

THE AMERICAN EXPERIENCE WITH TRADEMARK ANTI- DILUTION LAW

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CONFUSION OVER DILUTION



FREE RIDING?

- EU DIRECTIVE: Use is prohibited if the unpermitted use *“is detrimental to the distinctive character or the repute of the trade mark”* or *“takes unfair advantage of”* the mark
- U.S. LAW: No mention of free riding

SOURCES OF U.S LAW

- 36 of 50 States: State Anti-Dilution Law
- 1996 (FTDA) Federal Trademark Dilution Act - replaced by the
- 2006 (TDRA) Trademark Dilution Revision Act (Lanham Act §43(c), 15 U.S.C. §1125(c))

THE TWO FLAVORS OF DILUTION

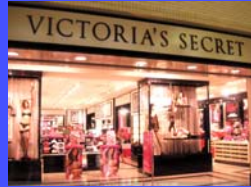
- BLURRING 

- TARNISHMENT



VICTORIA'S SECRET CASE

V Secret Catalogue
v.
Mosley, 537 U.S. 418
(2003)



U.S. Supreme Court:
"Actual dilution must be
established."

V Secret Catalogue v. Mosley (2003)

"There is a complete **absence of evidence** of any lessening of the capacity of the Victoria's Secret mark to identify and distinguish goods or services sold in Victoria's Secret stores or advertised in its catalogs."

FEDERAL ANTI-DILUTION ACT OF 1996 (FTDA) JUDICIAL VIEWS

- **Injury** -Actual Dilution Required –Victoria's Secret Case - Supreme Court
- **Fame** – Niche Fame is OK – Third Circuit
- **Distinctiveness**- Inherent Distinctiveness Required – Second Circuit
- **Tarnishment** – Probably Not in FTDA - Victoria's Secret Case - Supreme Court

**TRADEMARK DILUTION REVISION
ACT OF 2006
(TDRA) KEY CHANGES**

- **Injury** - Actual Dilution Not Required
–Likelihood is Sufficient
- **Fame** – Niche Fame is Not Sufficient
- **Distinctiveness**- Inherent Distinctiveness is Not Required
- **Tarnishment** – Explicit in Statute

**PRIMA FACIE CASE OF BLURRING
UNDER THE TDRA OF 2006**

- Plaintiff is the owner of a mark which qualifies as a **“famous”** mark as measured by the totality of the four factors in §43(c)(2),
- the defendant is making use of the challenged designation as a **mark or trade name**,
- in interstate commerce,
- and defendant’s use began after the plaintiff’s mark became famous,
- and, considering the six factors in §43(c)(2)(B), defendant’s use is likely to cause dilution by blurring by creating
- a likelihood of **association** with plaintiff’s famous mark arising from its similarity to the plaintiff’s famous mark,
- that is **likely to impair the distinctiveness** of the plaintiff’s famous mark.

WHAT’S A “FAMOUS” MARK?

A mark is famous if it is **widely** recognized by the **general consuming public** of the United States as a designation of source of the goods or services of the mark’s owner.

Lanham Act sec. 43(c)(2)

DILUTION BY BLURRING

Dilution by blurring is association arising from the similarity between an accused mark or trade name and a famous mark that “**impairs the distinctiveness** of the famous mark.”
Lanham Act sec.43(c)(2)(B)

DILUTION BY TARNISHMENT

Dilution by tarnishment is association arising from the similarity between an accused mark or trade name and a famous mark that “**harms the reputation** of the famous mark.”

Lanham Act sec.43(c)(2)(C)

DIFFERENT BASIS FOR DILUTION AND INFRINGEMENT

- TRADITIONAL TRADEMARK LAW RESTS PRIMARILY ON A TORT-LIKE POLICY OF PROTECTION OF CUSTOMERS FROM MISTAKE AND DECEPTION.
- ANTI-DILUTION LAW DOES NOT RESEMBLE THE LAW OF CONSUMER PROTECTION, AND HAS MORE SIMILARITY TO THE LAW OF TRESPASS ON PROPERTY.

STOPS ON A LINE? CONFUSION AND DILUTION



LIST OF HYPOS USED BY STATE LEGISLATURES & CONGRESS

LIST OF OFFENDING EXAMPLES AGAINST WHICH ANTI-DILUTION LAWS ARE DIRECTED IS:

- DUPONT SHOES
- SCHLITZ VARNISH
- KODAK PIANOS
- BUICK ASPIRIN
- BULOVA GOWNS.

