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ANTI-DILUTION LAW, NEW AND IMPROVED: THE TRADEMARK DILUTION REVISION ACT OF 2006

By Jennifer Files Beerline

I. INTRODUCTION

Federal law provides famous trademark owners with power over and above traditional trademark infringement protection.¹ Generally, businesses rely on infringement law to prevent other firms from using an identical or similar trademark. The crucial inquiry under an infringement action is whether the infringing use would be likely to confuse consumers into believing that the marks referred to the same company, goods, or services.² Businesses with especially famous marks, however, can rely upon an additional weapon: anti-dilution law.

Trademark dilution involves situations in which consumers associate an established, famous trademark with a newer trademark, even if it is clear that the marks represent different goods or manufacturers.³ Dilution occurs when such an association impairs the power of the famous mark. The remedy for a violation of anti-dilution law is generally an injunction prohibiting the diluting use,⁴ which has spurred criticism from free speech advocates, who fear that such powerful trademark protection gives powerful corporations excessive control over parody, criticism, and other forms of language under the guise of anti-dilution.⁵

². 15 U.S.C. § 1114(1) (2000) (establishing protection from infringing uses, defined as “likely to cause confusion, or to cause mistake, or to deceive”).
³. Trademark Dilution Revision Act of 2006 § 2 (to be codified at 15 U.S.C. § 1125(c)).
⁵. Trademark Dilution Revision Act of 2005: Hearing on H.R. 683 Before the Subcommittee on Courts, the Internet, and Intellectual Property of the House Committee on the Judiciary, 109th Cong. 2 (2005) [hereinafter Dilution Hearing] (statement of Marvin J. Johnson, Legislative Counsel, American Civil Liberties Union) (stating that proposals to increase anti-dilution protection “places the trademark holder in the position of holding an indefinite monopoly in expressive subject matter, and obstructs the public’s ability to freely engage in a democratic dialogue”).
Congress passed the first federal anti-dilution law, the Federal Trademark Dilution Act ("FTDA"), in 1996, eight years after an earlier attempt failed. Ambiguities in the FTDA led to inconsistent judicial holdings regarding key questions such as the level of fame a trademark had to possess to be protected, the meaning of dilution, and the amount of harm a plaintiff had to prove. While courts had frequently granted relief under the FTDA when plaintiffs proved that dilution was likely to occur, in 2003 the Supreme Court held in *Moseley v. V Secret Catalogue, Inc.* that plaintiffs could only win relief under the FTDA by showing that their trademarks had suffered actual dilution. Trademark owners, unhappy with this decision, pushed for reform that resulted in the enactment of the Trademark Dilution Revision Act of 2006 ("TDRA").

The purpose of the TDRA, which superseded the FTDA, was to clarify questions left open by the earlier law, and to provide more concrete guidance about which trademarks warrant protection, when a plaintiff may receive injunctive relief, and what types of dilution are protected against under federal law. However, the TDRA does not resolve all of the FTDA’s ambiguities and introduces some new ones of its own. For instance, the TDRA specifically extends anti-dilution protection to marks of acquired distinctiveness, which receive protection only as consumers come to associate them with a particular company. Yet one of the TDRA’s optional factors for assessing dilution claims—whether the famous mark

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7. See McCarthy, supra note 4, § 24:95.


13. Id.


15. Trademark Dilution Revision Act of 2006 § 2 (to be codified at 15 U.S.C. § 1125(c)(1)).
was in "substantially exclusive use" for one purpose—appears to impose a high hurdle on marks of acquired distinctiveness, because they are less likely to be used exclusively than coined marks. Most importantly, the TDRA, like the FTDA, gives courts ample room to develop and apply their own standards for interpreting the law, which may lead to the same sort of unpredictably that characterized the FTDA.

Part II of this Note examines the background, theory, and critiques of dilution law and the goals and shortfalls of the FTDA. Part III analyzes key components of the TDRA and predicts how changes in the law will alter courts’ interpretations of anti-dilution law. Part IV concludes that while imperfect, the TDRA is a vast improvement over the FTDA.

II. ANTI-DILUTION DOCTRINE BEFORE THE TDRA

Anti-dilution theory originates from a 1927 article by Frank I. Schechter, a New York lawyer. Schechter argued that traditional trademark infringement law was misguided and wrote that "the preservation of the uniqueness of a trademark should constitute the only rational basis for its protection." Two decades after Schechter’s article, states began enacting anti-dilution laws. By the time the FTDA was enacted in 2006, about two thirds of the states had passed laws protecting against either “likelihood of injury to business reputation or of dilution of the distinctive quality of a mark” or “dilution of the distinctive quality of the owner’s mark.” Still, over the course of seventy years, dilution theory was unclear. This Part lays out the theory and critiques of anti-dilution law as


17. Trademark Dilution Revision Act of 2006 § 2 (to be codified at 15 U.S.C. § 1125(c)(2)(A)-(B)) (noting that courts “may consider all relevant factors,” including those enumerated by the statute, in assessing whether a mark is famous and/or has been diluted).


19. Schechter, supra note 18, at 831.


21. MCCARTHY, supra note 4, § 24:77.
codified in the FTDA, statutory history, and case law that led to the passage of the TDRA.

A. Dilution Theory and Critiques

Anti-dilution doctrine addresses two distinct harms. Blurring, the first type of dilution, occurs when consumers associate a famous trademark with a newer trademark in such a way that the famous mark becomes less distinct. "Kodak bicycles," an example Schechter used in his article, is a classic example of blurring a more famous mark, Kodak cameras. Even though consumers would not necessarily jump to the conclusion that the famous camera company made the bicycles, they might make a mental association between the two brands. As a result, the Kodak trademark could lose some of its strong identification with cameras and related gear and thus become blurred.

The second type of dilution, tarnishment, protects famous marks from uses that harm the reputation of the trademark or the company behind the mark. An example of a tarnishing use might be a tee-shirt printed with "Buttweiser," which casts the famous brand in a less-than-wholesome light.

