the-mill confusion-based case. Not only should the antidilution law be reserved for a small, select group of truly eminent and widely recognized marks, but a plaintiff should be able to prove an infraction of that law only by a clear case resting on a firm evidentiary base.

VII. THE ASSUMPTIONS OF DILUTION THEORY

Let us assume that the designation KODAK for cameras and film qualifies as a famous mark. An example of blurring is something like the hypothetical trademark KODAK for candies made by a company having nothing to do with the KODAK camera and film people. The assumption of an antidilution law is that customers or prospective customers will see the mark used

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84. Mattel, Inc. v. MCA Records, Inc., 296 F.3d 894, 904–05 (9th Cir. 2002).

85. U.S. Trademark Ass'n, *Trademark Review Commission Report and Recommendations on the United States Trademark System and the Lanham Act*, 77 TRADEMARK REP. 375, 461 (1987) ("We believe that a higher standard [than fame among an 'appreciable number' of persons] should be employed to gauge the fame of a trademark eligible for this extraordinary remedy.").

86. Avery Dennison Corp. v. Sumpton, 189 F.3d 868, 875 (9th Cir. 1999) ("Dilution is a cause of action invented and reserved for a select class of marks . . . ."); I.P. Lund Trading ApS v. Kohler Co., 163 F.3d 27, 47 (1st Cir. 1998).

on not just two, but a lot of different goods and services. The assumption is that if KODAK candy is permitted by the law, then there will be a second company with a KODAK travel agency and a third company will bring out a line of KODAK sports shoes.

A further assumption is that the unique and singular significance of the mark KODAK to identify and distinguish only one source will be diluted and weakened. It makes no difference whether there is confusion as to source, confusion as to sponsorship, or confusion as to affiliation or connection.

Up until the U.S. Supreme Court's decision in Victoria's Secret, many courts made three assumptions of things that would invariably happen in a case of dilution:

> (1) THE ASSUMPTION OF MULTIPLE USES. This is the assumption that if the accused use is not squelched, a multitude of others will soon follow, causing cumulative damage to the strength of the famous mark.
>
> (2) THE ASSUMPTION OF MENTAL CONNECTION. This assumes that blurring will occur because when the ordinary consumer sees the accused mark, it will primarily call to mind the famous mark, not some other significance.
>
> (3) THE ASSUMPTION OF DAMAGE TO THE FAMOUS MARK. If several more uses that call to mind the famous mark are likely to follow within a short period, the assumption of antidilution theory is that the strength of the famous mark will be weakened. The assumption is that prospective customers will see the famous mark used by other persons to identify other sources on a plethora of different goods and services. The assumption is that the unique and distinctive significance of the mark to identify and distinguish only one source will inevitably be diluted and weakened.

Should these essential elements be assumed or should they be proven by evidence? These assumptions are explored below.

A. The Assumption of Multiple Uses

The assumption is that if one small defendant's use is permitted, several more will follow within a short time period on similarly disparate goods and services. For example, the assumption is that if KODAK candies is permitted, then within two years, it will be followed by multiple uses such as KODAK sports shoes and KODAK travel agency. Proceeding down the slippery slope, dilution theory supposes that more and more "diluting" uses will invariably pop up. At some indefinable point

in this progression of uses, the theory posits that a diminution of the strength of the famous mark will occur.

The antidilution statute requires that the plaintiff prove that the capacity of the mark to continue to be strong and famous will be damaged (or will likely be damaged) by the defendant's use. This echoes the classic theory that the injury caused by dilution is the gradual diminution or whittling away of the value of the famous mark by blurring uses by others.[87]

This raises the question of whether the plaintiff need prove that this single use by the defendant diminishes the ability of the famous mark to remain strong. The defendant will argue that its use is so small and insignificant in comparison to the power and strength of the famous mark that any injury to the capacity of the mark to remain strong is de minimis and unimportant. However, the theory of dilution by blurring assumes that 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.[88] Like being stung by a hundred bees, significant injury is caused by the cumulative effect, not by just one.[89]

But is this metaphor accurate in the real world? Many of us have been stung by one bee and no more stings immediately followed. Few (fortunately) have been stung by even a dozen at once, let alone hundreds. Why should courts assume without proof that multiple uses will follow if this one, relatively insignificant, use is allowed to continue?

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87. Schechter, in his seminal proposal, urged legal protection against 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." Schechter, *supra* note 27, at 825.

