Bona Fide Intent to Use in the United States and Canada

Daniel R. Bereskin, Q.C., Miles J. Alexander, and Nadine Jacobson

The “Amazing Adventures” of Super Hero®

Ross D. Petty

A Comparative Empirical Analysis of Online Versus Mall and Phone Methodologies for Trademark Surveys

Hal Poret

Trademark Infringement and Dilution Are Different—It’s Simple

John Shaeffer

Court Submissions of the International Trademark Association in Nokia Corporation v. Her Majesty’s Commissioners of Revenue and Customs
TRADEMARK INFRINGEMENT AND DILUTION ARE DIFFERENT—IT'S SIMPLE

By John Shaeffer

I. INTRODUCTION

If you accept the premise that in amending the U.S. Trademark (Lanham) Act to add a claim for trademark dilution Congress intended the cause of action to be distinct from trademark infringement, then the distinction between dilution and the other causes of action established under the Lanham Act is really rather simple. Dilution protects the identification of a mark with a specific source, while infringement protects a mark’s ability to identify specific products or services as coming from that source. Stated more simply, dilution occurs when a famous mark is harmed by an association with different sources, and

---

*Partner, Los Angeles office, Lathrop & Gage LLP. Mr. Schaeffer can be reached at jshaeffer@lathropgage.com. Special thanks to Maria Nelson, a partner at Jones Day, and Amber Henry. The opinions expressed in this article are those of the author and not necessarily of Lathrop & Gage LLP or its clients.


2. Federal Trademark Dilution Act, H.R. Rep. No. 104-374, at 3 (1995), reprinted in 1995 U.S.C.C.A.N. 1029, 1030 (“Dilution is an injury that differs materially from that arising out of the orthodox confusion. Even in the absence of confusion, the potency of a mark may be debilitated by another’s use. This is the essence of dilution. Confusion leads to immediate injury, while dilution is an infection, which if allowed to spread, will inevitably destroy the advertising value of the mark.” quoting Mortellito v. Nina of California Inc., 335 F. Supp. 1288, 1296 (S.D.N.Y. 1972)).

3. Id. (“H.R. 1295 would add a new section 43(c) to the Lanham Act, 15 U.S.C. et seq. to create a federal cause of action to protect famous marks from unauthorized users that attempt to trade upon the goodwill and established renown of such marks and, thereby, dilute their distinctive quality. The provision is intended to protect famous marks where the subsequent, unauthorized commercial use of such marks by others dilutes the distinctiveness of the mark.”) Congress restated this purpose when it began rewriting the dilution section in 2005. See Trademark Dilution Revision Act, H.R. Rep. No. 109-23, at 4 (2005) (“[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 loss of the mark's distinctiveness and, in worst-case scenarios, the owner's rights in it.”).

4. The Ninth Circuit in Playboy Enterprises Inc. v. Wells, 279 F.3d 796 (9th Cir. 2002), provides the following example of the harm caused by dilution:

[I]f a cocoa maker began using the “Rolls Royce” mark to identify its hot chocolate, no consumer confusion would be likely to result. Few would assume that the car company had expanded into the cocoa making business. However, the cocoa maker would be capitalizing on the investment the car company had made in its mark.
infringement occurs when the products of another and the products of the mark holder are confused as coming from the same source.

This distinction can be demonstrated by way of an example. If my son comes home with a new laptop computer with what appears to be the emblem DELL on the cover and tells me he just purchased a Dell computer, Dell Inc. would have an infringement cause of action against the laptop manufacturer if the source or sponsorship of that laptop was an entity other than Dell. By contrast, if my son responds to my question “What are you eating?” by showing me a candy wrapper emblazoned with DELL, Dell would have a dilution claim against the candy bar manufacturer because the ability of the DELL mark to identify Dell has likely been impaired, that is, dilution by blurring has likely occurred.5 Similarly, if I later hear on the news that the candy bar my son was just eating was recalled because it was made with contaminated ingredients, Dell would have a cause of action for dilution by tarnishment because the reputation of the DELL mark has likely been harmed.6

Explained this way, dilution appears simple, and obviously something different from infringement. So why has dilution generated so much controversy and been the subject of such widely divergent opinions? The problem lies with the application of dilution to related products or services. Congress intended its dilution legislation to protect famous marks against the loss of their selling power that arises when another appropriates the famous mark in a manner consumers know to be distinct—that is, “the use of DUPONT shoes, BUICK aspirin, and KODAK pianos would be actionable under this legislation.”7 Congress, however, never intended to limit the reach of this cause of action to

---

Consumers readily associate the mark with highly priced automobiles of a certain quality. By identifying the cocoa with the Rolls Royce mark, the producer would be capitalizing on consumers’ association of the mark with high quality items.

Id. at 805.

5. The Eighth Circuit sets forth a similar example in Viacom Inc. v. Ingram Enterprises Inc., 141 F.3d 886, 891 n.9 (8th Cir. 1998).

To put the difference between infringement and dilution more concretely, if a parent says to the kids, “Let’s go pick something out at Blockbuster tonight,” and the youngest child assumes they will be buying fireworks made by Viacom, that is evidence of the confusion that is essential to a claim of trademark infringement. But if the oldest child answers, “Which Blockbuster,” that evidences dilution by blurring.

6. As discussed below, case law supports that negative publicity alone may be insufficient to create a cause of action for dilution by tarnishment.

unrelated goods only. Instead, the owner of a famous mark can proceed with a dilution claim “regardless of the presence or absence . . . of competition.” By permitting the owner of a famous mark to bring a dilution claim against a related good, courts have empowered owners of famous marks to bring both infringement and dilution claims in the same case, forcing courts to decide what relevance likelihood of confusion evidence has to a dilution claim. In fact, since Congress’s first codification, the Federal Trademark Dilution Act (FTDA), and continuing through its enactment of the Trademark Dilution Revision Act (TDRA), most reported opinions applying federal dilution law involve claims brought against competing products.

Our example aptly demonstrates the problem. While Dell clearly has an infringement claim against the laptop manufacturer that labels its product DELL, what happens if Dell also wants to bring a dilution claim? Dell would argue that dilution has occurred because the DELL mark no longer only identifies the products of Dell. The error in this application is equating actionable dilution—the lessening of a famous mark’s ability to identify a specific source—with the ability of a mark to identify a specific product or service with a particular source. Dell would argue that it has suffered dilution as the result of a competitor selling its computers as Dell computers, irrespective of the fact that consumers might view the competitor’s products as only emanating from, or sponsored by, Dell. The protection of a mark’s ability to identify specific products or services, however, is the role of infringement and not dilution. Dilution, by contrast, protects against the attrition of the value of a famous mark as an identifier of a source; what some courts have dubbed its “selling power.” If consumers view the competitor’s products as coming from only Dell, then there has been no loss in the ability of DELL to identify a single source for products marked as DELL. This means that if Dell prevails on its infringement claim, it necessarily has proved that

---

10. Moseley v. V Secret Catalogue, Inc., 537 U.S. 418, 428 (2003) (relevant economic harm is a lessening of selling power); Mattel, Inc. v. MCA Records, Inc., 296 F.3d 894, 903 (9th Cir. 2002) (“for example, Tylenol snowboards, Netscape sex shops and Harry Potter dry cleaners would all weaken the commercial magnetism of these marks and diminish their ability to evoke their original associations. These uses dilute the selling power of these trademarks by blurring their uniqueness and singularity, and/or by tarnishing them with negative associations.” (internal quotations and citations omitted)).
consumers are more likely than not going to confuse the junior user's laptop computers as emanating from, or being sponsored by, the same source as Dell's products.11 This finding necessarily prevents a trier of fact from also finding a likelihood of dilution. Concluding that it is more likely than not that consumers will confuse the junior user's laptop as a Dell product necessarily leads to the conclusion that it is not more likely than not that consumers will identify the junior user's laptop as emanating from a source different from the source for Dell's products. This means that Dell cannot meet its burden of proving any lessening of the identification of the DELL mark with Dell, but Dell should prevail on an infringement claim because of the likelihood of confusion.

Accepting this distinction between dilution and infringement demonstrates why consumer confusion, the cornerstone of infringement, is not determinative for a dilution cause of action. In fact, proof of a likelihood of confusion—evidence sufficient to prevail on a claim for infringement—should defeat any claim of dilution. Without question, a case may present source confusion among some consumers, supporting an infringement claim, as well as evidence that other consumers view the junior user's use of a mark as identifying a different source, supporting a claim for dilution. Because proof of infringement and dilution is by a probability rather than possibility, the fact that some consumers might experience source confusion does not allow a trier of fact to rule in a trademark owner's favor on infringement if that trier of fact finds for the holder on dilution by concluding that consumers as a whole probably will not suffer such source confusion, and vice versa.

Irrespective of this reasoning, most cases decided since Congress added dilution to the Lanham Act treat dilution and infringement in lockstep—the claims are routinely brought together in the same action with either the plaintiff or the defendant prevailing on both claims.12 Contrary to the reasoning above, many circuits and learned scholars conclude that proof of a likelihood of confusion necessarily proves dilution, and the absence

---

11. 3 J. Thomas McCarthy, McCarthy on Trademarks and Unfair Competition § 23:3, at 23-17 (4th ed. 2008) (“Likelihood of confusion is synonymous with ‘probable’ confusion—it is not sufficient if confusion is merely ‘possible.’”) [hereinafter McCarthy].

12. Gunnell, supra note 9, at 133-140 (noting that in over 90% of the cases, claims for infringement and dilution are brought together and that they typically stand or fall together).
of a likelihood of confusion is probative, but not determinative, of the merits of any claim of dilution.\textsuperscript{13}

This relatively straightforward statute has engendered angst and divergent opinions.\textsuperscript{14} Even within the same Circuit, reviewing courts have reached what appear to be irreconcilable conclusions.\textsuperscript{15} Some commentators have simply thrown up their hands and argued for the scrapping of the existing scheme entirely,\textsuperscript{16} while

\textsuperscript{13} See Gerard N. Magliocca, \textit{One and Inseparable: Dilution and Infringement in Trademark Law}, 85 Minn. L. Rev. 949, 966 (2001) (“It is almost impossible to think of any infringement situation that would not be covered by dilution.”); Gunnell, \textit{supra} note 9, at 154 (“It is clear that sufficient evidence of confusion should, on its face, satisfy any question of whether or not dilution is occurring . . . but that confusion is not necessary for such a showing of dilution); Beacon Mutual Ins. Co. v. OneBeacon Ins. Group, 376 F.3d 8, 20 (1st Cir. 2004) (when overturning grant of summary judgment in defendant's favor on dilution claim, the First Circuit held “[w]here, as here, a factfinder could reasonably infer that actual confusion injured the trademark holder's goodwill and business reputation, no further showing of injury is necessary to survive summary judgment” on a dilution claim); Federal Express Corp. v. Federal Expresso, Inc., 201 F.3d 168, 178 (2d Cir. 2000) (“Although Federal Express need not prove actual or likely confusion in order to prevail on the merits of its dilution claim, the absence of those factors is relevant to the court's determination.”); David S. Welkowitz, \textit{Trademark Dilution, Federal, State, and International Law} 548 n.19 (BNA Books) (2002) (“[I]f a consumer mistakenly believes that Company B's goods are made, sponsored, or approved by Company A, then to the confused consumer, the value of the Company A’s mark with respect to that consumer is lessened. Thus, . . . instances of confusion would seem to be good examples of dilution.”).

