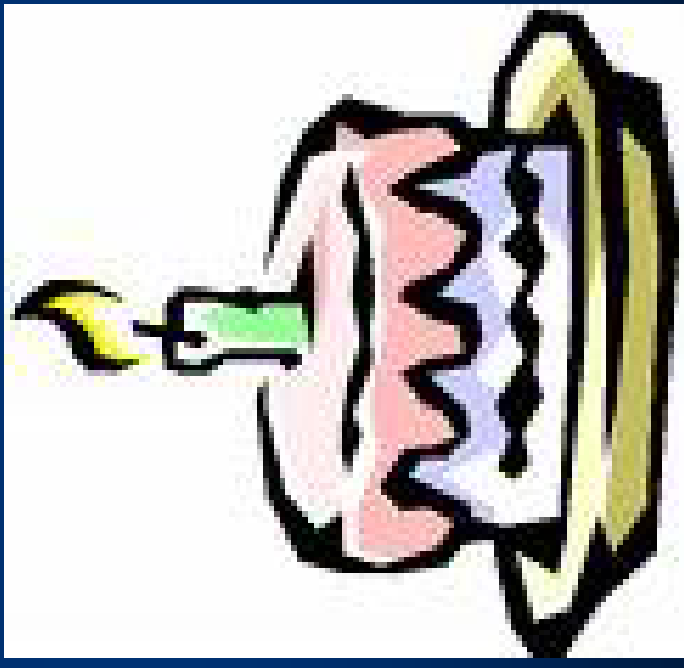


# **TRADEMARK DILUTION: A NEW ERA**

**Bill Barber  
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# Trademark Dilution Revision Act of 2006

- Public Law 109-312
- Enacted October 6, 2006



# Key Features of TDRA

# Key Features of TDRA

1. “likely to cause dilution by blurring or dilution by tarnishment”
  - Overrules *Moseley*’s actual dilution standard (“causes dilution”)



# Key Features of TDRA

2. “the owner of a famous mark that is distinctive, *inherently or through acquired distinctiveness*, shall be entitled” to relief
  - Overrules 2d Circuit rule denying dilution protection to non-inherently distinctive marks



# Key Features of TDRA

3. “likely to cause dilution by blurring or *dilution by tarnishment*”
  - Aimed at *Moseley* dicta questioning whether tarnishment was covered

# Key Features of TDRA

4. Defines mark as “famous if it is widely recognized by the general consuming public of the United States”
  - Abolishes “niche fame” doctrine

# **Elements of Dilution Claim Under TDRA**



# Elements

1. Mark is “distinctive”
2. Mark is “famous”
3. Defendant’s use began after mark became famous
4. Defendant’s use is “likely to cause dilution by blurring or dilution by tarnishment”

# Distinctiveness

- “Distinctive, *inherently* or through *acquired distinctiveness*”
- Traditional rules apply
  - Word marks: spectrum of distinctiveness
  - Trade dress
  - Product design/color: secondary meaning required

# Distinctiveness

- Proof of secondary meaning
  - Registration
  - Length of time
  - Extent of sales
  - Extent of advertising
  - Publicity
  - Market research
  - Litigation surveys
  - Intentional copying

# Fame

- “widely recognized by the general consuming public of the United States,”
- Factors:
  - (i) Duration, extent, and geographic reach of advertising and publicity
    - By trademark owner or third parties
  - (ii) Amount, volume, and geographic extent of sales
  - (iii) Extent of actual recognition
    - Market research (e.g. brand awareness)
    - Litigation surveys
  - (iv) Registration

# Fame

- Fame before defendant's use commenced
  - Historical market research studies
  - Prior sales, advertising, publicity

# Dilution by Blurring

- Definition
  - “association arising from the similarity between a mark or trade name and a famous mark that impairs the distinctiveness of the famous mark”

# Dilution by Blurring

- Factors
  - (i) Degree of similarity between marks
  - (ii) Degree of inherent or acquired distinctiveness
  - (iii) Extent of “substantially exclusive use”
  - (iv) Degree of recognition
  - (v) Defendant’s intent to create association
  - (vi) Actual association

# Dilution by Blurring

- (i) Similarity of marks
  - Courts likely to continue to require *substantial* similarity (more than confusing similarity)
  - Marks seen as “essentially the same” (McCarthy)
  - Mimicking plaintiff’s logo or trade dress (THE GREATEST USED CAR SHOW ON EARTH)
  - Distinctiveness/uniqueness of common elements (PROZAC v. HERBROZAC)