88. Ill. High Sch. Ass'n v. GTE Vantage, Inc., 99 F.3d 244, 247 (7th Cir. 1996) (stating that dilution by blurring can consist of "a proliferation of borrowings that, while not degrading the original seller's mark, are so numerous as to deprive the mark of its distinctiveness and hence impact"). Similarly,

> "The gravamen of a dilution complaint is that the continuous use of a mark similar to plaintiff's works an inexorably adverse effect upon the distinctiveness of the plaintiff's mark, and that, if he is powerless to prevent such use, his mark will lose its distinctiveness entirely. . . . [D]ilution is an infection which, if allowed to spread, will inevitably destroy the advertising value of the mark."

Polaroid Corp. v. Polaraid, Inc., 319 F.2d 830, 836 (7th Cir. 1963) (quoting RUDOLF CALLMANN, THE LAW OF UNFAIR COMPETITION AND TRADE-MARKS 1643 (2d ed. 1950)).

89. 4 MCCARTHY, *supra* note 13, § 24:94. Another metaphor for the injury requirement could be the test for determining market harm when applying the copyright fair use defense. The U.S. Supreme Court has said, "More important, to negate fair use one need only show that if the challenged use 'should become widespread, it would adversely affect the *potential* market for the copyrighted work.'" Harper & Row, Publishers v. Nation Enters., 471 U.S. 539, 568 (1985) (quoting Sony Corp. of Am. v. Universal City Studios, Inc., 464 U.S. 417, 451 (1984)).

If this assumption of widespread multiple uses is not invariably accurate, then what is the impact on a case alleging a blurring violation of the antidilution law? If this one challenged use is highly unlikely to have such an impact on the public mind as to lessen the strength of the famous mark, then in fact no "dilution" (or perhaps even a likelihood or probability of dilution) will occur. Like a tort without injury, there is dual use of a mark (by both plaintiff and defendant) without provable or predictable harm.

Surely, the owner of the VICTORIA'S SECRET mark did not seriously consider that the one small use by Victor and Cathy Moseley of VICTOR'S LITTLE SECRET in Elizabethtown, Kentucky would of itself lessen to any significant extent the cachet and hold on the public mind of the massively advertised VICTORIA'S SECRET brand. The fear of proliferation must have been the trigger for the expenditure of so many legal resources. That is, the mark owner did not want to be in the position of seeing others, encouraged by the mark owner's inaction, emulating the Moseleys. Should the owner of the mark be required to prove a basis for its fear of imitation of the defendant and proliferation of imitative brands?

I am not aware of any case studies exemplifying situations where one nonconfusing imitator of a famous mark was soon followed by many others. Why should this fact be assumed rather than discussed and proven in every alleged case of blurring? Do such multiple uses follow often, sometimes, rarely, or never?

Certainly, some marks have been weakened by confusing uses in competitive and closely related markets. But such weakening was caused by the senior mark owner's failure to enforce under traditional confusion-based law. An antidilution law is not needed to maintain the strength of a mark in its own and related fields. Undoubtedly, some marks have been destroyed by failure to enforce using traditional confusion-based law, such as the "Walking Fingers"[90] logo and the "Yellow

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90. BellSouth Corp. v. DataNational Corp., 60 F.3d 1565, 1567, 1570 (Fed. Cir. 1995). The "Walking Fingers" logo became a generic designation because "AT & T allowed any and all competing publishers of telephone directories to use the logo on their directories. . . . [T]he logo . . . now identifies the product—classified telephone directories—generally." *Id.* The express disavowal of rights by AT&T, followed by extensive third party use resulted in generic status for the "Walking Fingers" logo. BellSouth Corp. v. White Directory Publishers, Inc., 42 F. Supp. 2d 598, 610 (M.D.N.C. 1999). AT&T and BellSouth's predecessors

> affirmatively represented their belief that the logo was generic, used it in a generic manner, told others to do the same, and did not object when others did the same. . . . [S]uch conduct estops BellSouth from turning on its head over thirty years of history by now seeking trademark protection of the 'walking fingers' logo.

Pages"[91] designation.

Using modern rules forbidding likelihood of confusion of sponsorship, association, or connection, the owner of a strong and "famous" mark should have no trouble clearing away wide swaths of adjacent market lines of goods and services by proving them to be confusing uses.

If in fact, one bee sting of a nonconfusing use is only very rarely followed by a damaging number of others, then why should the courts assume without proof that others will always quickly follow? Should not the owner of the famous mark at least be required to articulate the scenario of multiple uses and allow the trier of fact to evaluate if multiple uses are, in fact, likely to follow? If the fact finder says "no," then no significant damage has occurred or is likely to occur. No harm, no foul.