\textsuperscript{14} While there are a wealth of quotations supporting the problems legislatures, courts, commentators and students have with the concept of dilution, dilution’s present state is probably best summed up by Professor McCarthy:

\textquote{No part of trademark law that I have encountered in my forty years of teaching and practicing IP law has created so much doctrinal puzzlement and judicial incomprehension as the concept of “dilution” as a form of intrusion on a trademark. It is a daunting pedagogical challenge to explain even the basic theoretical concept of dilution to students, attorneys, and judges. I have tried mightily. I believe that few can successfully explain it without encountering blank stares of incredulity or worse, nods of understanding which mask and conceal puzzlement and misconception. Even the U.S. Supreme Court has failed to grasp the contours of the doctrine.}


\textsuperscript{15} In separate opinions, the Ninth Circuit recognized that “dilution usually occurs when consumers aren't confused about the source of a product” but reversed the grant of summary judgment on a dilution claim in a subsequent opinion in a different case because the senior user presented evidence that consumers were likely to confuse the junior user's product as emanating from or sponsored by the same source as the senior user's product. See Mattel Inc. v. MCA Records, Inc., 296 F.3d 894, 903 (9th Cir. 2002) (“Even if no one suspects that the maker of analgesics has entered the snowboard business, the Tylenol mark will now bring to mind two products, not one.”); Jada Toys Inc. v. Mattel, Inc., 518 F.3d 628, 636 (9th Cir. 2008) (reversed summary judgment for defendant on dilution claim finding that actual confusion evidence from likelihood of confusion survey sufficient to prove dilution).

others argue that courts have unreasonably limited the reach of the dilution law out of frustration with its vagaries.\textsuperscript{17}

Today, there exists no consensus on a workable framework for federal dilution law. When Congress rewrote federal dilution law in part to overturn what it perceived to be the Supreme Court’s misconstruction of its prior enactment, Congress accepted that dilution law was not moving in the right direction.\textsuperscript{18} While the TDRA added some necessary meat on the bone to better identify the federal dilution animal, opinions and writings show that confusion persists.

This article will first review the historical justifications for recognizing protection of a famous mark’s notoriety and will continue by discussing courts’ efforts to grapple with the bounds of this protection and Congress’s first effort to bring some unity to the doctrine. The article will discuss the difficulties courts continued to have defining dilution’s boundaries even after the enactment of the FTDA. Next, the article will turn to the Supreme Court’s line drawing in \textit{Moseley v. V Secret Catalogue Inc.},\textsuperscript{19} and Congress’s prompt rejection of much of that decision. The article will then discuss why Congress’s clarification is wholly consistent with the proposition that a finding of both dilution by blurring and infringement in the same case is impossible. A similar analysis will demonstrate that Congress intends no overlap between dilution by tarnishment. The article will then conclude by restating the logic behind treating infringement and dilution as truly distinct causes of action.

\textsuperscript{17} Clarisa Long, \textit{Dilution}, 106 Colum. L. Rev. 1029, 1075 (2006) (“Courts are tailoring an overbroad and ambiguous form of intellectual property protection to correct for congressional exuberance, influence by interest groups, or perhaps just haste . . . Each circuit has created its own set of limitations, some more directly supported by the statute than others, some more invasive than others, and some more effective than others.”).


\textsuperscript{19} 537 U.S. 418 (2003).
II. THE FOUNDATION BEHIND PROTECTING FAMOUS MARKS FROM DILUTION

Unlike patent and copyright, trademark protection is not constitutionally mandated. Trademark protection affords neither the property rights nor the legal monopoly bestowed under the patent and copyright regimes. “It is the source-denoting function [of a mark] which trademark law protects, and nothing more.”

The policy underlying trademark seeks:

1. to protect consumers from being misled as to the enterprise or enterprises, from which the goods or services emanate or with which they are associated;
2. to prevent an impairment of the value of the enterprise which owns the trademark; and
3. to achieve these ends in a manner consistent with the objectives of free competition.

20. See Trade-Mark Cases v. Steffens, 100 U.S. 82, 93-94 (1879) (“Any attempt . . . to identify the essential characteristics of a trade-mark with intentions and discoveries in the arts and science, or with the writings of authors, will show that the effort is surrounded by insurmountable difficulties.”).

21. See Prestonettes v. Coty, 264 U.S. 359, 368 (1924) (“When a mark is used in a way that does not deceive the public we see no sanctity in the word as to prevent its being used to tell the truth.”); McLean v. Fleming, 96 U.S. 245 (1877); The Clorox Co. v. Sterling Winthrop, Inc., 117 F.3d 50, 56 (2d Cir. 1997) (“A trademark, unlike other intellectual property rights, does not confer a legal monopoly on any good or idea; it confers rights to a name only.”); Société Comptoir de L’Industrie Cotonière Établissements Boussac v. Alexander’s Dept. Stores, Inc., 299 F.2d 33, 36 (2d Cir. 1962) (“The registration of a proper noun does not withdraw it from the language, nor reduce it to the exclusive possession of the registrant which may be jealously guarded against any and all uses by others.”).

22. Anti-Monopoly, Inc. v. General Mills Fun Group, 611 F.2d 296, 301 (9th Cir. 1979); Emilie Saxlehner v. Wagner, 216 U.S. 375, 380 (1910) (trademark owner not entitled to injunction preventing competitor from stating it was attempting to imitate owner’s product); Smith v. Chanel, Inc., 402 F.2d 562, 566 (9th Cir. 1969) (“[I]t has been suggested that protection of trademark values other than source identification would create serious anti-competitive consequences with little compensating public benefit.”).

23. HMH Publ’g Co. v. Brincat, 504 F.2d 713, 716 (9th Cir. 1974). The Supreme Court has repeatedly cited its desire to avoid harming competition as a reason for narrowly construing trademark protection. See Wal-Mart Stores, Inc. v. Samara Bros., Inc., 529 U.S. 205, 213 (2000) (“Consumers should not be deprived of the benefits of competition with regard to the utilitarian and esthetic purposes that product design ordinarily serves by a rule of law that facilitates plausible suit. . . .”); Bonito Boats, Inc. v. Thunder Craft Boats, Inc., 489 U.S. 141, 157 (1998) (“The plaintiff has the right not to lose customers through false representations that those are his wares which in fact are not, but he may not monopolize any design or pattern . . . the defendant, on the other hand, may copy plaintiff’s goods slavishly down to the minutest detail; but he may not represent himself as the plaintiff in their sale.”) (quoting Crescent Tool Co. v. Kilbrin & Bishop Co., 247 F. 299, 301 (2d Cir. 1917)); Inwood Labs. v. Ives Labs., Inc., 456 U.S. 844, 851 n.11 (1982) (designs cannot be protected under the Lanham Act unless they “identify the source of the product rather than the product itself”); TrafFix Devices, Inc. v. Mktg. Displays, Inc., 532 U.S. 23, 29 (2001) (Court “careful to caution against misuse or overextension of trade dress.”); see also
Originally, courts and legislatures took a very narrow view of the source-identifying protections afforded a trademark, limiting the reach of trademark protection to only competing goods. Early in the Twentieth Century, with the dawning of the modern advertising age, it became clear that the value of a mark could be undermined even if the junior user employed the mark on a non-competing good. Today, modern infringement law as embodied in the Lanham Act recognizes that meaningful confusion can occur from the use of a similar mark “on any product or service which would reasonably be thought by the buying public to come from the same source, or thought to be affiliated with, connected with, or sponsored by” the same source as the product or service of the rights holder. While broad, these protections are not unlimited, and infringement claims involving the use of identical marks are routinely rejected where a defendant’s product or service competes in a market so attenuated from a plaintiff’s that it is unlikely that any consumer would be likely to confuse the defendant’s product or service as emanating from or sponsored by the same source as the plaintiff’s good or service. Delta Airlines and Delta faucets, Ford Motors and Ford Modeling, and Champion Spark Plugs and Champion sports apparel are well-known examples of businesses

Keene Corp. v. Paraflex Indus., Inc., 653 F.2d 822, 824 (3d Cir. 1981) (“Our natural inclination to disapprove of such conduct must give way to the public policy favoring competition, even by slavish copying, of products not entitled to federal patent protection”); Thomas & Betts Corp. v. Panduit Corp., 65 F.3d 654, 657 (7th Cir. 1995) (“Trade dress protection extends to the role of such features as signifiers of source; when competitors are barred from duplicating features whose value to consumers is intrinsic and not exclusively as a signifier of source, competition is unduly hindered. ‘Imitation is the lifeblood of competition. It is the unimpeded availability of substantially equivalent units that permits the normal operation of supply and demand to yield the fair price society must pay for a given commodity’”) (quoting American Safety Table Co., Inc. v. Schreiber, 269 F.2d 255, 272 (2d Cir. 1959)); Bretford Mfg., Inc. v. Smith Sys. Mfg. Corp., 419 F.3d 576, 581 (7th Cir. 2005) (“Businesses often think competition unfair, but federal law encourages wholesale copying, the better to drive down prices.”).

24. See Vogue v. Thompson-Hudson Co., 300 F. 509, 512 (3d Cir. 1924). The Circuit reversed the district court’s dismissal of Vogue Magazine’s unfair competition cause of action against a hat company selling its hats under the mark Vogue. Without deciding the issue, the Third Circuit “assume[d] that relief could not be given under the law of technical trade-marks. Whether the commonly applicable rule, that the trade-marked product and the infringing article must be of the same descriptive qualities, should be modified and adopted to meet such a case as this, can be passed until necessary for decision.” Id. See also Beech-Nut Packing Co. v. P. Lorillard Co., 273 U.S. 629, 632 (1927) (“It may be true that in a case like the plaintiff’s its rights would not be sufficiently protected by an injunction against using the marks upon goods of the same class as those which the plaintiff now applies it and to which its registration is confined.”).