Big businesses have significant financial interests in their trademarks and view them as valuable property. For example, a 2007 study valued the world's 100 strongest brands at a combined $2.3 trillion, based on their potential to generate earnings. According to an attorney for Warner Brothers, "[T]he trademark owner, who has spent the time and investment needed to create and maintain the property, should be the sole determinant of how that property is to be used in a commercial manner."

\[\text{References}\]

22. Schechter, supra note 18, at 825.
23. Anheuser Busch v. Andy’s Sportswear, 40 U.S.P.Q.2d 1542 (N.D. Cal. 1996) (grant of preliminary injunction); see also Coca-Cola Co. v. Gemini Rising, Inc., 346 F. Supp. 1183 (E.D.N.Y. 1972) (preliminary injunction on use of “Enjoy Cocaine”); H.R. REP. NO. 109-23, supra note 8, at 4 (“[D]ilution occurs when the unauthorized use of a famous mark reduces the public’s perception that the mark signifies something unique, singular, or particular. In other words, dilution can result in the loss of the mark’s distinctiveness and, in worst-case scenarios, the owner’s rights in it.”).
24. David Kiley, Best Global Brands, BUSINESSWEEK, Aug. 6, 2007, at 56, available at http://www.businessweek.com/magazine/content/07_32/b4045401.htm. Interbrand, a global branding consultancy, conducted the survey for the magazine. Coca-Cola, perennially the world’s No. 1 brand, was valued at $65 billion; Budweiser, ranked 30th, at $11.7 billion; Kodak, ranked 82nd, at $3.9 billion. The author added the individual values for the top 100 brands together to obtain the aggregate figure of $2.3 trillion. Id.
Yet, trademark dilution is a particularly controversial branch of intellectual property law. Like traditional trademark infringement law, anti-dilution law does not promote creative expression or invention, as copyright and patent law do: on the contrary, it can restrict both, by limiting companies’ ability to use certain marks. This is exacerbated by the fact that anti-dilution protection, like other forms of trademark protection, never expires. Unlike infringement protection, however, anti-dilution laws protect trademark holders rather than consumers. In particular, anti-dilution laws serve the most powerful companies, because they are the ones with the financial wherewithal to build truly famous marks.

Some scholars see anti-dilution law as a remedy without a harm, arguing that uses by non-competing products actually tend to raise the profile of a famous mark. Others have suggested that brand ubiquity, carried out by extensive licensing, has made anti-dilution laws irrelevant. For instance, Kodak-brand bicycles might have been inconceivable in 1927, when companies typically associated themselves with a single product or category; eighty years later, such a diverse portfolio of one company is entirely possible. If today’s companies are diluting their own marks by

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27. See id.

28. See CRS REPORT, supra note 11, at 14 n.67 (stating that H.R. 683 “is a big company’s dream . . . . [T]he lawyers policing a trademark could sue businesses and individuals for using words, images, or even colors that look vaguely like a famous brand—without even having to prove that the company is being harmed . . . . This bill would chill speech and hand ownership of common words to big companies”) (citing ELECTRONIC FRONTIER FOUNDATION, STOP THE TRADEMARK ACT FROM DILUTING FREE SPEECH!).

29. See, CRS REPORT, supra note 11, at 14 (quoting 152 Cong. Rec. H6965 (daily ed. Sept. 25, 2006) (statement of Rep. David Wu) (“Since trademark laws have an effect not only on famous companies but also on the many small businesses with legitimate business interests, any antidilution legislation should be very carefully considered so as not to interfere with the rights of small businesses. The goal must be to protect trademarks from subsequent uses that blur, dilute or tarnish that trademark, but it must also be the protection of small business interests from its more powerful corporate counterparts.”)).

30. Christine Haight Farley, Presentation, Frank Schechter Was a Man Ahead of His Time, but Now He Is Dead (Trademark Dilution: Theoretical and Empirical Inquiries), Santa Clara Law School, Santa Clara, Cal., Oct. 2007.

attaching their mark to an array of products, then why should they be able to sue when other companies follow suit?\footnote{Id.}

A final criticism of anti-dilution doctrine relates to the line between dilution (especially tarnishment) and parody or other forms of speech that are protected under the First Amendment. When broadly applied, anti-dilution protection may "transform the trademark owner into a monitor of the spoken and written English language."\footnote{Dilution Hearing, supra note 5 (statement of Marvin J. Johnson, Legislative Counsel, American Civil Liberties Union).} Thus, one fundamental challenge in crafting an anti-dilution law lies in balancing protection for famous trademarks against the concerns of free speech and free enterprise. While Congress acknowledged the need for such a balance in drafting the FTDA,\footnote{CRS REPORT, supra note 12, at 9 ("Dilution law is designed to preserve the capacity of a famous mark to identify and distinguish the goods or services to which it is attached. To address First Amendment concerns . . . the FTDA provides three affirmative defenses to a claim of dilution.")}. the law arguably gave courts too little guidance on how to achieve it.

**B. FTDA**

The FTDA protected famous marks from a reduction in their capacity "to identify and distinguishing goods or services, regardless of the presence or absence of (1) competition between the owner of the famous mark and other parties, or (2) likelihood of confusion, mistake, or deception.\footnote{15 U.S.C. § 1127 (2000) (amended 2006).}"

1. **Protectable Marks Under the FTDA**

The FTDA only protected trademarks that were famous prior to the date of the challenged mark's first use in commerce.\footnote{Federal Trademark Dilution Act, 15 U.S.C. § 1125(c)(1) (2000) (amended 2006).} The law offered little concrete guidance on the definition of "famous," and courts applied widely different standards. Courts also imposed other—often conflicting—restrictions based on the types of trademarks involved.

a) **FTDA Protection with Respect to Different Types of Marks**

The FTDA did not specifically define which types of marks could be considered "famous." This threshold question involved whether anti-dilution protection applied only to inherently distinct marks, like Yahoo!, or more broadly, to marks of acquired distinctiveness, like the New York
Stock Exchange.\textsuperscript{37} For instance, the Second Circuit consistently held that only inherently distinctive marks could be famous under the FTDA.\textsuperscript{38} In contrast, the Ninth Circuit held that the FTDA did not require inherent distinctiveness.\textsuperscript{39}

Similar conflicts arose regarding the applicability of the FTDA to product packaging and design, known as trade dress. The Second Circuit has awarded protection for trade dress without reservation. In \textit{Nabisco, Inc. v. PF Brands, Inc.}, the court held that the shape of Pepperidge Farm’s goldfish crackers was protected trade dress and prevented Nabisco from selling its own fish-shaped crackers.\textsuperscript{40} In sharp contrast, in \textit{I.P. Lund Trading ApS v. Kohler Co.}, the First Circuit reasoned that anti-dilution remedies for trade dress would award an enduring degree of protection that is specifically for design patents without forcing trademark owners to clear the hurdles required for patent protection.\textsuperscript{41} The court concluded that such protection might be unconstitutional and that Congress likely did not intend to provide it as part of the FTDA.\textsuperscript{42}

b) The FTDA’s Fame Requirement

The FTDA provided no concrete definition of “famous” but included eight optional factors that courts could, within their discretion, use to assess whether a mark was sufficiently famous to merit protection.\textsuperscript{43} The factors were (A) the degree of inherent or acquired distinctiveness of the mark; (B) the duration and extent of use of the mark in connection with the goods or services with which the mark is used; (C) the duration and