B. The Assumption of Mental Connection

The assumption of dilution theory is that the ordinary consumer, when presented with the junior user's mark in its normal marketing context, will at least think of the senior user's famous mark. If the famous mark is a coined mark with no other significance in language or culture, this may be a valid assumption. For example, I think that it is a valid assumption that the ordinary consumer who sees an advertisement in a newspaper for a KODAK travel agency will think of the KODAK company that makes cameras and film. This is because there is no other significance to this word. In such cases, it would make sense for the law to apply a rebuttable presumption that the junior mark calls to mind the famous mark. This is what the U.S. Supreme Court in the Victoria's Secret case called "mental association."[92]

But this assumption of mental connection is not accurate with marks consisting of words that have a meaning other than

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Id. at 610 n.5.

91. Filipino Yellow Pages, Inc. v. Asian Journal Publ'ns, Inc., 198 F.3d 1143, 1147, 1151 (9th Cir. 1999) (determining that "yellow pages" is a generic term and "Filipino Yellow Pages" is either generic or "the feeblest of descriptive marks"); AmCan Enters., Inc. v. Renzi, 32 F.3d 233, 234 (7th Cir. 1994) ("'[Y]ellow pages' has become a generic term for a local business telephone directory alphabetized by product or service . . . .").

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

> [A]t least where the marks at issue are not identical, the mere fact that consumers *mentally associate* the junior user's mark with a famous mark is not sufficient to establish actionable dilution. As the facts of that case demonstrate, such *mental association* will not necessarily reduce the capacity of the famous mark to identify the goods of its owner, the statutory requirement for dilution under the FTDA.

Id. (emphasis added).

as a source signifier. For example, consider the famous mark AMAZON for an online bookseller. AMAZON probably qualifies as a "famous" mark. But it is not a coined mark. It is an arbitrary mark using a word that has at least two other meanings:

> (1) the great river basin of South America.[93] I think that to most American consumers, the word conjures up visions of steaming jungles concealing undiscovered tribes and a rain forest teeming with flora and fauna unknown to modern science.
>
> (2) In some contexts, the word would trigger visions of the fabled Amazon women warriors of ancient Greek myth.[94]

For example, would these four unlicensed uses of AMAZON cause the ordinary consumer to think immediately of the trademark AMAZON?

AMAZON gardening service[95]

AMAZON hiking and survival equipment[96]

AMAZON restaurant (with a rainforest motif)

AMAZON women's health spa.[97]

My thought is that, to a majority of consumers, these uses would not immediately call to mind that particular use of the word "Amazon" as a famous mark for an online seller.

Some have argued that the real explanation for many of the cases is a popular and judicial aversion to free riding on made-up, coined marks.[98] I think that most people would not automatically assume that the users in these four hypothetical cases are bad actors who are free riding on the fame of the mark

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93. Spanish adventurer, Francisco de Orellana, is said to have named the Amazon river after a fierce tribe of warrior women he encountered along its banks.

94. Amazon warriors fought and died in the Trojan war. Homer and Hippocrates wrote of these ferocious fighting women, as did Greek historian Herodotus. Greek mythology describes the Amazons as descendants of the god of war, Ares, and the sea nymph, Harmonia. They worshipped Artemis, goddess of the hunt. No one was ever quite sure exactly where the Amazons' territory was located.

95. Would not this mark to the ordinary consumer be most likely to trigger visions of luxuriant green and healthy plants brimming with life, as does the growth along the Amazon river basin?

96. Would not the ordinary consumer be most likely to think of the Amazon river, jungle trekking, and rain forest bivouacs?

97. I think to the ordinary consumer this mark would conjure up the fabled strong and independent women warriors of ancient myth.

98. D.J. Franklyn, *Debunking Dilution Doctrine: Justifying the Free Rider Impulse in Trademark Law*, 56 HASTINGS L.J. (forthcoming 2004) (on file with Author) (arguing that most dilution cases are not decided on the basis of damage to the famous mark but on a free-riding rationale).

AMAZON. But what about the use of AMAZON as a mark on cell phones or snack food? Even for such uses, should not the owner of the famous mark be required to offer some kind of evidence that a majority of consumers are likely to think of the famous mark, rather than think of some other significance to the word?