25. 4 McCarthy, supra note 11, at 24-163.

that share identical marks where consumers are not likely to be confused as to source.

Courts have long acknowledged, however, that a mark can be injured by another’s use on a product or service even though consumers are not likely to be confused that such product or service emanates from, or is sponsored by, the same source as the holder of the mark. In 1928, Learned Hand recognized in *Yale Electronic Corp v. Robertson*27 that the goodwill of a famous mark can be appropriated in a manner that undermines a mark owner’s investment in its mark even though a consumer suffers no source confusion between the distinct products or services. In affirming the lower court’s dismissal of the efforts of a flashlight maker to use the mark YALE over the objection of the maker of locks and keys, Judge Hand stated that:

it has of recent years been recognized that a merchant may have a sufficient economic interest in the use of his mark outside the field of his own exploitation to justify interposition by a court. His mark is his authentic seal; by it he vouches for the goods which bear it; it carries his name for good or ill. If another uses it, he borrows the owner’s reputation, whose quality no longer lies within his own control. This is an injury, even though the borrower does not tarnish it, or divert any sales by its use. . . . And so it has come to be recognized that, unless the borrower’s use is so foreign to the owner’s as to insure against any identification of the two, it is unlawful.28

Judge Hand’s decision followed a Third Circuit decision in *Wall v. Rolls Royce of America*,29 affirming an injunction barring a defendant from advertising its radio tubes as coming from the “Rolls-Royce Tube Company.” Appreciating that consumers might not confuse the defendant’s radio tubes with the famous mark’s cars or airplanes, the Wall Court stated that:

by putting his individual business under the name “Rolls-Royce,” and utilizing its trade reputation and earned good will, Wall could greatly benefit himself, the converse of the proposition follows: That this veiling of his business under the name “Rolls-Royce” might, and indeed almost surely would, injure the real Rolls-Royce industries, and substantially detract from their good will and fair name.30

27. 26 F.2d 972 (2d Cir. 1928).
28. Id. at 974.
29. 4 F.2d 333 (3d Cir. 1925).
30. Id. at 334.
Following \textit{Wall} and contemporaneous with \textit{Yale}, Frank Schechter published his article arguing that the existing model of trademark protection was misguided.\footnote{31} According to Schechter, the realities of modern marketing as they existed in 1927 demonstrated that a consumer-focused model of avoiding source confusion did not adequately protect the right holder’s investment in the source-identifying characteristics of a mark. Schechter proffered a broader right to exclude more akin to the property right recognized in copyright and patent law and not dependent on any likelihood of consumer confusion. He believed the purpose in trademark law should be to preserve “the uniqueness of a trademark”—the ability of a mark to identify a single source.\footnote{32} Schechter maintained that the real injury caused by the current use of marks was not consumer confusion but “the gradual whittling away or dispersion of the identity and hold upon the public mind of the mark or name by its use upon non-competing goods.”\footnote{33} Schechter referred to the advertising value earned by a mark’s owner from its investment in its mark as the mark’s “selling power.”\footnote{34} Significantly, Schechter argued that this protection of uniqueness should be limited to famous marks that comprise arbitrary and fanciful words.\footnote{35}

Today, Schechter is widely credited with articulating the theory behind dilution, a trademark owner’s interest in ensuring that its mark identifies a single source. Despite his influence, however, no jurisdiction abandoned traditional infringement in favor of his dilution-only approach, nor has there been a full embrace of his broad right to exclude. Instead, beginning in the 1940s, state legislatures began expanding their trademark statutes to account for certain additional and distinct rights. The common characteristic of these statutory schemes was to grant holders of truly distinctive marks the ability to enjoin another’s use of a mark if such use was likely to injure the “business reputation” or dilute the “distinctive quality” of a mark. These schemes recognize a right to enjoin “notwithstanding the absence of competition between the parties or of confusion as to the source

32. \textit{Id.} at 831. For an extended discussion of Schechter’s ideas, see Magliocca, supra note 13, at 969-86.
33. \textit{Schechter, supra} note 31, at 832.
34. \textit{Id.} at 819.
35. \textit{Id.} at 830.}
of goods or services.”36 Courts appropriately recognized these anti-
dilution statutes as an additional injunctive remedy available to
distinctive marks.37 Holders of famous marks were given the power
to stop another’s use of their mark even though the junior user
could prove that consumers knew that the junior user’s product or
service came from a source in no way connected with the rights
holder—that is, there was no “consumer confusion” in the
traditional trademark context.38 One court distinguished dilution
from traditional infringement as follows: “[t]he evil [dilution seeks]
to remedy [is] not public confusion caused by similar products or
services sold by competitors, but a cancer-like growth of dissimilar
products or services which feeds upon the business reputation of
an established distinctive trade-mark or name.”39

To be entitled to an injunction, a rights holder had to prove
only two things: (1) possession of a trademark that truly had a
distinctive quality; and (2) a likelihood of dilution.40 Significantly,
courts did not interpret these state statutes to embrace Schechter’s
property right suggestion, meaning that once a mark achieved
requisite fame its owner could prevent any use of that mark to

36. Skil Corp. v. Barnet, 150 N.E.2d 551, 554 (Mass. 1948) (quoting from the
Massachusetts statute).

37. Saratoga Vichy Spring Co. v. Lehman, 491 F. Supp. 141, 156 (N.D.N.Y. 1979)
(“[T]he relief under [the state anti-dilution statute] is broader than that available under
actions for federal trademark infringement and unfair competition because likelihood of
confusion or competition need not be shown.”).

(“A cause of action for trademark dilution is meant to cover those situations where the
public knows that a defendant is not connected to or sponsored by the plaintiff, but ‘the
ability of [the plaintiff’s] mark to serve as a unique identifier of the plaintiff’s goods or
services is weakened because the relevant public now also associates that designation with
a new and different source.’” quoting 3 McCarthy, § 24.13[1][b], at 24-108); L.L. Bean v.
Drake Publ’g Inc., 811 F.2d 26, 31 (1st Cir. 1987) (“The law of trademark dilution has
developed to combat an unauthorized and harmful appropriation of a trademark by another
for the purpose of identifying, manufacturing, merchandising or promoting dissimilar
products or services.”); Holiday Inns, Inc. v. Holiday Out in America, 481 F.2d 445, 450 (5th
Cir. 1973) (“Dilution is a concept most applicable where a subsequent user uses the
trademark of a prior user for a product so dissimilar from the product of the prior user that
there is no likelihood of confusion of the products or sources, but where the use of the
trademark by the subsequent user will lessen the uniqueness of the prior user’s mark with
the possible future result that a strong mark may become a weak mark.”).


(“In order to establish a dilution claim, two elements must be shown; (1) ownership of a
distinctive mark, and (2) a likelihood of dilution.”).
identify a different good or service.\textsuperscript{41} Instead, dilution statutes were read to protect a mark’s distinctiveness—expressed as its selling power—only.\textsuperscript{42} Relevant impact to a famous mark’s selling power has been identified by courts from the outset as occurring in two ways: (1) blurring—that relevant consumers no longer saw the mark as indicating a distinctive source of a product; and (2) tarnishment—harm to the reputation of a mark as an identifier.\textsuperscript{43}

Since the enactment of state dilution statutes, courts and commentators, however, have struggled with, and argued about, the interplay between dilution and infringement. Some view dilution as an expansion of the trademark infringement cause of action. The expansionist proponents argue that when an owner’s investment in the source-identifying characteristics of a mark is sufficient to engender requisite fame, that mark should be protected irrespective of proof of a likelihood of confusion, meaning that proof that a distinctive mark has been infringed necessarily means that the distinctive mark has been diluted.\textsuperscript{44} By contrast, proponents believing that dilution protects interests distinct from infringement maintain that infringement and dilution protect different attributes of a mark and that a junior user’s use of a distinctive mark can infringe, dilute, or do neither, but cannot support both actionable infringement and dilution.\textsuperscript{45} Presented graphically, the competing theories are as follows:

\begin{itemize}
  \item \textsuperscript{41} See Sally Gee, Inc. v. Myra Hogan, Inc., 699 F.2d 621, 625 (2d Cir. 1983) (“Sally Gee did not prove and could not have proven any tarnish[ment] to its products’ reputation by Sally Lee’s handmade, higher priced, and higher quality clothing.”).
  \item \textsuperscript{42} See id.
  \item \textsuperscript{43} See Tiffany & Co. v. Boston Club, Inc., 231 F. Supp. 836, 844 (D. Mass. 1964) (“The risk of detraction may be a risk of an erosion of the public’s identification of this very strong mark with the plaintiff alone . . . or the risk may be that of detracting from the plaintiff’s good will by the possibility that defendant’s use of plaintiff’s unique mark will tarnish.”); Hormel Foods, 73 F.3d at 506 (“A likelihood [of dilution] can be established by a showing either of blurring or of tarnishment.”).
  \item \textsuperscript{44} See, e.g., Gunnell, supra note 9, at 110 (“One way to think of confusion may be as ‘matured blurring’ where two marks have been blurred to such a degree that consumers can no longer tell them apart. Before such maturity ensues, however, and before customers are likely to be confused or actually confused by the two marks, there exists a sensitive period of time—sometimes brief, sometimes long—where the mere existence of the junior user’s mark begins to weaken the presence of the senior mark. In some cases, it may even be that this presence will never lead to (nor has the capacity to lead to) full scale confusion, but this does not undercut the logical conclusion that once confusion can be established that dilution should not be presumed.”).
  \item \textsuperscript{45} See, e.g., 4 McCarthy, supra note 11, § 24:70 (“Either a person thinks that similarly branded goods come from the same source (or are connected or affiliated) or not.”). As will be developed further below, this does not mean that some consumers viewing the use by a junior user of a mark can experience source confusion relevant to infringement while other consumers identify the junior user’s products or services with a distinct source relevant to
Even though the language of state anti-dilution statutes took similar broad form across the United States, no consensus existed regarding their application. Some courts expressed their frustration by ruling that state dilution statutes added nothing to existing infringement protections.\(^{46}\) Irrespective of statutory language that actionable dilution was not dependent on a finding of a likelihood of confusion, some courts refused an injunction absent such proof.\(^{47}\) Some courts reached this conclusion while acknowledging that their construction was not a fair reading of the statute.\(^{48}\) Other courts went in the opposite direction to express their “hostility” with state dilution legislation by ignoring language that dilution could occur irrespective of competition to preclude any finding of dilution upon proof that such competition

\(^{46}\) See Allied Maint. Corp. v. Allied Mech. Trades, Inc., 42 N.Y.2d 538, 543-44 (1977) (“Generally, courts which have had the opportunity to interpret an anti-dilution statute have refused to apply its provisions literally. New York courts, State and Federal, have read into the statute a requirement of some showing of confusion, fraud or deception.”); Toho Co., Ltd. v. Sears, Roebuck & Co., 645 F.2d 788, 793 (9th Cir. 1981) (“We have regarded the antidilution doctrine with some concern ‘lest it swallow up all competition in the claim of protection against trade name infringement.” (citations omitted)).