**7-Eleven, Inc. v. Wechsler  
(TTAB 2007)**

**GULPY not  
substantially similar  
to BIG GULP**



**Autozone, Inc. v. Strick  
(N.D. Ill. 2006)**



**OIL ZONE**

OIL ZONE  
not substantially similar to  
AUTOZONE

# Century 21 Real Estate LLC v. Century Insurance Group (D. Ariz. 2007)



CENTURY INSURANCE  
not substantially similar to  
CENTURY 21

# Dilution by Blurring

(ii) Degree of distinctiveness

# Dilution by Blurring

(iii) Extent of exclusivity

- Critical factor

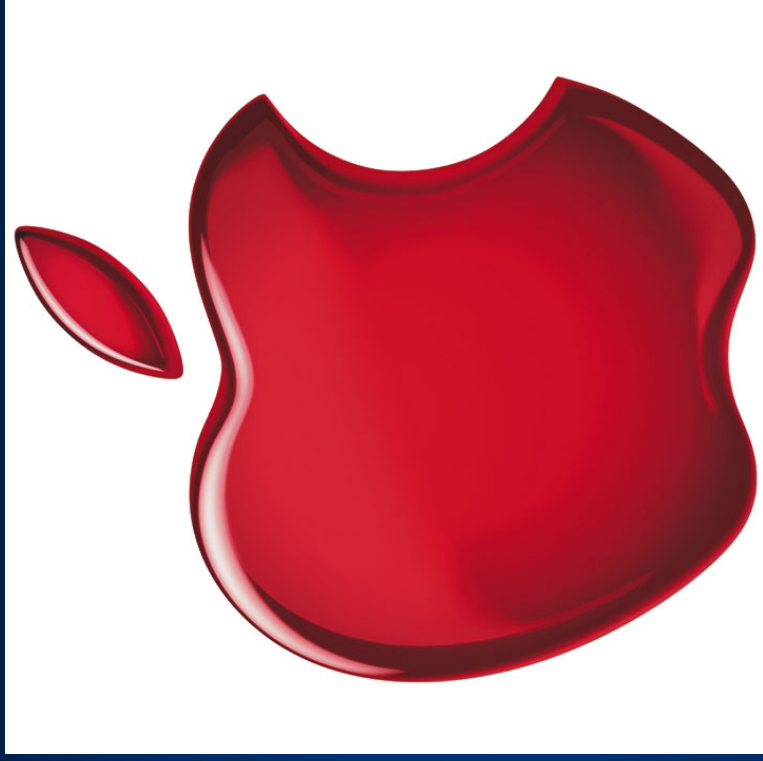
# Dilution by Blurring



**Dilution by Blurring**

**EXXON DRY CLEANERS**

# Dilution by Blurring



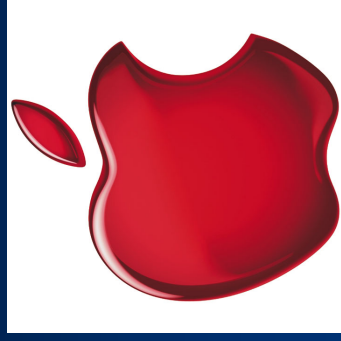
APPLE



**Dilution by Blurring**

**APPLE DRY CLEANERS**

# Dilution by Blurring



APPLE DRY CLEANERS

# Dilution by Blurring

- Defendant's strategy: evidence of third-party uses
- Plaintiff's counter-strategy: minimize extent/impact of any third-party uses

# Dilution by Blurring

(iv) Degree of recognition

- Consumer research
- Litigation surveys

# Dilution by Blurring

(v) Defendant's intent

# Dilution by Blurring

- (vi) Actual association
  - Anecdotal evidence
  - Litigation surveys
  - Beware language in *Moseley*: “Blurring’ is not a necessary consequence of mental association.”

# Dilution by Tarnishment

- Definition
  - “association arising from the similarity between a mark or trade name and a famous mark that harms the reputation of the famous mark”

# Claims Based on Unregistered Trade Dress

- Nonfunctionality
  - Trademark owner's burden
- Separate fame for unregistered matter
  - If trade dress *includes* registered mark(s), trademark owner must prove that “the unregistered matter, taken as a whole, is famous separate and apart from any fame of such registered marks”



# Defenses Under TDRA

# Fair Use

- “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 of the person’s own goods or services*, including use in connection with - ”

# Comparative Advertising

- “(i) advertising or promotion that permits consumers to compare goods or services”
- Traditional comparative advertising
- Keywords

# Parody, Criticism, Commentary

- “(ii) identifying and parodying, criticizing, or commenting upon the famous mark owner or the goods or services of the famous mark owner”
  - Noncommercial use not required
  - Target must be the famous mark owner or its goods/services

# Examples

- “Joe Chemo”  
campaign (ACLU)



# Amazing Parody Designer Shoe Toys

Must  
have



*Tiny and Regular sizes  
all toys have a  
squeaky thing inside.*



Puggs

[More >](#)  
[< Back](#)



# Parody Designer Bag Toys



White Cheny Vuiton  
Small and Large

Dogior  
Small and Large

- *Louis Vuitton v. Haute Diggity Dog*, 464 F.Supp. 2d 495 (E.D. Va. 2006)
  - Holding: no infringement or dilution
  - On appeal to 4<sup>th</sup> Circuit

# Other Exclusions

- “All forms of news reporting and news commentary.”
- “Any noncommercial use of a mark”
  - Both carried forward from FTDA



**Andy Griffith v. William Fenrick n/k/a  
Andrew Jackson Griffith (W.D. Wis. 2007)**



# Remedies Under TDRA

# Injunctions

- Prevailing trademark owner “shall be entitled to an injunction”
  - But . . . “Subject to the principles of equity”

# Monetary Remedies

- Only available if defendant's use began after enactment date (10/6/06)
- Defendant's intent must be willful
- “subject to the discretion of the court and the principles of equity”

# State Dilution Claims

- State dilution statutes preempted only where defendant owns a valid federal registration
- Marks not famous or with regional/niche fame only

# State Dilution Claims

- 1964 MSTB States (“likelihood of dilution”):  
Alabama, California, Delaware, Georgia, Louisiana, Maine, Massachusetts, Missouri, New Hampshire, New York, Oregon, Rhode Island, Texas
- 1992 MSTB States (“causes dilution”):  
Alaska, Arizona, Arkansas, Connecticut, Florida\*, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Minnesota, Mississippi, Montana, Nebraska, Nevada, New Jersey, New Mexico, Pennsylvania, South Carolina, Tennessee, Utah, Washington, West Virginia, Wyoming
- “causes dilution” language may cause problems in these states
- Will MSTB be amended to conform to TDRA?

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