Similarly, what of the many other noncoined marks consisting of words that hold meanings other than an indication of source? I am thinking of marks such as FORD motor vehicles, TIME magazine, TIDE wash soap, SHELL gasoline, BELL helicopters, and POLO wearing apparel. I do not think that it can be assumed or presumed that the ordinary consumer, when confronted with an identical mark on nonconfusing, far removed goods or services, will inevitably and necessarily think of the famous mark.

If this assumption of conjuring up or calling to mind is not true, then there is neither dilution nor the likelihood of it. If the accused use does not call to mind the famous mark, then no dilution by blurring has occurred. Blurring requires the same mark to identify two different sources in the consumer's mind.[99]

Although the KODAK camera and film mark may be diluted by unauthorized KODAK hiking boots, I think that it is possible that the use of the FORD automobile mark may not be diluted by use on hiking boots. The issue is whether a significant number of persons in the hiking boot market are likely to be reminded of or think of FORD autos when, to use a hypothetical example, they see FORD brand hiking boots.[100] If not, then how can there be a "blurring" of two sources identified by one mark when no other source comes to mind when customers encounter the junior user's mark? Thus, if the ordinary prospective purchaser, upon encountering the junior user's mark that is the same as the famous mark, is not likely, because of the context, to even think of the famous mark, then dilution by blurring cannot occur.[101]

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99. Hasbro, Inc. v. Clue Computing, Inc., 66 F. Supp. 2d 117, 134 (D. Mass. 1999), *aff'd*, 232 F.3d 1 (1st Cir. 2000) (citing 3 MCCARTHY, *supra* note 13).

100. And they are even less likely to think of the vehicle manufacturer if the accompanying promotion said, "Designed by the life-long trekker and hiker Jonathan Ford."

101. In *Hasbro*, the court declared that because the ordinary web user, upon encountering the junior user's www.clue.com website advertising the computer consulting services of Clue Computing Inc., would not be likely to think of the famous CLUE board game mark, no dilution would occur. *Hasbro*, 66 F. Supp. 2d at 126, 136.

> I find that Hasbro's evidence fails to establish that consumers will improperly view the two marks as the same. I further find that Hasbro's evidence is not sufficient to show as a matter of law that consumers will see one mark as identifying two sources or will associate both products with Hasbro's mark.

C. The Assumption of Damage to the Famous Mark

The statute states, "The term 'dilution' means the lessening of the capacity of a famous mark to identify and distinguish goods or services . . . ."[102] If the accused use is permitted and several more uses that call to mind the famous mark are likely to follow within a short period, the assumption of antidilution theory is that the strength of the famous mark will be weakened. Should this lessening of strength be assumed or must it be proven by a preponderance of the evidence?

VIII. THE VICTORIA'S SECRET DECISION

The kind of damage to the famous mark that is required is the issue that the U.S. Supreme Court grappled with in Victoria's Secret in 2003.[103] The Court resolved the circuit split that had developed as to whether the plaintiff in a Lanham Act § 43(c) dilution case had to prove an actual, present injury to its famous mark. The Fourth Circuit held that a plaintiff did have to present such proof.[104] The Second Circuit later disagreed and held that such proof was not necessary to prove liability: A preliminary injunction could be obtained to prevent threatened injury to the strength of the famous mark.[105] Other circuits lined up on both sides of the split. [106]

The Court relied heavily on the fact that the federal Anti-Dilution Act does not contain the phrase "'likelihood of injury to business reputation or of dilution'" that appears in many state

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Id. at 136; Strick Corp. v. Strickland, 162 F. Supp. 2d 372, 378 (E.D. Pa. 2001) ("Dilution by blurring imputes some mental association between the two trademarks. . . . However, if a reasonable buyer is not at all likely to link the two uses of the trademark in his or her own mind, then there can be no dilution.").

102. Lanham Act § 45, 15 U.S.C. § 1127 (2000).

103. Moseley v. V Secret Catalogue, Inc., 537 U.S. 418, 420–22 (2003).

104. Ringling Bros.-Barnum & Bailey Combined Shows, Inc. v. Utah Div. of Travel Dev., 170 F.3d 449 (4th Cir. 1999). Ringling Bros. alleged that the state of Utah's slogan "The Greatest Snow on Earth" diluted by blurring Ringling Bros.' famous slogan "The Greatest Show on Earth." *Id.* at 451. The Fourth Circuit affirmed a dismissal of the claim, requiring proof of actual, present injury to the famous slogan. *Id.* at 458.

105. Nabisco, Inc. v. PF Brands, Inc., 191 F.3d 208, 223–24 (2d Cir. 1999) (affirming a preliminary injunction against Nabisco's dilution of Pepperidge Farms' fish-shaped GOLDFISH brand crackers).