\(^{47}\) See Girl Scouts of the United States of America v. Personalities Posters Mfg. Co., Inc., 304 F. Supp. 1229, 1233 (S.D.N.Y. 1969) (“Despite the seeming intention of this statute to confer protection where the federal Lanham Act might not, \textit{viz.}, even where there is no confusion as to the origin of the goods, the courts have denied relief where confusion is absent.”); Mushroom Makers, Inc. v. R.G. Barry Corp., 580 F.2d 44 (2d Cir. 1979) (state and federal courts construe dilution statues as requiring proof of confusion).

\(^{48}\) See Allied Maint. Corp., 42 N.Y.2d at 544 (“Notwithstanding the absence of judicial enthusiasm for the anti-dilution statutes, we believe that [the New York anti-dilution statute] does extend the protection afforded trade-marks and trade names beyond that provided by actions for infringement and unfair competition.”).
existed. Courts permitting dilution claims to be brought against competitors did so more as the product of statutory construction rather than as any recognition that such an expansion was appropriate or necessary.

III. THE FEDERAL TRADEMARK DILUTION ACT

It was not until 1995 that Congress entered this fray. In enacting the FTDA, Congress recognized the need to "bring uniformity and consistency to the protection of famous marks" afforded by trademark dilution. Congress sought to resolve the judicial debate about the import of competition and source confusion to the federal act by clearly stating that neither the presence nor the absence of either competition or proof of a likelihood of confusion were determinative. Specifically, Congress defined dilution as follows:

The term "dilution" means the lessening of the capacity of a famous mark to identify and distinguish goods or services, regardless of the presence or absence of—

49. See Jordache Enters. Inc. v. Hogg Wyld Ltd., 828 F.2d 1482, 1489 (10th Cir. 1987); Nikon Inc. v. Ikno Corp., 987 F.2d 91, 96 (2d Cir. 1993) (recognizing that the plain language of New York's antidilution statute "does not preclude competitive products from being covered"). "[T]he 'dilution doctrine' . . . operates to extend the protection of the trade-mark law to the situation presented when similar marks are used on dissimilar goods, and that it has no application when the question is whether the marks being used on goods of substantially the same descriptive properties are similar enough to cause confusion in the minds of consumers with respect to the source of the goods." Pro-Phy-Lac-Tic Brush Co. v. Jordan Marsh Co., 165 F.2d 549, 553 (1st Cir. 1948); EZ Loader Boat Trailer v. Cox Trailers, Inc., 746 F.2d 375, 380 (7th Cir. 1984) ("[T]he Illinois courts have consistently held that the protections of the Anti-Dilution Statute are unavailable to competitors."); Alberto-Culver Co. v. Andrea Dumon, Inc., 466 F.2d 705, 709 (7th Cir. 1972) ("Since plaintiff and defendant are competitors, there would be no need to rely on the dilution statute if there were a substantial similarity between the two labels or a 'likelihood' of confusion. Conversely, without such similarity or likelihood, there is no greater right to relief under that provision than on traditional infringement grounds.").

50. See Nikon Inc., 987 F.2d at 96 (resolving split within the circuit and holding that the language in New York's anti-dilution statute that it applies in cases "notwithstanding the absence of competition between the parties . . . does not preclude competitive products from being covered."); Monsanto Co. v. Campuzano, 206 F. Supp. 2d 1252, 1268 (S.D. Fla. 2002) (construing language similar to the New York statute, but concluding that "dilution has no application when the question is whether the marks being used on goods of substantially the same descriptive properties are similar enough to cause confusion in the minds of consumers with respect to the source of the goods." quoting Community Federal Sav. and Loan Assoc. v. Orondorff, 678 F.2d 1034, 1037 (11th Cir. 1982) (further citation omitted)); AHP Subsidiary Holding Co. v. Stuart Hale Co., 1 F.3d 611, 619 (7th Cir. 1993) ("[T]he protection of the Illinois Anti-Dilution statute is not available to competitors under Illinois case law.").

Congress created the federal dilution cause of action by adding a subsection (c) to Section 43 of the Lanham Act. Subsection (c)(1) gave the holders of a famous mark the ability to enjoin another use of that mark upon proof that the junior user’s use “causes dilution.” The relevant language reads as follows:

(c)(1) The owner of a famous mark shall be entitled, subject to the principles of equity and upon such terms as the court deems reasonable, to an injunction against another person’s commercial use in commerce of a mark or trade name, if such use begins after the mark has become famous and causes dilution of the distinctive quality of the mark, and to obtain such other relief as is provided in this subsection.

The FTDA also differed from a number of state dilution statutes by providing for monetary remedies, albeit in a form narrower than what is available for infringement and other unfair competition causes of action. Specifically, the availability of monetary remedies is triggered by proof of willfulness.

(2) In an action brought under this subsection, the owner of the famous mark shall be entitled only to injunctive relief unless the person against whom the injunction is sought willfully intended to trade on the owner’s reputation or to cause dilution of the famous mark. If such willful intent is proven, the owner of the famous mark shall also be entitled to the remedies set forth in sections 35(a) and 36, subject to the discretion of the court and the principles of equity.

Finally, Congress sought to avoid First Amendment problems with its enactment by expressly excluding non-commercial uses of a famous mark as well as the use of a famous mark for purposes of comparative advertising.

(4) The following shall not be actionable under this section:

(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.

By stating clearly that competition was not a bar to dilution, Congress breached the tenuous demarcation some courts had erected to separate claims for infringement from claims for dilution. This construct was erected more for convenience than from reason. While competition between, or relatedness of, products or services is relevant to the determination of a likelihood of confusion, it does not follow that competition alone precludes consumers from likely concluding that a junior user’s products or services are unrelated to the source of the rights holder’s goods or services. Following the enactment of the FTDA, courts have affirmed that dilution can occur among competing goods even though the absence of a likelihood of confusion was decided as a matter of law. In fact, allowing the distinction between infringement and dilution to be drawn solely based on competition can lead to a situation where a rights holder is left without a remedy for the harm caused its famous mark by a competitor’s use of an associated mark to designate its product or service, even though consumers are astute enough to recognize that the competitor’s goods or services are unrelated to the owner of the famous mark.

IV. CONFUSION IN THE APPLICATION OF THE FTDA

In its effort to bring uniformity to dilution law across the United States, Congress made it clear that its dilution cause of action was not simply concomitant with infringement by stating dilution could occur despite the presence or absence of confusion. Congress, however, provided little guidance of the appropriate breadth of this new cause of action’s reach. By requiring that the junior user’s use must “cause[] dilution of the distinctive quality of the [famous] mark,” Congress clearly granted famous marks an absolute right to exclude; otherwise there would be no point to this

54. Id. § 1125(c)(4).
55. See Restatement (Third) of Unfair Competition § 25 cmt. f (1995) (noting that while some state antidilution statutes have been interpreted as being inapplicable to competing goods “[t]hese cases offer no explanation beyond the desire not to duplicate traditional trademark doctrines.”).
56. As will be discussed, the Supreme Court faced this exact situation in Moseley v. Victoria’s Secret Catalogue Inc., 537 U.S. 418 (2003). That the district court in Moseley ruled as a matter of law that there was no likelihood of confusion between the famous lingerie business and the purveyor of similar but more tawdry merchandise did not prevent a finding that dilution occurred. Id. 424.
limiting language. Congress left it for the courts, however, to sort out what level of identity between the famous mark and the junior user’s mark was necessary.

Courts quickly issued a variety of disparate rulings aimed at drawing the limits of the federal dilution action.\(^{57}\) Although the state law jurisprudence by this time had moved away from the requirement that the junior user’s mark be identical or nearly identical to the famous mark, some courts seeking to limit dilution’s reach read such a requirement into the FTDA, while others did not.\(^{58}\) More recently, courts have approached such identity from the opposite direction, holding that similarity alone is sufficient to prove dilution.\(^{59}\) By equating dilution with mere identity, some courts have reasoned that because dilution can exist irrespective of a likelihood of confusion, dilution can be found based solely on evidence that consumers will associate a junior user’s products with those of the owner of a famous mark even if that association is simply that the two products emanate from the same source, that is, without any loss of distinctiveness of the famous mark to its single source.\(^{60}\) The genesis of this construction

\(^{57}\) See Gunnell, supra note 9, at 133-140 (compiling claims in cases brought following passage of the FTDA).

\(^{58}\) Compare Playboy Enters., Inc. v. Wells, 279 F.3d 796, 806 (9th Cir. 2001) (indicating that a mark must be “identical or nearly identical” to be actionable under dilution law) with Luigino’s Inc. v. Stouffer Corp., 170 F.3d 827, 832 (8th Cir. 1999) (holding that marks must be “similar enough that a significant segment of the target group of customers sees the two marks as essentially the same.”). Before the enactment of the FTDA, the Second Circuit in Mead Data Cent. Inc. v. Toyota Motor Sales U.S.A. Inc., 875 F.2d 1026 (2d Cir. 1989) discussed the necessary degree of similarity in reviewing a lower court’s dilution determination in a case brought by the owner of the legal research service LEXIS against the manufacturer of the car sold under the mark LEXUS. In construing the New York antidilution statute, the Mead Court stated:

(if) we were to interpret literally the italicized work “its”, we would limit statutory violations to the unauthorized use of the identical established mark. This is what Frank Schecter, the father of dilution theory, intended when he wrote The Rational Basis of Trademark Protection, 40 Harv. L. Rev. 813 (1927). However, since the use of obvious simulations or markedly similar marks might have the same diluting effect as would an appropriation of the original mark, the concept of exact identity has been broadened to that of substantial similarity.

Id. at 1028-29 (citations omitted).

\(^{59}\) See Perfumebay.com Inc. v. eBay Inc., 506 F.3d 1165, 1181 (9th Cir. 2007) (trial court erred in failing to find that fame of eBay mark and similarity of junior mark alone was sufficient to prove dilution); Audi AG v. D’Amoto, 469 F.3d 534 (6th Cir. 2006) (proof of actual dilution by use of identical mark); J&B Wholesale Distrib. Inc. v. Redux Beverages LLC, 85 U.S.P.Q.2d 1623, 1629 (D. Minn. 2007) (“where there is an identity of marks, actual dilution may be presumed”).