BLIPPING
BLURRING **SLIPPERY SLOPE**
ROLEX WATCHES



ROLEX



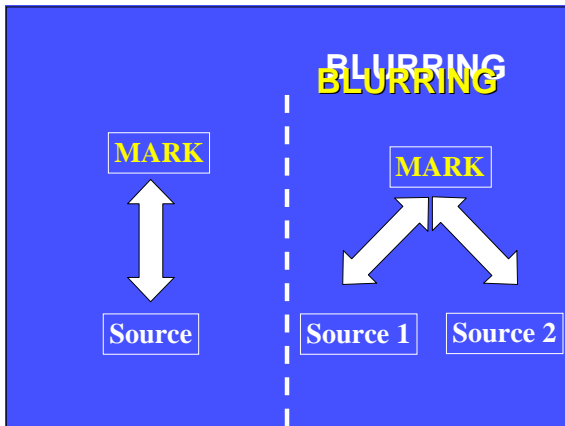
ROLEX SHOES



ROLEX BREAD



ROLEX CANDY



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

LIKELIHOOD OF ASSOCIATION IS NOT THE SAME AS LIKELIHOOD OF BLURRING


Blurring is a kind of injury or damage to a mark, defined by the statute as an impairment of the distinctiveness of a mark that is caused by "association." The two elements of "association" and "blurring" are separate and distinct.

"[T]he mere fact that consumers mentally associate the junior user's mark with a famous mark is not sufficient to establish actionable dilution. . . . [S]uch 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."


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

ASSOCIATION ?


AMAZON Internet Seller



AMAZON GARDENING SERVICE




AMAZON WOMENS' FITNESS



AMAZON HIKING AND SURVIVAL TRAINING

WHICH CAUSATION STANDARD?

<p style="text-align: center;">EXTREME LAISSEZ FAIRE</p> <p style="text-align: center;">Direct Causation Standard</p> <p>Defendant's use alone must be likely to cause some impairment or diminution of the distinctiveness of the famous mark</p>	<p style="text-align: center;">TDRA of 2006</p> <p>text leaves the causation standard open for courts to develop a reasonable middle ground</p> <p style="text-align: center;"><i>"no right in gross"</i></p>	<p style="text-align: center;">EXTREME LIABILITY</p> <div style="text-align: center;">  <p><i>Slippery Slope</i></p> </div> <p>Any use of a famous mark is likely to cause dilution because others will probably follow, leading eventually to diminution of distinctiveness</p>
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INJURY CAUSED BY THE CUMULATIVE EFFECT?

- **METAPHOR:** LIKE BEING STUNG BY A HUNDRED BEES, SIGNIFICANT INJURY IS CAUSED BY THE CUMULATIVE EFFECT, NOT BY JUST ONE BEE STING.



Hershey v Art Van Furniture, 2008
WL 4724756 (E.D. Mich. 2008)



versus



HERSHEY
chocolate bar

ART VAN furniture retailer

NON-TRADEMARK USE DOES NOT DILUTE



IN CONTENT OF
EXPRESSIVE
WORKS, e.g.
NOVELS



IN CONTENT
OF **TV &**
MOVIES



ART
Andy
Warhol

PRESTIGE CLAIMS:
"MOOSE RIVER wine,
the ROLLS-ROYCE of
Idaho wines."

Louis Vuitton v. Haute Diggity Dog
507 F.3d 252 (4th cir. 2007)



CHEWY
VUITON
DOG TOY



LOUIS
VUITTON
HAND BAG

Louis Vuitton v. Haute Diggity Dog
507 F.3d 252 (4th cir. 2007)

LESSON: A commercial parody may reinforce rather than blur the plaintiff's mark:

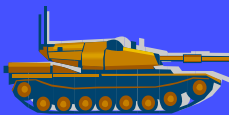
"Indeed, by making the famous mark an object of the parody, a successful parody might actually enhance the famous mark's distinctiveness by making it an icon. The brunt of the joke becomes yet more famous."

Louis Vuitton v. Haute Diggity Dog
507 F.3d 252 (4th cir. 2007)

LESSON: Silly tarnishment claims *won't* work

The argument that a dog might choke on one of defendant's doggie chew toys and that would harm the plaintiff's reputation - rejected by the court as pure speculation.

OVER-PROTECTION?



**SPORTING
GOODS**

Nike v. Nikepal,
2007 WL 2782030 (E.D. Cal. 2007)



NIKEPAL

**MEDICAL
LAB
SYRINGES**

THE END

Dilution 2009

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