106. The Fifth Circuit followed the Fourth Circuit and held that a case of dilution "requires proof of actual harm since this standard best accords with the plain meaning of the statute." Westchester Media v. PRL USA Holdings, Inc., 214 F.3d 658, 670 (5th Cir. 2000). The Seventh Circuit joined with the Second Circuit to hold that there is no need to prove actual damage to the mark. Eli Lilly & Co. v. Natural Answers, Inc., 233 F.3d 456, 468 (7th Cir. 2000). The Sixth Circuit in the Victoria's Secret case also agreed with the Second Circuit, and was reversed by the U.S. Supreme Court. V Secret Catalogue, Inc. v. Moseley, 259 F.3d 464, 471–72, 475 (6th Cir. 2001), *rev'd*, 537 U.S. 418 (2003).

antidilution statutes.[107] To obtain an injunction, the Act requires proof that the accused use actually causes dilution, not a likelihood of dilution. The Court agreed with the Fourth Circuit that omission of the word "likelihood" in the federal law and use of the word "causes" dilution means that the owner of the famous mark must prove that actual "dilution" has already occurred.[108]

Thus, the key decision of the Victoria's Secret case was that proof of actual dilution, not just the likelihood of dilution, is required.[109] There was no dispute that plaintiff's VICTORIA'S SECRET mark for women's lingerie and wearing apparel qualified as a "famous mark" as required by Lanham Act § 43(c).[110] In 1998, just south of Louisville in Elizabethtown, Kentucky, Victor and Cathy Moseley opened VICTOR'S SECRET, a retail store in a strip mall selling men's and women's lingerie, adult videos, and sex toys.[111] After being contacted by Victoria's Secret, the Moseleys changed the name of their store to VICTOR'S LITTLE SECRET and stood their ground.[112] Plaintiff filed suit for trademark infringement and dilution.[113] The district court dismissed the trademark infringement count on summary judgment, finding no possibility of proving a likelihood of confusion, but granted plaintiff Victoria's Secret's summary judgment on the federal Anti-Dilution Act count, finding dilution by tarnishment.[114] The Moseleys appealed and the appellate court affirmed, finding dilution by both blurring and tarnishment.[115] The Court reversed, returning the case to the district court for a possible trial.[116]

In my view, the Court created two categories of dilution cases: one where the conflicting marks are identical and one

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107. *Moseley*, 537 U.S. at 430–31 (quoting 1947 Mass. Acts p. 307, ch. 300).

108. *Moseley*, 537 U.S. at 432–33.

109. *Id*. at 433. Applying the Victoria's Secret rule, the Sixth Circuit held that Kellogg could not prevent the registration and use of the word mark TOUCAN GOLD and a logo of a toucan bird for golf clubs, and the court also held that it was not a dilution by blurring of Kellogg's TOUCAN SAM mascot for FROOT LOOPS breakfast cereal. Kellogg Co. v. Toucan Golf, Inc., 337 F.3d 616, 628 (6th Cir. 2003) ("Kellogg has failed to present evidence that any segment of the population recognizes Toucan Sam as the spokesbird only for Froot Loops in lesser numbers than it did before [defendant] starting using its toucan marks.").

110. *Moseley*, 537 U.S. at 425 ("Noting that petitioners did not challenge Victoria Secret's claim that its mark is 'famous,' the only question [the district court] had to decide was whether petitioners' use of their mark diluted the quality of respondents' mark.").

111. *Id.* at 422–23.

112. *Id.* at 423 (observing that the suit was filed after the name was changed).

113. *Id.* at 423–24.

114. *Id.* at 425.

115. *Id.* at 425–27.

116. *Id.* at 434.

where the marks differ. The Court said that "at least where the marks at issue are not identical, the mere fact that consumers mentally associate the junior user's mark with a famous mark is not sufficient to establish actionable dilution."[117] One implication of this statement is that where the marks are identical, the fact that consumers mentally associate the junior user's mark with a famous mark could be, but is not necessarily, sufficient evidence to establish damage caused by dilution. Some district courts have held that the Court meant that if the marks are identical, mental association is itself sufficient circumstantial evidence to prove actual dilution.[118] Other courts have disagreed and said that some circumstantial evidence of actual dilution (as opposed to direct evidence) is required even when the marks are identical.[119]

IX. EVIDENCE THAT COULD BE SUFFICIENT TO PROVE DILUTION

In cases where the conflicting marks are not identical, as in the Victoria's Secret case, the U.S. Supreme Court's holding is that the mere fact that consumers mentally associate the junior user's mark with a famous mark is not sufficient evidence to prove actual dilution.[120] The Court's Victoria's Secret opinion is terse and cryptic, giving little information on the kind of evidence that would suffice to prove actual dilution in cases of nonidentical marks. In my view, evidence of actual dilution damage in nonidentical marks cases could fall into two categories: expert testimony and survey evidence.[121]

A. Expert Testimony

In the absence of guidance from the Court, we must speculate as to the kinds of evidence that might be used to prove that a famous mark has been, or is likely to be, diluted.