\(^{60}\) See Bell v. Starbucks U.S. Brands Corp., 389 F. Supp. 2d 766, 779 (S.D. Tex. 2005) (“[Starbucks] ha[s] produced evidence that a significant percentage of consumers surveyed believed that a beer called “Starbock” or “Star Bock” was put out by, affiliated or connected
can be traced back to courts’ pre-FTDA reluctance to enforce state dilution statutes as an expansion of trademark protection, causing them to refuse to recognize a claim for dilution absent proof of a likelihood of confusion. This logic reached its zenith when the Second Circuit held that courts should apply the same likelihood of confusion test used to prove trademark infringement to determine whether dilution had occurred. Confusing the likelihood of confusion component of infringement with the identity component of a dilution action is the root of most of the remaining confusion surrounding federal dilution.

Ultimately, in *Moseley v. Victoria's Secret Catalogue Inc.*, the United States Supreme Court confronted the ambiguities of the FTDA, including the requisite identity necessary to support a claim for dilution. Petitioners Victor and Cathy Moseley, who owned and operated a retail store named “Victor’s Little Secret,” which sold “Intimate Lingerie for every woman” and “Adult Novelties/Gifts,” appealed an injunction granted to the owners of the VICTORIA’S SECRET trademark who operate over 750 Victoria’s Secret stores nationwide. The District Court had granted the petitioners’ motion for summary judgment on the respondents’ infringement claims, concluding that “no likelihood of confusion exists as a matter of law.” The District Court, however, granted the respondents’ motion for summary judgment on their dilution claims and enjoined the petitioners “from using the mark ‘Victor’s Little Secret’ on the basis that it causes dilution of the distinctive

with, or approved or sponsored by [Starbucks]. This evidence goes beyond a mere mental association. It shows that Plaintiff’s mark lessens [Starbucks’s] ability “to identify and distinguish goods and services.” [quoting *Moseley* at 434]. . . . Therefore, Plaintiff’s use of “Star Bock” and “Starbock” does dilute [Starbucks’s] mark. . . .); American Honda v. Pro-Line Protoform, 325 F. Supp. 2d 1081, 1085 (C.D. Cal. 2004) (dilution “obviously occurs” where Honda mark used on remote control cars); Kathleen B. McCabe, Note, *Dilution-By-Blurring: A Theory Caught In the Shadow of Trademark Infringement*, 68 Fordham L. Rev. 1827, 1865 (2000) (“[B]ecause plaintiffs are not required to prove confusion under the FTDA’s definition of dilution, the dilution standard necessarily has a lower burden of proof than an infringement claim”); James Burrough Ltd. v. Sign of Beefeater, 540 F.2d 266, 274 n.16 (7th Cir. 1976) (“Distiller’s claim for unfair competition and for trademark dilution are absorbed in a finding that trademark infringement, i.e., a likelihood of confusion, deception, or mistake, exists.”)

61. *Nabisco Inc. v. PF Brands*, Inc., 191 F.3d 208, 217 (2d Cir. 1999) (after determining that “[i]t is not yet entirely clear how courts should determine whether a junior use causes a senior mark to suffer dilution test,” the *Nabisco* Court applied its infringement test).


63. *Id.* at 422.

quality of the Victoria’s Secret mark,” even though the District Court did not find that any “blurring” had yet in fact occurred.65

The Court of Appeals for the Sixth Circuit affirmed. That Court noted that it followed the Second Circuit’s decision to apply the likelihood of confusion factors in its review of dilution claims.66 In affirming the injunction, the Sixth Circuit expressly rejected the Fourth Circuit’s holding that to prevail on any dilution claim the holder of a famous mark first had to prove actual dilution, meaning “actual economic harm to the famous mark’s economic value by lessening its former selling power as an advertising agent for its goods or services.”67

The Supreme Court’s decision in Moseley addressed both the relevance of the similarity between the marks and culpability under federal dilution law. Curiously, while the issue was not raised by either party on appeal, the Court volunteered that the legislative history lent support for the conclusion “that the statutory protection is confined to identical uses of famous marks.”68 The Court continued, however, that “such a conclusion is not compelled by the statutory text.”69 Similarly, by not disturbing the lower court’s grant of the junior user’s summary judgment on Victoria’s Secret’s infringement claim, the Court implicitly rejected the notion that federal dilution’s reach was co-extensive with infringement and acknowledged that the absence of consumer confusion did not defeat a claim for federal dilution.70

Attempting to provide some guidance on the outer bounds of federal dilution, the Moseley Court cited with approval the Fourth Circuit’s decision in Ringling Bros. In Ringling Bros., the famous circus brought a federal dilution claim challenging Utah’s adoption the advertising phrase “The Greatest Snow on Earth” to promote tourism.71 In affirming the trial court’s grant of summary judgment, the Fourth Circuit rejected Ringling Bros.’ contention that to prove actionable dilution the FTDA “requires only proof of a sufficient visual similarity of the marks to evoke in consumers an ‘instinctive mental association’ of the two” marks.72

65. Id. See V Secret Catalogue Inc. v. Moseley, 259 F.3d 464, 477 (6th Cir. 2001)
66. Id. at 426.
67. Id. at 428, quoting Ringling Bros.-Barnum & Bailey Combined Shows, Inc. v. Utah Div. of Travel Dev., 170 F.3d 449, 461 (4th Cir. 1999).
68. Moseley, 537 U.S. at 431.
69. Id.
70. Id.
71. Ringling Bros., 170 F.3d at 449.
72. Id. at 459.
Circuit noted that the FTDA did not prevent any junior use of a mark where such a mental association was found—uniqueness—but instead “by specifically defining dilution as ‘the lessening of the capacity of a famous mark to identify and distinguish goods or services,’ the federal Act makes plain . . . that the end harm at which it is aimed is a mark’s selling power.” The Fourth Circuit rejected the notion that there is a presumption of economic harm resulting from proof of the requisite association.

It is not at all improbable that some junior uses will have no effect at all upon a senior mark’s economic value, whether for lack of exposure, general consumer disinterest in both marks’ products, or other reasons. Indeed, common sense suggests that an occasional replicating use might even enhance a senior mark’s “magnetism”—by drawing renewed attention to it as a mark of unshakable eminence worthy of emulation by an unthreatening non-competitor. Imitation, that is, may occasionally operate in the marketplace as in social manners as the “sincerest form of flattery.”

The Fourth Circuit noted that rather than showing that its mark had been harmed by Utah’s use of the phrase “The Greatest Snow on Earth,” Ringling Bros.’ own survey evidence showed that the Ringling Bros.’ GREATEST SHOW ON EARTH mark had greater recognition in Utah where consumers also recognized the state’s use of “The Greatest Snow on Earth,” even though the survey showed little recognition of Utah’s GREATEST SNOW ON EARTH mark.

Endorsing the Fourth Circuit’s reasoning, the Supreme Court concluded that “the mere fact that consumers mentally associate the junior user’s mark with the famous mark is not sufficient to establish actionable dilution.” Applying this reasoning, the Moseley Court concluded that even though there was sufficient similarity between the VICTOR’S LITTLE SECRET and the

---

73. Id. at 458.

74. Id. at 460.

75. Id. This notion that an identity sufficient to satisfy the association requirement of federal dilution can actually enhance rather than injure the selling power of a famous mark has been endorsed by many commentators. See, e.g., Chi-Ru Jou, The Perils of a Mental Association Standard of Liability: The Case against the Subliminal Confusion Cause of Action, 11 Va. J.L. & Tech. 2, 58-60 (2006). Cf. Laura R. Bradford, Trademark Dilution and Emotion, Berkeley Tech. L.J. (Jan. 29, 2009), Forthcoming; George Mason Law & Economics Research Paper No. 09-08, available at http://ssrn.com/abstract=1334925 (“Dilution harms trademark owners not because it causes consumers to ‘think for a minute’ but because that pause may cause the consumer to become frustrated with the mark and punish the brand.”).

76. Moseley, 537 U.S. at 433.
VICTORIA’S SECRET marks to satisfy the association element of federal dilution, that identity alone was insufficient to prove any actual impairment of the distinctiveness of the famous mark. Some commentators refer to this situation—where consumers viewing the junior user’s mark are reminded of the famous mark but this reminder does not harm the distinctiveness of the famous mark—as an “upward association.”

Recognizing that evidence of a consumer association alone is insufficient to prevail on a federal dilution claim, the Moseley Court considered whether some proof that “actual harm” to the distinctiveness of a famous mark was a prerequisite to an award of injunctive relief. The Moseley Court recognized the split among the circuits on this issue, and it accepted review in order to resolve it. Noting that many state codifications allowed for injunctive relief upon proof that actual harm was likely, the Moseley Court did not find anything in the FTDA to support the view that Congress intended such an expansive reading of its dilution statute. While reading the FTDA to require proof of actual harm, the Moseley Court stated that evidence of lost sales or profits were not a prerequisite. In fact, the Moseley Court indicated that actual harm can be presumed if the junior user adopts the identical mark. Specifically, the Moseley Court, in dicta, stated that “the obvious case” of circumstantial evidence proving actual dilution “is one where the junior and senior marks are identical.”

