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ADDITIONAL DEVELOPMENTS—TRADEMARK

THE TRADEMARK DILUTION REVISION ACT OF 2005

H.R. 683, 109th Cong. (2005)

Congress is currently considering, the Trademark Dilution Revision Act of 2005 ("TDRA"), a bill that would revise the Federal Trademark Dilution Act as follows: (1) it would change the burden of proof on trademark owners alleging dilution from a showing of "actual dilution" to proof that the mark is "likely to cause dilution"; (2) it would clarify the definition and relevant factors for determining which marks are "famous"; (3) it would alter the definition of dilution to explicitly cover dilution by tarnishment; and (4) it would alter the "fair use" and First Amendment-based exclusions from actionable dilution. The bill, H.R. 683, was met with overwhelming support in the House of Representatives, passing with a vote of 411 to 8, and is currently under review by the Senate Judiciary Committee.

The Federal Trademark Dilution Act of 1995 bars use of a mark that dilutes the distinctiveness of a famous mark even in the absence of a likelihood of consumer confusion. Under *Moseley v. V Secret Catalogue, Inc.*, 537 U.S. 418 (2003), a plaintiff bringing a dilution claim must show "actual dilution," or a lessening of the famous mark's capacity to distinguish goods and services. The TDRA would effectively reverse the decision in *Moseley* by amending 15 U.S.C. § 1125 to provide for relief against mark use that is "likely to cause dilution" of famous marks. The House Judiciary Committee's report on the bill branded the *Moseley* standard as overly exacting, because in most cases, an injunction against the dilutive use would be ineffective by the time actual, provable dilution had occurred.

The TDRA also redefines a "famous" mark as one that is "widely recognized by the general consuming public of the United States." This provision would overturn a Second Circuit decision holding that marks are only considered "famous" for purposes of dilution protection if they are inherently distinctive. *See Savin Corp. v. Savin Group*, 391 F.3d 439 (2d Cir. 2004). Currently, 15 U.S.C. § 1125 identifies eight factors relevant to determining whether a mark is distinctive or famous. The TDRA, on the other hand, lists only three relevant factors in this inquiry—the duration and reach of publicity of the mark, the volume and extent of sales, and actual recognition of the mark—making the degree of inherent or acquired distinctiveness of the mark irrelevant.

The TDRA also explicitly provides that both dilution by blurring—or impairment of the famous mark's distinctiveness—and dilution by tarnishment—harm to the famous mark's reputation—are actionable. The definition for dilution by blurring under the TDRA permits reference to several factors, such as the degree of similarity between the allegedly violating mark and the famous mark, and the degree of distinctiveness of the famous mark. The definition for dilution by tarnishment is more straightforward, encompassing any "association arising from the similarity between a mark or trade name and a famous mark that harms the reputation of the famous mark."

Finally, the TDRA would amend section 43(c)(4) of the Lanham Act, which currently provides several exclusions to actionable dilution, including fair use in comparative advertising, noncommercial use, and news reporting or commentary. The TDRA leaves the comparative advertising and news reporting exceptions intact, but replaces the noncommercial use exclusion with an exclusion for "[f]air use of a famous mark by another person, other than as a designation of source for the person's goods or services, including for purposes of identifying and parodying, criticizing, or commenting upon the famous mark owner or the goods or services of the famous mark owner."