\begin{itemize}
\item \textsuperscript{37} Compare \textit{N.Y. Stock Exchange, Inc. v. N.Y., N.Y. Hotel, LLC}, 293 F.3d 550 (2d Cir. 2002) (holding that plaintiff’s mark cannot be famous because it is descriptive and therefore not inherently distinctive) \textit{with} \textit{Times Mirror Magazines, Inc. v. Las Vegas Sports News, L.L.C.}, 212 F.3d 157 (3d Cir. 2000) (holding that a mark of acquired distinctiveness can be famous).
\item \textsuperscript{38} See, \textit{e.g.}, \textit{New York Stock Exchange, Inc. v. N.Y., N.Y. Hotel, LLC}, 293 F.3d 550 (2d Cir. 2002); \textit{TCPIP Holding Co. v. Haar Comms., Inc.}, 244 F.3d 88 (2d Cir. 2001) (holding that The Children’s Place is not inherently distinct and therefore does not qualify for anti-dilution protection).
\item \textsuperscript{39} E.g., \textit{Thane Intern., Inc. v. Trek Bicycle Corp.}, 305 F.3d 894, 912 n.14 (9th Cir. 2002).
\item \textsuperscript{40} 191 F.3d 208, 229 (2d Cir 1999); \textit{see also} \textit{Binney & Smith v. Rose Art Industries}, 60 U.S.P.Q.2d 2000, 2001 (E.D. Pa. 2001) (order for preliminary injunction on trade dress dilution for Crayola crayons).
\item \textsuperscript{41} 163 F.3d 27, 50 (1st Cir. 1998). The court speculated in dicta that such protection might be unconstitutional and that Congress likely did not intend to provide it as part of the FTDA. Nonetheless, the court stopped short of categorically denying such protection because the FTDA did not explicitly exclude trade dress. \textit{Id.}
\item \textsuperscript{42} \textit{Id.} at 33.
\end{itemize}
extent of advertising and publicity of the mark; (D) the geographical extent of the trading area in which the mark is used; (E) the channels of trade for the goods or services with which the mark is used; (F) the degree of recognition of the mark in the trading areas and channels of trade used by the mark's owner and the person against whom the injunction is sought; (G) the nature and extent of use of the same or similar marks by third parties; and (H) whether the mark was registered under the Act of March 3, 1881, the Act of February 20, 1905, or on the principal register.\textsuperscript{44} The FTDA was silent, however, regarding the requisite level of fame a mark necessary for protection.

In most circuits, courts held that the FTDA protected trademarks even when their fame was limited to a geographic region or an industry niche.\textsuperscript{45} For instance, the trademark "Wawa," which was the name of a chain of 600 convenience stores located in Pennsylvania and surrounding states, was considered to be famous within its region.\textsuperscript{46} Similarly, Nailtiques, a brand of manicure products, was held to be famous within its niche.\textsuperscript{47} These courts reasoned that when a mark had achieved fame, even among a limited segment of consumers based on regional operations or a very limited category of products, it deserved protection from dilution.\textsuperscript{48} The Second Circuit, on the other hand, has required a broader level of fame. The court wrote in \textit{TCP/IP Holding Co. v. Haar Communications, Inc.} that "[i]t seem[ed] most unlikely that Congress intended to confer on marks that have enjoyed only brief fame in a small part of the country, or among a small segment of the population, the power to enjoin all other users throughout the nation in all realms of commerce."\textsuperscript{49}

2. Dilution Under the FTDA

The FTDA defined dilution as "[t]he lessening of the capacity of a famous mark to identify and distinguish goods or services, regardless of the presence or absence of (1) competition between the owner of the famous

\textsuperscript{44} Id.
\textsuperscript{45} See Dilution Hearing, supra note 5 (statement of Anne Gundelfinger on behalf of the International Trademark Association) (stating that the niche market theory of fame had been accepted by courts in the Third, Fourth, Fifth, Sixth, Seventh and Ninth circuits but rejected in the Second, Eighth, and Eleventh circuits).
\textsuperscript{48} See Wawa, 40 U.S.P.Q.2d 1629.
\textsuperscript{49} 244 F.3d 88, 99 (2d Cir. 2001).
mark and other parties, or (2) likelihood of confusion, mistake, or deception."\textsuperscript{50}

Although the FTDA did not specifically use the word "blurring," its definition of dilution encompassed the traditional claim of dilution by blurring; courts were split over whether the FTDA also included tarnishment.

a) Blurring Under the FTDA

Beyond its brief definition of dilution, the FTDA provided no further guidance to help courts identify bluring, leaving courts to choose their own factors. Courts first followed a test known as the "Sweet Factors," which was named after the judge who posited them and developed under New York state anti-dilution law.\textsuperscript{51} This test was criticized because it tended to conflate dilution with infringement by incorporating factors such as "consumer confusion" and "the similarity of the markets for the products covered by the trademarks."\textsuperscript{52} These factors are critical to trademark infringement analyses but irrelevant to a dilution claim because dilution is, by definition, independent of consumer confusion or brand competition.\textsuperscript{53} In \textit{Nabisco}, the court developed another list of ten optional factors that could be used to determine whether blurring occurred.\textsuperscript{54} The \textit{Nabisco} factors were widely viewed as an improvement but they were also criticized, in part because of their complexity. The fact that courts could pick and choose among the ten-factor list gave courts great flexibility in determining blurring cases but made outcomes impossible to predict.\textsuperscript{55}


\textsuperscript{51} Mead Data Cent., Inc. v. Toyota Motor Sales, U.S.A., Inc., 875 F.2d 1026, 1035 (2d Cir. 1989) (Sweet, J., concurring) (proposing the following six factors: "(i) similarity of the marks; (ii) similarity of the products covered by the marks; (iii) sophistication of consumers; (iv) predatory intent; (v) renown of the senior mark; and (vi) renown of the junior mark.").


\textsuperscript{53} See \textit{id}.

\textsuperscript{54} Nabisco, Inc. v. PF Brands, Inc., 191 F.3d 208, 217-23 (2d Cir 1999) (suggesting ten non-exclusive factors: (i) distinctiveness of the senior mark; (ii) similarity of the marks; (iii) proximity of the products and likelihood of bridging the gap; (iv) interrelationship among the distinctiveness of the senior mark, the similarity of the junior mark, and the proximity of the products; (v) shared consumers and geographic limitations; (vi) sophistication of consumers; (vii) actual confusion; (viii) adjectival or referential quality of the junior use; (ix) harm to the junior user and delay by the senior user; (x) effect of senior's prior laxity in protecting the mark).

\textsuperscript{55} See MCCARTHY, supra note 4, § 24:114 ("[T]he relationship between the ten factors and the factual analysis involved is so extensive, complicated, and involved that..."
b) Tarnishment Under the FTDA

Courts recognized tarnishment as a cause of action under the FTDA and under state laws. Courts most frequently found tarnishment from association of a famous mark with sexually oriented entertainment or products, drugs or "cheap or shoddy" goods. For instance, the Eastern District of New York enjoined the sale of posters printed with "Enjoy Cocaine," based on a likelihood of harm to the beverage company's trademark and business reputation. However, in dicta in its 2003 Moseley decision, the Supreme Court questioned the validity of dilution by tarnishment as a claim under the FTDA. The Court noted that the FTDA's legislative history clearly envisioned protection from tarnishment, but the statute itself notably omitted protection against "injury to business reputation," language used in state anti-dilution laws in many states.

3. Exemptions Under the FTDA

The FTDA codified three types of exemptions from coverage of the act:

(A) Fair use of a famous mark by another person in comparative commercial advertising or promotion to identify the competing goods or services of the owner of the famous mark.