In reviewing the record before it, the Moseley Court noted that the district court concluded that the petitioner’s use of VICTOR’S LITTLE SECRET diluted the distinctiveness of the VICTORIA’S SECRET mark by tarnishing the mark’s reputation. Again, although not argued by the parties, the Moseley Court questioned whether FTDA embraced dilution by tarnishment. Assuming

77. Thomas R. Lee, Demystifying Dilution, 84 Boston U. L. Rev. 859, 889 (2004) (“The existence of what might be termed ‘upstream association’ does not indicate any interference with the famous mark’s ability to function as a unique source indicator. It suggests that the junior user may have piggybacked on the goodwill flowing from the mental association with the famous mark, but not necessarily that the connection between the famous mark and a single source will be blurred.”).
78. Moseley, 537 U.S. at 433.
79. Id. at 428.
80. Id. at 432-433.
81. Id. at 433.
82. Id.
83. Id. at 434.
84. Id. at 432.
85. Id.
that dilution by tarnishment was viable, the Moseley Court found the record, which consisted of a consumer being offended by a “Victor’s Little Secret” ad but without any corresponding negative feeling about the VICTORIA’S SECRET mark, was inadequate to prove an actual injury as a matter of law, and remanded the case for further proceedings.86

V. CONGRESS REJECTS AND Responds TO Moseley By Enacting the TDRA

About ten years after enacting the FTDA, Congress started over again and adopted the Trademark Dilution Revision Act, or TDRA, in 2006, which completely rewrote the prior law.87 Congress felt compelled to enact the TDRA “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.”88 At that time, Congress accepted that at present “dilution law in the United States [was] moving in every direction except the one that it need[ed] to—forward.”89

Although the FTDA deleted the definition of dilution from the Lanham Act, the legislative history of the TDRA reaffirms Congress’s intent that “dilution 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,

86. Id. at 434.
88. Trademark Dilution Revision Act, H.R. Rep. No. 109-23, at 3 (2005). Some commentators suggest that the Moseley Court “wisely[] restrained itself from delving too deeply into the uncharted waters of dilution law, leaving numerous issues to be resolved by legislation.” James R. Higgins, Jr. and Scot A. Duvall, The FTDA After Moseley v. V Secret, 93 TMR 813, 831 (2003). These same commentators also concluded that “[i]t is manifestly evident to the authors of this article that simply tinkering with the FTDA’s statutory language will not solve the multitude of problems upon which the [Moseley] Court . . . touched.” Id. See also Jonathan Moskin, Victoria’s Big Secret: Whither Dilution Under the Federal Dilution Act?, 93 TMR 842, 859 (2003) (“Because the FTDA had proved to be neither an effective nor uniform means of protecting the economic value of famous trademarks, as Congress and the statute’s sponsors hoped, it is time to break with the past and seek a new solution.”).
dilution can result in loss of the mark’s distinctiveness and, in worst-case scenarios, the owner’s rights in it."90

Answering Moseley, Congress, by enacting the TDRA, rejected the Supreme Court’s reading that injunctive relief is available only upon proof of actual injury, adopting instead a likelihood of dilution standard, and affirmed that federal dilution reaches dilution by tarnishment. Specifically the TDRA reads as follows:

(c) Dilution by blurring; dilution by tarnishment

(1) Injunctive relief

Subject to the principles of equity, the owner of a famous mark that is distinctive, inherently or through acquired distinctiveness, shall be entitled to an injunction against another person who, at any time after the owner’s mark has become famous, commences use of a mark or trade name in commerce that is likely to cause dilution by blurring or dilution by tarnishment of the famous mark, regardless of the presence or absence of actual or likely confusion, of competition, or of actual economic injury.91

In enacting the TDRA, Congress retained the requirement that no monetary award could be had absent proof that the junior user acted willfully:

(5) Additional remedies

In an action brought under this subsection, the owner of the famous mark shall be entitled to injunctive relief as set forth in section 1116 of this title. The owner of the famous mark shall also be entitled to the remedies set forth in sections 1117(a) and 1118 of this title, subject to the discretion of the court and the principles of equity if—

(A) the mark or trade name that is likely to cause dilution by blurring or dilution by tarnishment was first used in commerce by the person against whom the injunction is sought after October 6, 2006; and

(B) in a claim arising under this subsection—

(i) by reason of dilution by blurring, the person against whom the injunction is sought willfully intended to trade on the recognition of the famous mark; or

(ii) by reason of dilution by tarnishment, the person against whom the injunction is sought willfully intended to harm the reputation of the famous mark.92

In addition to rejecting the actual injury standard recognized by the Moseley Court, Congress narrowed those marks entitled to dilution protection to only “those widely recognized by the general consuming public of the United States as a designation of source of the goods or services,” rejecting notions of niche or localized fame as sufficient.93 Congress further narrowed the protection afforded famous marks by not only reaffirming that dilution must fall to legitimate free speech rights94 but also by clarifying that actionable dilution is limited to instances where “another person . . . commences use of a mark or trade name in commerce.”95 This distinction rejected the idea that dilution protects famous marks


93. 15 U.S.C. § 1125(c)(2)(A); Top Tobacco L.P. v. N. Atl. Operating Co., 503 F.3d 380 (7th Cir. 2007) (recognizing that TRDA “eliminated any possibility of ‘niche fame,’ which some courts had recognized before the amendment.”). Prior to enactment a number of courts had extended dilution protection to marks that had not achieved nationwide notoriety. Avery Dennison Corp. v. Sumption, 189 F.3d 868, 877-78 (9th Cir. 1999) (“fame in a localized trading area may meet the threshold of the Act if plaintiff’s trading area includes the trading area of the defendant.”); I.P. Lund Trading ApS v. Kohler Co., 163 F.3d 27, 47 n.11 (1st Cir. 1998) (finding niche fame sufficient and rejecting the notion “that the FTDA requires an explicit finding that a mark’s fame extends throughout a substantial portion of the United States.”); Time Mirror Magazines Inc. v. Las Vegas Sports News, LLC, 212 F.3d 157 (3d Cir. 2000) (Barry, dissenting) (disagreeing with majority’s recognition of niche fame). The Second Circuit, however, rejected the notion of niche fame. TCPIP Holding Co. v. Haar Communications, Inc., 244 F.3d 88, 99 (2d Cir. 2001) (“It seems 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 uses throughout the nation in all realms of commerce.”).

94. See Smith v. Wal-Mart Stores, Inc., 537 F. Supp. 2d 1302 (N.D. Ga. 2008) (finding that shirts emblazoned with phrases like “Wal-Qaeda” were not purely commercial speech and, therefore, fell within an exclusion from the federal dilution statute). 15 U.S.C. § 1125(c)(3) includes this exclusion language:

The following shall not be actionable as dilution by blurring or dilution by tarnishment under this subsection:

(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.

from uses other than the designation of goods or services. 96 Reading the TDRA's reach to trademark uses of a famous mark only is to read the law consistent with the Supreme Court's discussions on the limits of trademark law 97 and consistent with other courts' reasoned limits on dilution. 98

With the enactment of the TDRA, Congress made express what the Supreme Court found implicit in the FTDA that dilution protection is not limited to use of a mark identical or nearly identical to the famous mark. Specifically, the TDRA defines "dilution by blurring" as an "association arising from the similarity between a mark or trade name and a famous mark that impairs the distinctiveness of the famous mark." 99 Similarly, "dilution by

96. See Wham-O Inc. v. Paramount Pictures Corp., 286 F. Supp. 2d 1254 (N.D. Cal. 2003) (rejecting claim that misuse of Wham-O's Slip' N' Slide product in a movie constituted blurring by tarnishment because consumers were not likely to form an adverse association with the mark as a distinctive identifier); Caterpillar Inc. v. Walt Disney Co., 287 F. Supp. 913 (C.D. Ill. 2003) (unflattering use of tractors in movie would not support a claim of dilution by tarnishment); Stacey L. Dogan & Mark A. Lemley, The Trademark Use Requirements In Dilution Cases, 24 Santa Clara Computer & High Tech. L.J. 541, 541 (2008) ("In this article, we parse the language and legislative history of the 2006 Trademark Dilution Revision Act and explain why the trademark use requirement in the new statute not only survives but is more robust than before."); Avery Dennison Corp. v. Sumption, 189 F.3d 868, 880 (9th Cir. 1999) ("Commercial use under the [FTDA] requires the defendants to be using the trademark as a trademark, capitalizing on its trademark status."); Mattel, Inc. v. MCA Records, Inc., 296 F.3d 894, 903 (9th Cir. 2002) ("Although this statutory language is unguainly, its meaning seems clear: It refers to a use of a famous and distinctive mark to sell goods other than those produced or authorized by the mark's owner."). Compare prior instances where non-trademark use was held to dilute. Anheuser-Busch Inc. v. Balducci Publ'ns, 28 F.3d 769 (8th Cir. 1994) (parody ad in magazine for Michelob Oily tarnished the MICHELOB mark even though ad was not to sell any product); Coca-Cola Co. v. Gemini Rising Inc., 346 F. Supp. 1183 (E.D.N.Y. 1972) ("Enjoy Cocaine" shirt held to dilute).

97. See Wal-Mart Stores v. Samara Bros., Inc., 529 U.S. 205 (2000) (no cause of action for trademark violation because no source identification even though Wal-Mart produced 'knockoffs' of children's clothes designed and manufactured by Samara Bros., containing only 'minor modifications' of the original designs.); TrafFix Devices, Inc. v. Marketing Displays, Inc., 532 U.S. 23, 29 (2001) ("The Supreme Court has been 'careful to caution against misuse or overextension' of trademark related protections into areas traditionally occupied by patent and copyright.").

98. The First Circuit in I.P. Lund Trading ApS v. Kohler Co., 163 F.3d 27 (1998), vacated the grant of a preliminary injunction on a federal dilution claim brought with respect to a faucet design. The First Circuit first expressed "doubt that Congress intended the reach of the dilution concepts under the FTDA to extend this far and our doubts are heightened by the presence of constitutional constraints." Id. at 50. The Lund Court continued that when confronted with a claim of dilution related to a product design "it appears that an entirely different issue is at stake—not interference with source signaling function but rather protection from an appropriation of or free riding in the investment Lund made in its design. That investment is usually given protection by patents, which have a limited duration." Id.

99. 15 U.S.C. § 1125(c)(2)(B). The Second Circuit recognizes that Congress abandoned any requirement that there be a substantial similarity between the marks. Starbucks Corp.
“tarnishment” is defined as an “association arising from the similarity between a mark or trade name and a famous mark that harms the reputation of the famous mark.”

The plain language of the statute requires more than the likelihood that consumers will associate a junior user’s mark with the famous mark. Moreover, by identifying six factors to determine “whether a designation of source is likely to cause dilution by blurring,” Congress expects the determination of actionable association to be based on more than the trier of fact simply looking at the marks.

The six factors identified in the TDRA are:

(i) The degree of similarity between the designation of source 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 engaged in substantially exclusive use of the mark.

(iv) The degree of recognition of the famous mark.

(v) Whether the user of the designation of source intended to create an association with the famous mark.

(vi) Any actual association between the designation of source and the famous mark.

VI. COURTS CONTINUE TO STRUGGLE TO DECIDE THE RELATIONSHIP BETWEEN DILUTION BY BLURRING AND INFRINGEMENT

While the TDRA provides that dilution protection reaches another use of a similar mark that is likely to “impair[] the distinctiveness of the famous mark,” the enactment does not address whether dilution should be presumed from another’s adoption of the identical mark, as the Moseley Court indicated.

v. Wolfe’s Borough Coffee Inc., 588 F.3d 97, 108 (2d Cir. 2009) (“The post-TDRA federal dilution statute . . . provides us with a compelling reason to discard the ‘substantial similar’ requirement for federal dilution actions.”).