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117. *Id.* at 433.

118. Pinehurst, Inc. v. Wick, 256 F. Supp. 2d 424, 431–32 (M.D.N.C. 2003) (determining that a cybersquatter was proven to have diminished the economic value of plaintiff's PINEHURST golf resort mark); Nike Inc. v. Variety Wholesalers, Inc., 274 F. Supp. 2d 1352, 1372 (S.D. Ga. 2003) (concluding that the use of identical mark NIKE on counterfeit wearing apparel is sufficient evidence of "dilution").

119. *See, e.g.*, Lee Middleton Original Dolls, Inc. v. Seymour Mann, Inc., 299 F. Supp. 2d 892, 902 (E.D. Wis. 2004) (noting split of authority and denying dismissal on summary judgment "[i]n view of the developing status of the law on the nature of evidence required"); Savin Corp. v. Savin Group, 68 U.S.P.Q.2d 1893, 1904–05 (S.D.N.Y. 2003) (dismissing on summary judgment a dilution claim for failure of plaintiff to provide circumstantial evidence of dilution).

120. *Moseley*, 537 U.S. at 433.

121. *See* 4 MCCARTHY, *supra* note 13, § 24:94.2 (discussing the kinds of expert testimony and survey evidence that could be relevant).

Candidates for expert witnesses could include the following three types:

> (1) A marketing or advertising expert who could testify that, in her opinion, the famous mark has lost or is likely to lose some of its power as an identifier and marketing tool because of the diluting impact of the accused use. The expert could explain the marketing value of the unique link that previously existed between the famous mark, its owner, and the goods or services identified by the famous mark.
>
> (2) A licensing expert who could testify that the brand extension opportunities of the famous mark have been foreclosed by the presence of the accused mark. The expert could testify that this lessens the value and marketplace worth of the famous mark.
>
> (3) An expert in the valuation of trademarks who could testify that the value of the mark for such purposes as security in obtaining financing has been, or is likely to be, lessened by the presence of the accused use in the marketplace.

B. Survey Evidence

The Solicitor General's amicus brief for the government, on which the U.S. Supreme Court heavily relied, discussed some possible types of dilution surveys that might be used to prove that actual dilution has occurred.[122] I express no opinion as to whether any of these survey methods are appropriate or suitable and list them only as possibilities mentioned by the government.

Survey Method 1. The government cited a law review article by P.M. Bible, which had also been noted by the Fourth Circuit in the Ringling Circus case.[123] The article suggests surveying persons who know of plaintiff's famous mark, but selecting two subgroups, the first of which (Group A) knows of the accused use and the second of which (Group B) does not.[124] In one variation on the theme, Bible suggests that these people be asked the type of

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122. Brief for the United States as Amicus Curiae Supporting Petitioners in Part at 22–24, *Moseley* (No. 01-1015) [hereinafter Amicus Brief].

123. *Id.* at 22; *see also* Ringling Bros.-Barnum & Bailey Combined Shows, Inc. v. Utah Div. of Travel Dev., 170 F.3d 449, 461 n.6 (4th Cir. 1999).

124. Patrick M. Bible, *Defining and Quantifying Dilution Under the Federal Trademark Dilution Act of 1995: Using Survey Evidence to Show Actual Dilution*, 70 U. COLO. L. REV. 295, 331 (1999).

product they associate with the mark.[125] The difference between the two groups in the percentage who identify the mark with the famous mark owner's goods or services is then said to represent the damage to the strength of the mark due to the accused usage.[126] For example, if 90% of Group B identifies the famous mark owner's goods with the mark, but only 80% of Group A does, the thesis is that the 10% difference is due to those persons' exposure to the accused use, which has blurred and diluted the selling power of the famous mark.

