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
  • ROLEX
  • ROLEX
  • ROLEX

• TARNISHMENT
VICTORIA’S SECRET CASE


U.S. Supreme Court: “Actual dilution must be established.”


“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" 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)*

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**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)*

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**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.

BLURRING ROLEX WATCHES ROLEX SHOES ROLEX CANDY ROLEX BREAD SLIPPERY SLOPE
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.

"The mere fact that consumers mentally associate the junior user's mark with a famous mark is not sufficient to establish actionable dilution... 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."

ASSOCIATION?

AMAZON Internet Seller

AMAZON WOMEN'S FITNESS

AMAZON GARDENING SERVICE

AMAZON HIKING AND SURVIVAL TRAINING

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WHICH CAUSATION STANDARD?

DIRECT CAUSATION

Defendant’s use alone must be likely to cause some impairment or diminution of the distinctiveness of the famous mark.

“no right in gross”

TDMA of 2006 text leaves the causation standard open for courts to develop a reasonable middle ground.

EXTREME LIABILITY

Any use of a famous mark is likely to cause dilution because others will probably follow, leading eventually to diminution of distinctiveness.

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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.

versus

HERSHEY chocolate bar ART VAN furniture retailer

NON-TRADEMARK USE DOES NOT DILUTE

IN CONTENT OF EXPRESSIVE WORKS, e.g. NOVELS

ART
Andy Warhol

IN CONTENT OF TV & MOVIES

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

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

I’ll take the one on the left!

CHEWY VUITTON 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?

Nike v. Nikepal,
2007 WL 2792039 (E.D. Cal. 2007)
THE END

Dilution 2009

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