(B) Noncommercial use of a mark.

(C) All forms of news reporting and news commentary.

Among these exemptions, the "noncommercial use" exemption was a catch-all category that included uses ranging from negative commentary on a personal website, to use of trademarks in political campaigns, to parody and artistic expression. For example, the Ninth Circuit held in Mattel, Inc. v. MCA Records, Inc. that the song "Barbie Girl," which targeted the popular doll's frivolous image, was entitled to the non-commercial

the ability to accurately predict a result is low. When many variables are relevant and interrelated, none are determinative.


57. McCarthy, supra note 4, § 24:89.


60. Id.


62. See McCarthy, supra note 4, § 24:89.
speech exclusion even though the trademark name Barbie was part of the
title and helped sell the song. The court found that the song constituted
creative expression and that because defendant did not use the mark as a
brand for its own goods, the use was protected.

4. Relief Under the FTDA

Before Moseley, courts were divided concerning the standard of harm
required for relief under the FTDA. Some, including the Second Circuit,
used a "likelihood of dilution" standard; plaintiffs in those jurisdictions
needed only prove that dilution was likely to occur. By contrast, the
Fourth Circuit operated under an "actual dilution" standard; plaintiffs
could not get an injunction or recover monetary damages unless they
could prove that their trademarks had been diluted. The standard of harm
was important for two reasons: first, particularly with dilution by blurring,
proving actual dilution is far more difficult than establishing that it is
likely. When required to show actual dilution, plaintiffs must often use
survey evidence and expert testimony, but there is no clear test for quanti-
fying a mark's loss of distinctiveness. Second, the main remedy for dilu-
tion is an injunction against a defendant's use of the trademark. This might
help prevent dilution, but it trademark owners argue that it is unlikely to
be effective in curing dilution. The Supreme Court granted certiorari to
Moseley to resolve this particular issue.

Amid so many ambiguities, the percentage of plaintiffs who won cases
under the FTDA declined during the decade after the act was passed. An
empirical study by Professor Clarisa Long found that courts granted relief
in fifty-four percent of dilution cases during 1996; that rate dropped to

63. Mattel, Inc. v. MCA Records, Inc., 296 F.3d 894, 907 (9th Cir. 2002) ("To be
sure, MCA used Barbie's name to sell copies of the song. However, as we've already
observed, . . . the song also lampoons the Barbie image and comments humorously on the
cultural values [that the band that recorded the song] claims she represents. Use of the
Barbie mark in the song Barbie Girl therefore falls within the noncommercial use exemp-
tion to the FTDA. For precisely the same reasons, use of the mark in the song's title is
also exempted.").

64. Id.


66. See Ringling Bros.-Barnum & Bailey Combined Shows, Inc. v. Utah Division of
Travel Dev., 170 F.3d 449, 464 (4th Cir. 1999).

67. Moseley v. V Secret Catalogue, Inc., 537 U.S. 418, 428 (2003); see infra, Sec-
tion II.C.

68. See Clarisa Long, Dilution, 106 COLUM. L. REV. 1029 (2006). Long's study ana-
lyzed 344 reported cases from Jan. 16, 1996 (the date President Clinton signed the
FTDA) through July 16, 2005, in addition to a sample of unreported claims over the same
period. The results for reported and unreported dilution claims were similar. Id. at 1041.
seventeen percent in 2004 and twelve percent during the first half of 2005.\textsuperscript{69} Meanwhile, the percentages of plaintiffs who won relief in non-dilution trademark claims declined, but to a lesser extent, from fifty-four percent in 1996 to fifty-one percent in 2004 and twenty percent in the first half of 2005.\textsuperscript{70} The decline in wins by plaintiffs for dilution claims was particularly notable because cases grew arguably stronger in later years, as they were generally brought to protect better-known trademarks.\textsuperscript{71} One explanation is that courts increasingly tended to interpret the FTDA narrowly, "even to the point of imposing limitations not in the statute," such as denying dilution protection for a product's shape.\textsuperscript{72} Professor Long concluded that courts "tailor[ed] an overbroad and ambiguous form of intellectual property protection to correct for congressional exuberance, influence by interest groups, or perhaps just haste."\textsuperscript{73} 

C. \textit{Moseley: The Final Blow to the FTDA}

In 2002, the Supreme Court granted certiorari in \textit{Moseley v. V Secret Catalogue, Inc.} to settle the circuit split about the standard of harm required for a trademark dilution claim.\textsuperscript{74} The parent company of Victoria's Secret stores had sued Victor and Cathy Moseley, a Kentucky couple, to bar them from using the name "Victor's Little Secret" for their store, which sold lingerie and adult novelties and videos.\textsuperscript{75} The lawsuit alleged federal trademark infringement and dilution under the FTDA, in addition to Kentucky state law claims. The district court ruled for Victoria's Secret on all counts. In upholding an injunction against the Moseleys, the Sixth Circuit held that the FTDA required no proof of actual economic harm; the Moseleys appealed.\textsuperscript{76} 

\textsuperscript{69} Id. at 1031.
\textsuperscript{70} Id. at 1042. The reason for the sharp drop in both categories of relief in early 2005 is unclear. Professor Long suggests that it could be partly due to the widespread consensus by 2005 that the FTDA needed revision. E-mail from Clarisa Long, Max Mendel Shaye Professor of Intellectual Property Law, Columbia Law School, to author (Dec. 19, 2007, at 9:19 p.m.) (on file with author).
\textsuperscript{71} Id. at 1053.
\textsuperscript{72} Id. at 1032-33 (citing as an example I.P. Lund Trading ApS v. Kohler Co., 163 F.3d 27, 45-50 (1st Cir. 1998)).
\textsuperscript{73} Long, supra note 68 at 1075.
\textsuperscript{75} The Moseleys initially had named their store Victor's Secret, but later inserted the word "Little" after being contacted by Victoria's Secret attorneys. Moseley v. V Secret Catalogue, Inc., 537 U.S. 418, 418 (2003).
\textsuperscript{76} Id. at 425-26.
Writing for a unanimous Court, Justice Kennedy noted that the FTDA defined dilution as “the lessening” of a mark’s capacity to identify and distinguish; he compared that definition with language elsewhere in the act referring to the “likelihood of confusion.” He concluded that “[t]he contrast between the initial reference to an actual ‘lessening of the capacity’ of the mark, and the later reference to a ‘likelihood of confusion, mistake, or deception’ in the second caveat confirms the conclusion that actual dilution must be established.”

Trademark lawyers widely viewed the holding as incongruous with the fact that the main remedy under the FTDA was injunctive relief, a forward-looking remedy. Once a mark was diluted they argued that a company could not recover, and an injunction was essentially meaningless.