In a variation on this method, persons in the same two groups are asked what products they associate with the famous mark.[127] The thesis is that if the survey shows that those who are not aware of the accused use identify the mark only with products sold under the famous mark, but those who are aware of the accused use identify the mark with products sold both under the famous mark and by the accused user, then this indication of duality of sources identified by the famous mark is evidence of blurring.[128]

Survey Method 2. The Solicitor General's brief for the government in the Victoria's Secret case suggests another type of survey.[129] In this survey, persons are asked to name the positive (and perhaps negative) attributes they associate with the famous mark.[130] If consumers who are aware of the accused use name fewer positive attributes or more negative attributes than those who are not aware of the accused use, this is evidence of dilution of the tarnishing variety.[131] In a hypothetical example, consumers would be asked what attributes they associate with the mark GENERAL ELECTRIC to test the impact of an accused use of GENITAL ELECTRIC for a vibrating sex toy.[132] Dilution would be evidenced if those aware of the hypothetical accused use

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125. *Id.* at 330.

126. *Id*. at 330. The law review article also proposes testing for the response time in which the person surveyed correctly identifies the famous mark with plaintiff's goods and measuring the delay. *Id*.

127. *See* William G. Barber, *How to Do a Trademark Dilution Survey (or Perhaps How Not to Do One)*, 89 TRADEMARK REP. 616, 617–20 (1999).

128. *Id.*

129. Amicus Brief, *supra* note 122, at 22–23 (citing Eric A. Prager, *The Federal Trademark Dilution Act of 1995: Substantial Likelihood of Confusion*, 7 FORDHAM INTELL. PROP. MEDIA & ENT. L.J. 121, 132 (1996)).

130. Amicus Brief, *supra* note 122, at 22.

131. *Id.*

132. *See* Gen. Elec. Co. v. Alumpa Coal Co., 205 U.S.P.Q. 1036, 1037 (D. Mass. 1979) (finding similarity between GENITAL ELECTRIC mark and logo used on underwear and GENERAL ELECTRIC, and holding that former was an infringement of GENERAL ELECTRIC because it was likely to cause confusion as to defendant's association with plaintiff).

responded with attributes such as "tawdry" or "tasteless," while those unaware of the accused use responded with terms such as "high tech" or "family-friendly." However, the results of such a survey are not hard-edged and would have to be interpreted with a considerable degree of subjectivity and opinion.

In a variation on the second survey design, people are asked to rate a particular quality associated with the famous mark.[133] If those aware of the accused use give a significantly different rating than those unaware of the accused use, an inference of dilution may be called for.[134] For example, consumers would be asked, on a scale of one to ten (one being tasteless and ten being highly tasteful), to rate the products sold under the GENERAL ELECTRIC mark. If, hypothetically, those unaware of the accused mark gave a "tastefulness score" of 9.1, and those aware of the accused use gave a score of only 7.8, an inference of tarnishment and dilution might be drawn.

X. HOW OFTEN ARE FAMOUS MARKS ACTUALLY EVER WEAKENED BY NONCONFUSING USES?

In the famous hypothetical example of KODAK pianos, the assumption is that the unique and singular significance of the mark KODAK to identify and distinguish only one source will be diluted and weakened. But is this true? Are famous marks in fact weakened by multiple uses? Sometimes? Rarely?[135] Would KODAK be less strong a brand if a company sold KODAK pianos in a nonconfusing way?[136] If this assumption of universal and automatic damage to the senior mark is not true, then "dilution" by blurring has not occurred and is not likely to occur.

We are all familiar with strong marks that are not weakened by others' use. Can the LEXIS mark for computerized legal research be proven to be weaker today than it would be if, in 1989, the court of appeals had affirmed an injunction against

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133. Bible, *supra* note 124, at 328–29.

134. *See id*.

135. *See* Lee Goldman, *Proving Dilution*, 58 U. MIAMI L. REV. 569, 576 (2004) (discussing the critics of dilution theory, who argue, "Indeed, one is hard-pressed to identify any truly famous mark that is no longer famous because of use of the mark by others"). Goldman responds to the critics, "Although still famous, a mark may lose value from use by others on non-competing products. There is little reason to require the magnitude of harm to reach the level of devastation before relief is granted." *Id*. at 579 (footnote omitted).

136. In the oral argument of Victoria's Secret, before the U.S. Supreme Court on November 12, 2002, the attorney for the defendant was asked, "Okay, then please explain, putting tarnishment to the side—there is no tarnishment, assume—how does the fact that you have a tiny, totally separate product with the same name ever, ever hurt the selling power of the big famous name?" Oral Argument at 7, *Moseley* (No. 01-1015).