102. Id.

103. See Savin Corp v. Savin Group, 391 F.3d 439, 453 (2d Cir. 2004) (“It cannot be overstated, however, that for the presumption of dilution to apply, the marks must be identical.”). Other courts, however, have questioned whether the Moseley Court intended for plaintiffs to be able to establish a violation of the FTDA merely by showing the commercial use of an identical mark. See Les Middleton Original Dolls Inc. v. Seymour Mann, Inc., 299 F. Supp. 2d 892, 902 (E.D. Wis. 2004).
compelling case for such a presumption can be made when another adopts a famous mark to designate a good or service unrelated to that of the owner of the famous mark. For example, in Mattel Inc. v. MCA Records, 104 Mattel challenged as both infringing and dilutive the band Aqua’s less-than-flattering reference to Barbie in its song “Barbie Girl.” 105 In that case, there was no dispute among the parties that, while a reference to Barbie would previously have brought to mind only Mattel’s doll, after the song’s popular success, some consumers hearing Barbie’s name will think of both the doll or the song, or perhaps the song only. 106

Thus, even though affirming the lower court’s grant of defendant’s motion for summary judgment on Mattel’s infringement claim, the Ninth Circuit found Aqua’s use of the BARBIE mark to be dilutive. 107

The reasoning for such a presumption, however, falls apart when a junior user uses the identical mark to identify a related good. In such instances it is far more likely that consumers will confuse the source or sponsorship of the junior user’s products with those of the owner of the famous mark, meaning that there has been no loss in the mark’s ability to identify a single source. For example, the Sixth Circuit in Audi AG v. D’Amato 108 affirmed a finding of both infringement and dilution in Audi’s favor against the seller of automobile-related paraphernalia bearing the AUDI trademark even though there was no evidence that consumers perceived anything other than that the junior user’s goods either came from, or were sponsored by, Audi. Indeed, following the Supreme Court’s dicta, the Sixth Circuit did not even consider whether any consumer viewed the source of defendant’s goods as anything other than Audi or a source sponsored by Audi. 109

104. 296 F.3d 894 (9th Cir. 2002).
105. Id. at 902 (affirming defendant’s summary judgment on Mattel’s infringement claim).
106. Id. at 904.
107. The Ninth Circuit ultimately affirmed the lower court’s grant of summary judgment in defendant’s favor finding that that the use of the BARBIE mark was not purely a commercial use of the mark, and, therefore, exempt from the federal law. Id. at 907.
108. 469 F.3d 534 (6th Cir. 2006).
109. The First Circuit’s approach in addressing Rhode Island’s dilution statute took a slightly stranger path. See Beacon Mutual Ins. Co. v. OneBeacon Ins. Group, 376 F.3d 8 (1st Cir. 2004). In Beacon, while the junior user argued that there could be no blurring or tarnishment because the junior user “offer[ed] the same coverage and quality of insurance as [the senior user], the lower court held “that the dilution claim automatically failed because no likelihood of confusion existed.” Id. at 20. The First Circuit reversed holding that
courts have employed the same incomplete analysis, and some have gone further to hold that “any commercial use of a mark confusingly similar to [a famous mark] is necessarily dilutive.”110

Cases like Audi are not uncommon. Seeing this trend to decide claims of infringement and dilution in lockstep, some commentators have attempted to rationalize these findings within the language of the TDRA and the underlying purpose of dilution by concluding that “[i]t is clear that sufficient evidence of confusion should, on its face, satisfy any question of whether or not dilution is occurring.”111 In these instances, rather than confronting the fact that a confused consumer necessarily has concluded that a junior user’s product or service emanates from or is sponsored by the same source as the famous mark, commentators simply conclude that “[c]onsumer confusion by its very nature is some evisceration of the capacity of a mark to identify its source.”112

VII. CONFUSION CAN SUPPORT BUT DOES NOT PROVE DILUTION

Accepting that satisfaction of the association element alone does not prove actionable dilution, the issue remains whether proof of actual confusion or a likelihood of confusion proves actionable dilution, as so many courts have held. Whether considering dilution by blurring or dilution by tarnishment, the answer is simply no. With respect to both types of dilution, Congress retains the requirement that more must be proven than simply an association: (1) dilution by blurring requires an “association . . . that impairs the distinctiveness of the famous mark” and (2) dilution by tarnishment requires an “association . . . that harms the reputation of the famous mark.”113 Where a junior user’s product is of equal or superior quality there is simply no question

“a fact finder could reasonably infer that actual confusion injured the trademark holder’s goodwill and business reputation. . . .” Id.


111. Gunnell, supra note 9, at 154.

112. Id. at 109.

that the reputation of a mark could not be harmed within the meaning of the federal statute. Similarly, evidence that consumers have confused or are likely to confuse a junior user’s mark with that of a famous mark alone does not prove an impairment of the famous mark’s ability to designate a single source.114

The next question, then, is whether proof of trademark infringement precludes a finding of dilution by blurring. The TDRA confirms that dilution can occur “regardless of the presence or absence of actual or likely confusion.”115 This is logical, as similarity between two marks sufficient to cause consumers to perceive that the goods or services sold under the two marks emanate from, or are sponsored by, a single source is an association greater than that required to support a claim for dilution. By the same token, however, an association strong enough to cause consumers to likely be confused that the products come from the same source undermines the proof of any impairment of the famous mark. If consumers believe that the products or services relate to the same single source—the famous mark holder—there has been no loss of ability of the famous mark to identify the holder’s goods or services.

If you accept that dilution is predicated on consumers knowing that the junior user’s product or service emanates from a source different from that of the famous mark, then no dilution occurs with respect to any consumer who wrongly believes that the products or services emanate from the same source.116 This does not mean, however, that some proof of actual confusion necessarily undermines a claim of dilution. Simply because some consumers experience such confusion does not mean all or even a majority of consumers probably will be similarly confused. Instead, the fact that some consumers view the identity between a famous mark and a junior user’s mark as emanating from the same source is indicative that others would view the two uses with the requisite association even though they will not necessarily suffer confusion

114. See CareFirst of Maryland Inc. v. First Care PC, 434 F.3d 263, 274 (4th Cir. 2006) (survey designed to measure a likelihood of confusion “at best measured whether consumers believe that First Care is associated with CareFirst, not whether First Care’s mark has ‘reduce[d] the capacity of the [CareFirst] mark to identify the [services] of its owner.’” quoting Moseley, 537 U.S. at 433).


116. See, e.g., Mattel, Inc. v. MCA Records, Inc., 296 F.3d 894, 903 (9th Cir. 2002) (“By contrast to trademark infringement, the injury from dilution usually occurs when the consumers are not confused about the source of a product.”); Edina Realty Inc. v. TheMSLonline.com, 80 U.S.P.Q.2d 1039, 1045 (D. Minn. 2006) (“Even assuming that this is evidence of actual confusion caused by defendant’s use of plaintiff’s mark, it does not prove actual dilution.”).
as to source. The consumer who is confused as to source, however, does not support an action for dilution by blurring because he or she cannot simultaneously be both confused and aware of the products as emanating from different sources.\footnote{117} Simply, a consumer cannot be both confused and not confused. This distinction was aptly explained by the Second Circuit in \textit{The Sports Authority Inc. v. Prime Hospitality Corp.}:\footnote{118}

A cause of action for trademark dilution is meant to cover those situations where the public knows that the defendant is not connected to or sponsored by the plaintiff, but the “ability of [the plaintiff’s] mark to serve as a [distinct] identifier of the plaintiff’s goods or services is weakened because the relevant public now also associates that designation with a new and different source.”\ldots Thus, “where the classic likelihood of confusion test leaves off, the dilution theory begins.”\footnote{119}

While expressed as a likelihood of confusion, proof of trademark infringement requires a plaintiff to prove that consumers will more likely than not be confused that the junior user’s product or service emanates from or is sponsored by the same source as the plaintiff’s goods and services.\footnote{120} Just as the same consumer cannot simultaneously confuse the source of a junior user’s product or service with that of the owner of a famous mark, it is not possible to prove both a probability—that is, more than 50\% likelihood—of confusion and a probability that the junior

\begin{footnotes}
\footnote{117}{4 McCarthy, \textit{supra} note 11, \S 24:70 (“Either a person thinks that similarly branded goods come from the same source (or are connected or affiliated) or not.”). Some go so far as to argue that evidence of actual confusion should be excluded in a dilution case because the probative value of such evidence would be substantially outweighed by its prejudice. Lee, \textit{supra} note 73, at 940. Professor Lee argues:

The “confusion of the issues” inherent in the presentation of evidence of actual confusion in a dilution case would be palpable. First the nuanced analysis required to distinguish the narrow category of confusion that is consistent with dilution from that which is not is neither relevant to the law of trademark infringement (which treats source confusion and sponsorship confusion identically), nor likely to be understood by lay juries. Second, even if this hair splitting distinction could be understood, it certainly could not be sorted out as a practical matter.

\textit{Id.} (citations omitted).
}

\footnote{118}{89 F.3d 955 (2d Cir. 1996).
}

\footnote{119}{\textit{Id.} at 965-66 (quoting 3. J. Thomas McCarthy, McCarthy on Trademarks and Unfair Competition \S 24:13[b], at 24-108 (3d ed. 1996). While the court in \textit{Sports Authority} discussed dilution as protecting a mark as a “unique” identifier, the TDRA limits protection to a mark’s distinctiveness, meaning that actionable dilution requires more than a mere association.
}

\footnote{120}{3 McCarthy, \textit{supra} note 11, at 23-17 (“Likelihood of confusion is synonymous with ‘probable’ confusion—it is not sufficient if confusion is merely ‘possible.’”).
}
user’s designation of source blurs the distinctiveness of a famous mark. Simply, it is not possible for a plaintiff to prevail on both an infringement claim and a dilution claim.\textsuperscript{121}

If logic, the TDRA, and the purpose of dilution law all support the impossibility of both an infringement finding and a dilution finding arising from the same use of a designation by a junior user, why have so many courts and commentators reached the opposite conclusion?\textsuperscript{122} A review of these cases and articles demonstrate simple errors in reasoning leading to the flawed conclusion. First, when considering the relevance of likelihood of confusion evidence, the analysis cannot begin and end with the evidence’s relevance to support a requisite association. Secondly, actionable dilution does not occur when products or services other than those of the owner of a famous mark are associated with the famous mark because in this instance the mark retains its association with a single source. The first error occurs because of the failure to consider whether the presence of an association has actually \textit{caused any loss of distinctiveness}. The latter construction is error because it renders dilution to be nothing more than a “mere fallback protection for trademark owners unable to prove trademark infringement,” a construction clearly inconsistent with Congress’s intent.\textsuperscript{123}

An example of the misapplication of evidence of confusion to proof of dilution is the Ninth Circuit’s opinion in \textit{Jada Toys, Inc. v. Mattel, Inc.}\textsuperscript{124} In \textit{Jada Toys}, Mattel asserted that Jada’s use of the mark HOT RIGZ to designate its line of small-scale toy trucks infringed and diluted its HOT WHEELS mark. In reversing the district court’s grant of summary judgment on Mattel’s dilution claim, the court cited Mattel’s likelihood of confusion surveys as “indicat[ing] that consumers associate one mark with the other; they also suggest that Mattel’s HOT WHEELS mark does not adequately identify its products because Jada is able to convey

121. Take a practical example. If you walk into a Toys R Us store is it more than 50% likely that when you see a GE Army doll you will think it comes from General Electric? In other words, is it more than 50% likely that a consumer encountering such a product will believe that the doll comes from one source, GE? If the answer is yes, then it is impossible that at the same time the consumer can believe it is more than 50% likely that the product comes from \textit{a different} source. A plaintiff needs the first situation to prove infringement, but needs the second situation (recognition of two different sources) to prove that the distinctiveness of the mark has been weakened or tarnished to prove dilution.