The outcry Moseley generated quickly drew Congress’s attention. Shortly after Moseley, the International Trademark Association, which represents trademark owners and attorneys, drafted the initial version of the TDRA. With the goals of overturning Moseley and resolving judicial conflicts about anti-dilution law, Congress weighed further comments from other trademark and intellectual property proponents, as well as public interest advocates including the American Civil Liberties Union. Trademark owners wanted a “likelihood of dilution” standard for a dilution claim, protection for traditional causes of action, and clearer guidance regarding the meaning of “famous mark.” Other groups feared that ex-

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77. Id. at 432-33.
78. Id. at 433.
79. Id. See Dilution Hearings, supra note 5 (statement of Anne Gundelfinger on behalf of the International Trademark Association).
81. See H.R. REP. No. 109-23, supra note 8 (“The purpose of H.R. 683, the ‘Trademark Dilution Revision Act of 2005,’ is to amend the Federal Trademark Dilution Act (FTDA) in the wake of a recent Supreme Court decision regarding the standard of harm under the statute and conflicting circuit case law on other relevant issues.”).
82. See id.
83. Id. (noting that the Moseley’s actual dilution standard “creates an undue burden for trademark holders who contest diluting uses and should be revised”).
84. Groups represented at hearings on the TDRA included the INTA, the Section of Intellectual Property Law of the American Bar Association, the American Intellectual Property Law Association, and the American Civil Liberties Union. Professor Lemley also testified as an expert in trademark law. See Dilution Hearing, supra note 5.
85. Id. (statement of Anne Gundelfinger on behalf of the International Trademark Association) (“[D]ilution law in the United States is moving in every direction except the one that it needs to-forward . . . All the while, famous marks and their value both to con-
panded anti-dilution protection could squelch free speech.\textsuperscript{86} Hammering out a compromise among those competing interests took Congress nearly two years.

\section*{III. THE TDRA}

This Part describes the major changes that the TDRA introduced and predicts how they will affect relevant aspects of anti-dilution cases. First, the new law more clearly delineates the scope of protection with respect to types of trademarks. Second, the TDRA acknowledges two categories of dilution, blurring and tarnishment. Third, more kinds of speech are specifically exempted from protection under the TDRA, and the new "fair use" exclusion for parody is likely to be a particularly strong defense against tarnishment claims. Finally, the TDRA establishes that likelihood of dilution is the standard of harm. While remedies under the TDRA remain similar to those in the FTDA, the new standard will affect how each type of remedy is applied.

\subsection*{A. Clearer Guidance on Protectable Trademarks}

The TDRA sets a higher bar for a mark to be considered "famous" and specifically extends coverage for marks of acquired distinctiveness and, under certain conditions, trade dress. However, like the FTDA, the new law gives courts broad discretion regarding how closely to follow its guidance.

\subsubsection*{1. Enlarged Scope of Marks that Can be Famous}

The TDRA ends the debate over whether marks of acquired distinctiveness and trade dress receive anti-dilution protection.\textsuperscript{87} The new law specifically protects famous marks that "[are] distinctive, inherently or through acquired distinctiveness" and expressly protects trade dress.\textsuperscript{88} In trade dress claims, the plaintiff must not only show that its trade dress is

\begin{itemize}
  \item sumers and their owners remain at risk from blurring and tarnishment, and third parties have little guidance regarding what marks they can safely adopt without risk of dilution liability. The lack of clarity in the law and the splits in the various circuits are resulting in forum shopping and unnecessarily costly lawsuits. For these reasons a revision of dilution law is needed.
  \item \textsuperscript{86} Id. (statement of Marvin J. Johnson, Legislative Counsel, American Civil Liberties Union) ("As the FTDA expands, it alters the dynamic tension between trademark holders and free speech in favor of trademark holders. While enriching trademark holders, it dilutes free speech without any concomitant benefit to society.").
  \item \textsuperscript{87} Trademark Dilution Revision Act of 2006, Pub. L. No. 109-312, § 2, 120 Stat. 1730, 1730-31 (to be codified at 15 U.S.C. § 1125(c)(1),(4)).
  \item \textsuperscript{88} Id.
\end{itemize}
famous, but also that the trade dress is not merely functional. Furthermore, if the trade dress includes a registered trademark, the plaintiff must show that the trade dress is famous on its own, apart from the registered mark's fame.

2. The Meaning of "Famous Mark"

The TDRA sets a clearer preliminary requirement for fame than the FTDA. To be considered "famous" under the new law, a trademark must be "widely recognized by the general consuming public of the United States." Like the FTDA, the TDRA states that a plaintiff's trademark must have been famous before the defendant began using its mark.

The TDRA appears to require nationwide fame, not simply regional recognition. The requirement of recognition among "the general consuming public" is also a higher bar than fame in an industry niche. Conceivably, a company that is very well known within a particular industry but that is lesser known by consumers would not meet the TDRA's fame standard. Companies that sell to corporations rather than individuals, even if they are well known within their industries, will likely have a much higher time clearing this hurdle than retail brands.

a) Factors for Determining Fame

The TDRA also streamlined the FTDA's eight factors for determining fame. While the TDRA, in language similar to the FTDA, states that courts "may consider all relevant factors," it lists only four to guide judges:

The duration, extent, and geographic reach of advertising and publicity of the mark . . . .

The amount, volume, and geographic extent of sales of goods or services offered under the mark.

The extent of actual recognition of the mark.

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89. Trademark Dilution Revision Act § 2 (to be codified at 15 U.S.C. § 1125(c)(4)(A)).
90. Trademark Dilution Revision Act § 2 (to be codified at 15 U.S.C. § 1125(c)(4)(B)).
91. Trademark Dilution Revision Act § 2 (to be codified at 15 U.S.C. § 1125(c)(2)(A)).
92. Trademark Dilution Revision Act § 2 (to be codified at 15 U.S.C. § 1125(c)(1)).
Whether the mark was registered under the Act of March 3, 1881, or the Act of February 20, 1905, or on the principal register.\textsuperscript{93}

This list omits the FTDA's factor regarding a mark's use "in trading areas,"\textsuperscript{94} which had been used to establish niche or regional fame and thus is inapplicable to analysis under the TDRA. Other factors, however, which analyze a mark's inherent or acquired distinctiveness and the use of the same or similar marks by third parties, reappear in identical or analogous forms in the TDRA’s blurring analysis.\textsuperscript{95}

b) Effect of the Fame Rules

The TDRA resolves the test for fame, making protection available to a narrower group of trademark holders. As trademark law scholar Thomas McCarthy has commented, "[o]nly strong marks need apply."\textsuperscript{96} It seems very unlikely that either the Wawa or Nailtiques trademarks would meet the TDRA’s tougher test for fame, as regional or niche fame clearly does not qualify under the TDRA.\textsuperscript{97} By contrast, courts have held that Nike\textsuperscript{98} and Louis Vuitton\textsuperscript{99} are famous trademarks by the TDRA’s standard.

\textsuperscript{93} Trademark Dilution Revision Act § 2 (to be codified at 15 U.S.C. §§ 1125(c)(2)(A)(i)-(iv)).