Toyota's use of LEXUS for its new line of luxury automobiles?[137]

An often used example is DELTA Airlines, which I do not think has been weakened by DELTA faucet[138] or DELTA Dental insurance plan[139] or all the DELTA small businesses located in the Mississippi delta near New Orleans.

What if we could rearrange dates with our legalistic time machine and assume that today, DELTA Airlines was a famous mark with a vigorous trademark enforcement program that had made sure that there were no confusing uses in the transportation market or in adjacent markets encompassed within the commodious test of likelihood of confusion of sponsorship, affiliation, or connection. Then assume that a new and nonconfusing use arises: the DELTA faucet company. Can it be proven that the DELTA mark is damaged, or even likely to be damaged, by this nonconfusing newcomer using the same mark in the faucet business? With the convenient benefit of hindsight, I believe that many people would say no. Because the two marks have coexisted in our real world for half a century, I think that many people would not agree that the DELTA mark for airlines is today a lesser or weaker indicator of origin than if there were no DELTA faucets. Why this discontinuity between theory and reality when a concrete example is used? I believe it is because the human mind has no difficulty at all compartmentalizing the two (or more) DELTAs, keeping each "strong" and "famous," but within their own distinct fields.

If weakening of famous marks by nonconfusing uses is not, in fact, a common and everyday phenomenon, then I think that the owner of a famous mark who alleges that such a weakening has occurred, or is likely to occur, should be strictly required to prove its case.

My difficulty with much of the writing and commentary about dilution theory is that it stays suspended at the high altitudes of hypothesis and speculation. It infrequently descends to land on the hard reality of the tenacious hold that strong brands have on the consumer's mind. In addition, we must recognize the marvelous ability of the human mind to keep

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137. Mead Data Cent., Inc. v. Toyota Motor Sales, U.S.A., Inc., 875 F.2d 1026, 1027 (2d Cir. 1989) (reversing the injunction and allowing Toyota to introduce the LEXUS auto).

138. DELTA Airlines U.S. registration 0523611 claims a 1934 first use date, and in 2004, DELTA Faucet celebrated the 50th anniversary of its founding in 1954. *See* http://www.deltafaucet.com/aboutdelta/news-01-27-04-anniversary.html (last visited Sept. 17, 2004) (displaying a news release about Delta Faucet Company's 50th anniversary).

139. *See* http://www.deltadentalins.com/indiv/index.html (last visited Sept. 26, 2004) (showing that Delta Dental provides insurance plans to residents of certain states).

separate same-named entities, whether they be personal friends or brands. Much of the academic discussion relies on speculation, with few concrete examples and no concrete evidence, that famous marks will probably be damaged by nonconfusing uses. The problem is that talk about antidilution law is too theoretical and abstract. It's time to bring in some concrete real world evidence to prove these claims.[140]

XI. CONCLUSION

My goal in this paper is neither to praise the theory of antidilution law nor to denigrate it. My goal is a more modest one. I accept that there may be some extraordinary situations in which antidilution law can be applicable. But so far, too many courts have viewed antidilution law as a quick and easy remedy to be applied whenever dilution theory says that injury to a famous mark might occur.[141] But we know that theory of any kind, whether in physics, medicine, or law, should never be applied in a real world case without some hard evidence to support it. The extraordinary remedy of an antidilution law should require evidentiary rigor by the courts. This is all that I argue for in this paper.

The antidilution remedy was intended to apply only in unusual and extraordinary cases. It was certainly not meant as a "fits all cases" legal claim. It should be viewed as a unique legal tool to be used only in an unusual case. Not only should the antidilution law be reserved for a small, elite group of truly renowned marks, but a violation of that law should be proven only by an unambiguous case resting on a solid evidentiary base.

Once a court has determined that the plaintiff's mark indeed qualifies as a "famous" mark, the court should separate any antidilution claim into its three elements and rigorously require a showing of proof of those elements. Only then can the antidilution remedy be restored to its proper place in the pantheon of trademark protection remedies. Only then can there be a proper balance of free competition with fair competition.

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140. The Roman lawyer and orator Cicero warned that "we do not recklessly and presumptuously assume something to be true." ANTHONY EVERITT, CICERO: THE LIFE AND TIMES OF ROME'S GREATEST POLITICIAN 46 (2001) (quoting CICERO, II ON INVENTION § 10).

141. And in some cases, such as the niche fame cases, courts have applied the antidilution law even in competitive relationships in which the dilution theory did not intend the law to apply.