\textsuperscript{95} Trademark Dilution Revision Act § 2 (to be codified at 15 U.S.C. § 1125(c)(2)(B)). Some argue that the TDRA’s shorter list of factors could be streamlined even further. See Barton Beebe, \textit{A Defense of the New Federal Trademark Antidilution Law}, 16 \textit{FORDHAM INTELL. PROP. MEDIA & ENT. L.J.} 1143, 1159 (2006) (criticizing the first two factors: "A court should not grant antidilution protection to reward—i.e., to promote—spending on advertising, just as it should not grant such protection in recognition of something like the plaintiff’s good faith in trying as hard as it can to make its mark famous"; and finding the fourth “irrelevant.”); accord \textsuperscript{96}MCCARTHY, \textit{supra} note 4, § 24:106.

\textsuperscript{96} MCCARTHY, \textit{supra} note 4, § 24:87.

\textsuperscript{97} This does not mean that owners of less widely famous marks will never bring their cases to court. See, e.g., Jacob Jacoby, \textit{Merchants Council Professor of Consumer Behavior, Stern School of Business, New York Univ., Considering the Who, What, When, Where and How of Measuring Dilution}, Presentation at the Santa Clara Univ. School of Law Trademark Dilution Symposium (Oct. 5, 2007), available at http://www.scu.edu/law/tmdilution/articles-and-presentations.cfm (suggesting that the phrase “general consuming public” could mean consumers of the product or product category, leading to a narrower definition of fame). Given the clear legislative intent to restrict fame to nationally recognized brands, however, such a suggestion is likely to be met with resistance.

\textsuperscript{98} Nike, Inc. v. Nikepal Intern., Inc., 84 U.S.P.Q.2d 1820 (E.D. Cal. 2007).

\textsuperscript{99} Louis Vuitton Malletier v. Haute Diggity Dog, 507 F.3d 252 (4th Cir. 2007).
Among early cases under the TDRA, the one that may best illustrate the fame analysis involved the Tempur-Pedic\textsuperscript{100} mattress brand. Dan-Foam, which owns the Tempur-Pedic brand, sued Brand Named Beds, Inc., which purchased Tempur-Pedic mattresses from authorized dealers and then sold them at discount prices.\textsuperscript{101} Among several claims, Dan-Foam alleged that its brand was likely to be diluted because the discounter did not meet its standards for quality control, shipping, and warranty.\textsuperscript{102} The district court held that Tempur-Pedic brand’s claim to fame was strong enough to survive a motion for summary judgment.\textsuperscript{103} In applying the TDRA’s fame factors, the court noted that the Tempur-Pedic brand had been in use since 1994 and was the subject of considerable advertising and promotion through newspapers, magazines, direct mail, television commercials, and infomercials and on the Internet.\textsuperscript{104} Sales of goods with the Tempur-Pedic trademark had exceeded $2 billion over a three year period.\textsuperscript{105} Finally, Tempur-Pedic was a registered trademark.\textsuperscript{106} The court noted that Dan-Foam presented no survey evidence to meet the TDRA’s third factor, actual recognition of the trademark, but added that a reasonable jury could find Tempur-Pedic to be widely recognized among general U.S. consumers.\textsuperscript{107}

**B. Dilution Under the TDRA**

The TDRA specifically recognizes both blurring and tarnishment, resolving the doubts Moseley cast on the latter claim.\textsuperscript{108} The TDRA gives courts increased guidance regarding blurring, with six optional factors, which are better tailored to anti-dilution law than the court-developed tests used under the FTDA.\textsuperscript{109} By comparison, however, the TDRA provides almost no guidance on tarnishment.\textsuperscript{110}

\textsuperscript{100} Dan-Foam v. Brand Named Beds, 500 F. Supp. 2d 296 (S.D.N.Y. 2006).
\textsuperscript{101} Id. at 302.
\textsuperscript{102} Id. at 302-04.
\textsuperscript{103} Id. at 319.
\textsuperscript{104} Id. at 323.
\textsuperscript{105} Id.
\textsuperscript{106} Id.
\textsuperscript{107} Id. at 326.
\textsuperscript{109} Trademark Dilution Revision Act § 2 (to be codified at 15 U.S.C. § 1125(c)(2)(B)).
\textsuperscript{110} Trademark Dilution Revision Act § 2 (to be codified at 15 U.S.C. § 1125(c)(2)(C)).
1. Dilution by Blurring

Under the TDRA, blurring involves two elements. First, there must be an association between the blurring mark and the blurred mark. Second, that association must "impair the distinctiveness" of the famous mark. The TDRA offers courts six optional factors for assessing the likelihood of blurring:

- The degree of similarity between the mark or trade name and the famous mark.
- The degree of inherent or acquired distinctiveness of the famous mark.
- The extent to which the owner of the famous mark is engaging in substantially exclusive use of the mark.
- The degree of recognition of the famous mark.
- Whether the user of the mark or trade name intended to create an association with the famous mark.
- Any actual association between the mark or trade name and the famous mark.

This list omits consumer confusion and competition, the two factors which had conflated dilution with infringement under the FTDA. Furthermore, compared to the complexity of the ten-factor Nabisco test, the TDRA offers courts a relatively straightforward roadmap.

However, the new factors also present ambiguities. For instance, the third factor, the "extent to which the owner of the famous mark is engaging in substantially exclusive use of the mark," is likely to be particularly troublesome because it may limit the TDRA's protection for marks with acquired distinctiveness. Descriptive or geographic trademarks, unlike inherently distinctive marks, are less likely to be exclusive. United Airlines, for instance, often uses "United" as a standalone mark. But many other brands also include the word "United," including United Van Lines, which also sometimes refers to itself as simply "United," United Way, and

111. Trademark Dilution Revision Act § 2 (to be codified at 15 U.S.C. § 1125(c)(2)(B)).
112. Id.
113. Id.
114. Contra Graeme B. Dinwoodie & Mark D. Janis, Dilution's (Still) Uncertain Future, 105 MICH. L. REV. FIRST IMPRESSIONS 98, 100 (2006), http://students.law.umich.edu/mlr/firstimpressions/vol105/dinwoodie.pdf (remarking that the TDRA's blurring analysis "looks like little more than confusion analysis with a different paint job").
115. Trademark Dilution Revision Act § 2 (to be codified at 15 U.S.C. § 1125(c)(2)(B)(iii)).
United We Stand. Because United Airlines would not be able to establish substantially exclusive use of the “United” trademark, it would appear very unlikely to prevail on a blurring claim for the trademark “United.” What the TDRA gives marks of acquired distinctiveness, it at least partly takes away with the “substantially exclusive use” factor.

Moreover, the six factors taken together may not give courts sufficient guidance regarding whether an association between marks is likely to impair the famous mark’s distinctiveness, the second element of a blurring claim. Some commentators have suggested that courts should require evidence or expert testimony in order to establish the impairment element.116 “At the very least,” according to McCarthy, the “plaintiff should be required to articulate for the court the argument that this kind of famous mark in this market will be likely to attract multiple uses which take a free ride on the fame of the mark. The issue should be addressed, not ignored or assumed away.”117

2. The TDRA Revives Dilution by Tarnishment

Restoring the tarnishment claim was a major priority of trademark holders.118 On the other hand, free speech advocates argued that tarnishment, especially coupled with the TDRA’s eased standard of harm, gave trademark holders too much power to squelch parody, criticism, and other forms of protected speech.119

The TDRA’s definition of tarnishment begins like its definition of blurring: “an association arising from the similarity between a mark or

116. See MCCARTHY, supra note 4, § 24:120. The American Intellectual Property Law Association proposed a different set of five optional blurring factors; the fifth of the factors would have addressed impairment. AIPLA’s proposed factors included: (i) the degree of recognition of the famous mark; (ii) The extent to which the public associates the famous mark exclusively with a single source; (iii) the degree of similarity between the mark or trade name and the famous mark; (iv) whether the user of the mark or trade name intended to dilute or exploit the uniqueness of the famous mark; and (v) any actual impairment of the public’s association of the famous mark exclusively with a single source. American Intellectual Property Law Association Past Action Manual, Resolution No. 425-09, May 15, 2004 (on file with author).


118. See Dilution Hearing, supra note 5 (statement of Anne Gundelfinger on behalf of the International Trademark Association) (“[I]t is important to expressly state in a revised federal dilution statute that tarnishment is within the scope of the law.”).

119. See Dilution Hearing, supra note 5 (statement of Marvin J. Johnson, Legislative Counsel, American Civil Liberties Union) (“[S]peech critical of a company could be enjoined, even if true, because it is likely to result in tarnishment.”).
trade name and a famous mark.”\textsuperscript{120} Such an association becomes tarnishing when it “harms the reputation of the famous mark.”\textsuperscript{121} Therefore, to prevail in a tarnishment claim under the TDRA, a plaintiff must prove both that an association is likely and that such an association would be likely to harm the famous mark’s reputation. Generally, tarnishment claims that succeeded under the FTDA and state laws would probably succeed under the TDRA, but, as discussed in the next section, the new law’s expanded exemptions could limit some claims.

C. Exclusions Complicate the Analysis

Proposals to codify the tarnishment claim and lower the standard of harm in the TDRA concerned free speech advocates, who feared that the revised law would give plaintiffs too much latitude to censor unflattering uses of their marks.\textsuperscript{122} Their concerns led to broader exclusions that counterbalance those plaintiff-friendly provisions. The exclusions involved multiple rounds of drafting, each with a longer list of exempted speech.\textsuperscript{123}

1. More Detailed Exemptions

The TDRA provides for the following exclusions:

(A) Any fair use, including a nominative or descriptive fair use, or facilitation of such fair use, of a famous mark by another person other than as a designation of source for the person’s own goods or services, including use in connection with—

(i) advertising or promotion that permits consumers to compare goods or services; or

(ii) identifying and parodying, criticizing, or commenting upon the famous mark owner or the goods or services of the famous mark owner.

(B) All forms of news reporting and news commentary.

(C) Any noncommercial use of a mark.\textsuperscript{124}

These exclusions include all of the statutory exclusions from the FTDA and also classify as statutory fair use several forms of speech, including parody, which courts previously had held to be protected under the

\textsuperscript{120} Trademark Dilution Revision Act § 2 (to be codified at 15 U.S.C. § 1125(c)(2)(C)).

\textsuperscript{121} Id. According to the \textsc{Restatement (Third) of Unfair Competition} § 25 (1995), a tarnishing use is one that “is likely to undermine or damage the positive associations evoked by the mark.”

\textsuperscript{122} See \textsc{Crs Report}, supra note 12, at 14 n.67.

\textsuperscript{123} Exclusions in the initial draft were identical to those in the FTDA.

\textsuperscript{124} Trademark Dilution Revision Act § 2 (to be codified at 15 U.S.C. § 1125(c)(3)).
FTDA’s “noncommercial use” exclusion. The amended exclusions are separated into categories but essentially provide overlapping protection.\textsuperscript{125} The additional language “represents a sort of overabundance of caution” to satisfy free speech advocates.\textsuperscript{126}

Parody and tarnishment are closely linked,\textsuperscript{127} and the TDRA’s express codification of the parody exclusion has arguably strengthened the force of this defense. For instance, according to one prominent public interest attorney, if the case involving the “Enjoy Cocaine” posters were considered under the TDRA, a defendant might well assert that the posters parody Coca-Cola.\textsuperscript{128} Under that theory, the posters arguably make a statement about the unfairness of promoting a product because of its caffeine-based “jolt” while cocaine is illegal, or about how Coca-Cola got its name from the coca leaf extract that was an active ingredient.\textsuperscript{129}

The expanded fair use exemptions include an important limitation. When a defendant uses the trademark “as a designation of source for the person’s own goods or services,” in other words, when a company uses the parody as a trademark on the very product that it is selling, the exclusions do not apply.\textsuperscript{130}

The Fourth Circuit’s decision in \textit{Louis Vuitton v. Haute Diggity Dog} delineates the limits of the parody defense under the TDRA.\textsuperscript{131} Louis Vuitton, the maker of luxury handbags and luggage, sued Haute Diggity, which sells purse-shaped “Chewy Vuiton” dog toys that mimicked the Louis Vuitton logo and handbag designs.\textsuperscript{132} The plaintiff alleged dilution by both blurring and tarnishment along with trademark infringement; the Fourth Circuit upheld the district court decision in the defendant’s favor, but not on the basis of the parody defense.\textsuperscript{133} While the appeals court agreed that the Chewy Vuiton toys were a parody, it noted that the defendant was not entitled to the complete fair use defense because it was using

\textsuperscript{125} McCarthy, supra note 4, § 24:126.
\textsuperscript{126} Id.
\textsuperscript{127} Sally Abel, \textit{Congressional Balancing Act: The Trademark Dilution Revision Act of 2006}, 193 TRADEMARK WORLD 20 (2007) ("What is tarnishment in the eyes of an offended trademark holder may in fact be parody in the eyes of the challenged user.").
\textsuperscript{129} Id.
\textsuperscript{131} 507 F.3d 252 (4th Cir. 2007).
\textsuperscript{132} Id.
\textsuperscript{133} Id. at 261.
the parody as a trademark to sell goods. 134 Although the TDRA does provide that fair use is a complete defense and allows that a parody can be considered fair use . . . parodying a famous mark is protected . . . only if the parody is not a ‘designation of source for the person’s own goods or service,’” the court held. 135

The Fourth Circuit decided the blurring claim by considering the TDRA’s six factors, and held that the parody was relevant to that analysis even though it did not qualify as fair use. 136 The parody influenced the court’s finding that there was a likelihood of an association between the two trademarks, they were similar by design, and Haute Diggity Dog both intended to create and actually did create an association with the Louis Vuitton trademark. 137 However, the court held that the parody worked against the likelihood that the association would dilute Louis Vuitton’s mark: the court reasoned that, because “a successful parody might actually enhance the famous mark’s distinctiveness by making it an icon.” 138 The court noted in dicta that if Haute Diggity Dog had used Louis Vuitton’s exact trademark rather than “Chewy Vuiton,” then, regardless of the parody, the use might have been held to be blurring. 139 Regarding Louis Vuitton’s tarnishment claim, the court held with little discussion that there was no evidence that the Chewy Vuiton toys would harm the mark. 140

Based on the Fourth Circuit’s reasoning, it seems likely that other courts would similarly reject the parody defense in cases where a company used a parodied trademark to sell its own products. That might suggest a different result in the “Barbie Girl” case: if putting “Barbie Girl” into the song title constitutes a “designation of source,” the court might well have held differently under the TDRA. 141

D. Remedies Under the TDRA

Perhaps most significant of all its changes to anti-dilution law, the TDRA overrides the Supreme Court’s holding in Moseley, setting a “likelihood of dilution” standard as a requirement for a remedy. The new standard lowers the bar for injunctive remedies but complicates the calculation of monetary damages. This is because under the TDRA monetary damages are available when a defendant “willfully intended to trade on the recogni-

134. Id. at 262.
135. Id. at 266-67.
136. Id. at 267.
137. Id.
138. Id.
139. Id. at 268
140. Id.
141. See Mattel, Inc. v. MCA Records, Inc., 296 F.3d 894, 907 (9th Cir. 2002).
tion of the famous mark” in a case of dilution by blurring, or “willfully intended to harm the reputation of the famous mark” in a case of dilution by tarnishment.

The FTDA included a nearly identically worded provision. However, it was only rarely invoked, and it appears unlikely that monetary damages will suddenly gain popularity under the TDRA. Although the text of the law does not specify a different standard of harm for monetary damages, at least one expert suggests that a plaintiff should not recover monetary damages without proving actual dilution by either blurring or tarnishment.

E. Analyzing Moseley Through the TDRA’s Lens

Had the TDRA been in force in 2003, Victoria’s Secret would have had a much stronger chance of winning its dilution claims. The lingerie retailer would almost certainly meet the TDRA’s threshold “famous mark” condition. In Moseley, Victoria’s Secret presented evidence addressing all four of the TDRA’s factors to be “famous”: it spent more than $55 million on advertising and distributed 400 million catalogs a year; it operated 750 retail stores; it was the ninth most famous brand in the apparel industry; and, “Victoria’s Secret” is a registered mark.

In the aggregate, the TDRA’s blurring factors also support Victoria’s Secret’s dilution claim. Regarding the first factor, similarity of the marks, “Victor’s Little Secret” is very similar to “Victoria’s Secret.” While some scholars suggest that only identical marks should be held to be diluting, courts traditionally have not set such a high standard. With regard to the second factor, the Sixth Circuit held (and the Supreme Court did not contradict) that Victoria’s Secret was an arbitrary or fanciful, and therefore

143. Trademark Dilution Revision Act § 2 (to be codified at 15 U.S.C. § 1125(c)(4)(B)(2)).
145. See MCCARTHY, supra note 4, § 24:132.
146. See id. (“More than a mere likelihood of impairment or harm is needed to recover any damages or profits. Some proof of actual impairment or harm to the famous mark is required.”).
147. Neither the district nor the appellate opinion mentions revenue, but Victoria’s Secret had sales of $3.7 billion in its most recent fiscal year, further supporting this factor. Moseley v. V Secret Catalogue, Inc., 537 U.S. 418, 424 (2003).
148. Id. at 432 (explaining that a defendant’s mark need not be identical to the plaintiff’s for dilution to occur, because “[e]ven if the legislative history might lend some support to such a contention, it surely is not compelled by the statutory text”).
had a high degree of distinctiveness that warrants greater protection.\textsuperscript{149} The evidence presented to bolster its claim of being famous, particularly the statistic that it is among the top retail brands (not to mention the near ubiquity of its catalogs and stores), would very likely satisfy the fourth factor of the TDRA, actual recognition of the mark. Furthermore, it appears likely that the name of Moseley’s store was a purposeful play on the term Victoria’s Secret—the original name was Victor’s Secret, changed later to Victor’s Little Secret—indicating an intent to create an association with the famous mark and satisfying the fifth factor. Finally, Victoria’s Secret was able to demonstrate at least some actual association between the two marks: court records note that a military officer saw the ad for Victor’s Secret’s grand opening and wrote to Victoria’s Secret because “he was offended by what he perceived to be an attempt to use a reputable company’s trademark to promote the sale of ‘unwholesome, tawdry merchandise.”\textsuperscript{150}

Based on the TDRA’s factors, there seems to be little question that Victoria’s Secret could establish a likelihood of association between its mark and the defendant’s use of “Victoria’s Little Secret.” If courts held that meeting the six statutory factors is sufficient to prove a likelihood that the association will lead to blurring, Victoria’s Secret would almost certainly have won. This seems to be the most probable outcome under the TRDA. On the other hand, as discussed \textit{supra} Section III.B.1, courts might decide that the TDRA’s factors do not sufficiently show that the association is likely to blur the mark. Courts skeptical of anti-dilution law might require the lingerie retailer to offer evidence that the association would impair the mark’s distinctiveness. To be sure, the TDRA’s factors are non-exhaustive; courts could impose other requirements.

With respect to tarnishment, Victoria’s Secret’s claim might be a close call under the TDRA. A court would have to find that the likely association between the two marks would be likely to harm the reputation of the lingerie retailer. That is possible: Victor’s Little Secret sold sex toys, among other goods, and courts have tended to favor tarnishment claims when adult products are involved.\textsuperscript{151}

\textsuperscript{150} \textit{Moseley}, 537 U.S. at 424.
\textsuperscript{151} \textit{Id.} at 425 (“Victoria’s Secret stores sell a complete line of lingerie, women’s undergarments and nightwear, robes, caftans and kimonos, slippers, sachets, lingerie bags, hanging bags, candles, soaps, cosmetic brushes, atomizers, bath products and fragrances. . . . [Victor’s Little Secret] sell[s] novelty action clocks, patches, temporary tat-
What is clear, however, is that the actual dilution standard would not stand in the way of the claim. In that respect, the TDRA served its purpose of overturning Moseley.

IV. CONCLUSION

The TDRA is a clearer and more balanced anti-dilution law because it establishes a higher standard for trademark fame, provides broader exclusions than were found in the FTDA, and sets a lower requirement for proof of harm.152

Unfortunately, the law does not resolve all the FTDA’s ambiguities, and it even introduces new questions. Nonetheless, the new law balances concerns between trademark holders and free speech advocates by juxtaposing the eased “likelihood of dilution” standard against a more restrictive nationwide-fame standard. It clarifies several significant questions from the FTDA, including the protectability of trade dress and marks of acquired distinctiveness, and it protects the tarnishment cause of action in the face of skepticism from the Supreme Court. Finally, it includes an expanded list of exemptions that balance provisions granting more power to trademark holders. Overall, the TDRA should lead to more consistent holdings by courts in anti-dilution cases.

152. CRS REPORT, supra note 12, at 14.