122. “Anti-dilution statutes have developed to fill the void left by the failure of trademark infringement to curb the unauthorized use of marks where there is no likelihood of confusion between the original use and the infringing use.” L.L. Bean, Inc. v. Drake Publ’g, Inc., 811 F.2d 26, 30 (1st Cir. 1987).


124. 518 F.3d 628 (9th Cir. 2008).
through the use of its HOT RIGZ mark the impression that Mattel either produces or allows the production of HOT RIGZ.” 125 The Ninth Circuit’s consideration of Mattel’s likelihood of confusion evidence in *Jada* did not extend beyond proof of an association between the two marks. Instead, the *Jada* Court concluded that because consumers associated HOT RIGZ with HOT WHEELS, Mattel had presented proof sufficient to create a question of fact on its dilution cause of action. The Ninth Circuit simply did not address the absence of any evidence that consumers were likely to associate the HOT RIGZ mark with a source distinct from HOT WHEELS, a predicate to any dilution claim. This type of error in the application of evidence of a likelihood of confusion to a federal dilution claim is not uncommon.

While certainly evidence of confusion undermines a mark’s ability to identify distinct products or services, a consumer confused for purposes of infringement necessarily still relates the mark to a single source. In order to avoid this distinction between infringement and dilution, some commentators speak of dilution in terms of any interference in a consumer’s cognitive recall in viewing a mark regardless of whether the interference is between the mark’s ability to identify a *source* or a mark’s ability to identify a *product or service*. 126 Nothing, however, supports this wholesale expansion of dilution beyond a mark’s ability to identify a specific source. 127

Instead of focusing on how to rationalize findings of dilution and infringement in the same case, the better course is to look back to the distinct purposes that infringement and dilution are intended to serve. Congress clearly did not intend dilution simply to be redundant with infringement or a mere fallback for famous marks unable to prove a likelihood of confusion, and it would be wrong to interpret the TDRA this way. 128 Yes, evidence of actual confusion as well as evidence supporting a likelihood of confusion is relevant to a dilution claim, but evidence and proof of one does not prove the other. If we accept and follow the conclusion that “where the classic likelihood of confusion test leaves off, the

---

125. *Id.* at 636 (citing *Moseley*, 537 U.S. at 433-34).


128. *See* Stone v. INS, 514 U.S. 386, 397 (1995) (“When Congress acts to amend a statute, we presume it intends its amendment to have real and substantial effect.”).
dilution theory begins,"\textsuperscript{129} the dilution cause of action becomes slightly less vague and the ability to reconcile it with infringement becomes possible.

\textbf{VIII. DILUTION BY TARNISHMENT REQUIRES BOTH A SEPARATE SOURCE IDENTIFICATION CHARACTERISTIC AND SOMETHING MORE THAN PROOF THAT THE JUNIOR USER’S PRODUCT OR SERVICE IS MERELY OF A LOWER QUALITY}

Courts have long recognized that the selling power of a mark can be compromised both by blurring and tarnishment.\textsuperscript{130} Unlike the clear distinction between infringement and dilution by blurring, however, it is not as obvious whether a finding of trademark infringement necessarily undermines a finding of dilution by tarnishment.

Dilution by tarnishment is concerned with protecting the selling power of a mark by protecting the reputation of a mark as an identifier of a source. Dilution by tarnishment is intended to provide a remedy to the owner of a famous mark for the harm to its mark’s reputation arising from a junior user’s use of an associated mark with respect to a shoddy product or service even though consumers do not perceive the shoddy product as coming from, or sponsored by, the famous mark’s owner. Arguably, however, the mark suffers the same, if not greater, harm to its selling power arising from the association with a shoddy product as it would if consumers were likely to confuse the shoddy product as coming from, or being sponsored by, the same source as the famous mark’s goods or services. Thus, the conflict between infringement and dilution by blurring does not necessarily exist between infringement and dilution by tarnishment. As discussed above, the TDRA illustrates Congress’ intent to limit actionable harm to a famous mark’s reputation to instances where a junior user has used an associated mark to identify its product or service. Accepting this reading, the TDRA excludes from its reach non-

\textsuperscript{129} The Sports Auth. Inc. v. Prime Hospitality Corp., 89 F.3d 955, 966 (2d Cir. 1996) (quoting McCarthy, supra note 112).

\textsuperscript{130} See, e.g., Wall v. Rolls-Royce of America, 4 F.2d at 334 ("[I]f this Rolls-Royce radio tube proved unsatisfactory, it would sow in his mind at once an undermining and distrust of the excellence of product which the words ‘Rolls-Royce’ had hitherto stood for."); Tiffany & Co. v. Boston Club, Inc., 231 F. Supp. 836, 844 (D. Mass. 1964) ("[T]he risk may be that of detracting from the plaintiff’s good will by the possibility that defendant’s use of plaintiff’s unique mark will tarnish plaintiff’s trade name by reason of public dissatisfaction with defendant’s product and a resultant holding of this dissatisfaction against plaintiff.").
trademark uses of a famous mark such as a modified use of a famous mark on a T-shirt\textsuperscript{131} or the demeaning use of a competitor’s mark for purposes other than source identification\textsuperscript{132} even though these uses arguably are commercial uses not within the TDRA’s exclusions.\textsuperscript{133} Some push further on the distinction drawn between “the mark or trade name [used by the junior user] and the famous mark” in the TDRA to argue that dilution by tarnishment requires that the junior user \textit{intend} to use the mark as a trademark to identify a source for its goods and/or that consumers view the junior user’s goods or services as coming from a distinct source.\textsuperscript{134} While such a requirement would avoid the overlap between infringement and dilution by tarnishment, does it necessarily require the owner of a famous mark to prove dilution by blurring in order to prove dilution by tarnishment?

As discussed above, the answer to this question is no. Dilution by blurring protects the distinctiveness of a famous mark’s ability to identify a single source when consumers encounter its owner’s goods and services. Dilution by blurring, however, does not give the owner exclusive use of the famous mark and all associated marks. Still, the reputation of a mark can be harmed by an association of the mark to a shoddy or unsavory good or service even though the mark suffers no loss of its ability to identify its owner’s goods or services. The district court’s opinion in \textit{Moseley} following its remand from the Supreme Court and passage of the TDRA demonstrates this point. In rejecting Victoria’s Secret’s motion for summary judgment based on dilution by blurring, the Kentucky District Court found that defendant’s use of VICTOR’S LITTLE SECRET to sell sexually explicit goods “conjured the association with the famous mark, but fell short of blurring its distinctiveness in this instance.”\textsuperscript{135} The court, however, granted

\textsuperscript{132.} See Deere & Co. v. MTD Prods. Inc., 41 F.3d 39 (2d Cir. 1994) (demeaning use of plaintiff’s famous deer mark as part of an animated advertisement actionable as infringement).
\textsuperscript{133.} Courts commonly dispose of less than flattering uses of a famous mark by finding that the junior user’s use was not purely commercial. See Mattel Inc. v. MCA Records, 296 F.3d 894, 902 (9th Cir. 2002) (“Barbie Girl’ is not purely commercial speech, and is therefore fully protected”).
\textsuperscript{134.} 4 McCarthy, \textit{supra} note 11, at 24-358 (“To be included within the 2006 TDRA, the accused use, whether challenged as blurring or tarnishment, must be a trademark use. Thus, unflattering or denigrating use of [a] mark in a political commentary, novel or motion picture is not a use as a mark for the expressive work and cannot be challenged as tarnishing under the FTDA, even if it does not fit within one of the statutory defenses.”).
summary judgment in Victoria’s Secret’s favor on its dilution by tarnishment claim, finding that “[t]he use of the remarkably similar ‘Victor’s Secrets’ . . . in connection with the sale of intimate lingerie along with sex toys and adult videos tarnishes the reputation of the VICTORIA’S SECRET mark.”

Limiting dilution by blurring to instances where a junior user’s associated mark is identified with a source or sponsorship other than the famous mark’s owner is not only consistent with language of the TDRA and the policy underlying the dilution cause of action, it also imposes no undue burden on the famous mark’s owner. To the extent that the use of an associated mark has harmed the reputation of a famous mark, but the evidence is that consumers confuse the junior user’s products or services as emanating from or sponsored by the same source as those of the owner of the famous mark, the owner should prevail on its infringement claim. To the extent a defendant misuses a famous mark in a purely commercial setting such as in advertising and promotion, the owner should have a cause of action for unfair competition under the Lanham Act. Moreover, the monetary remedies available for infringement and unfair competition claims are subject to a lower threshold of proof because monetary remedies under the TDRA require proof of willfulness.

136. Id. at 750.

137. “The law of trademark dilution has developed to combat an unauthorized and harmful appropriation of a trademark by another for the purpose of identifying, manufacturing, merchandising or promoting dissimilar products or services. The harm occurs when a trademark’s identity and integrity—its capacity to command respect in the market—is undermined due to its inappropriate and unauthorized use by other market actors.” L.L. Bean v. Drake Publ’g, Inc., 811 F.2d 26, 31 (1st Cir. 1987).

138. Section 1125(a) of the Lanham Act provides:

   Civil action

   (1) Any person who, on or in connection with any goods or services, or any container for goods, uses in commerce any word, term, name, symbol, or device, or any combination thereof, or any false designation of origin, false or misleading description of fact, or false or misleading representation of fact, which—

   ** * * * *

   (B) in commercial advertising or promotion, misrepresents the nature, characteristics, qualities, or geographic origin of his or her or another person’s goods, services, or commercial activities,

shall be liable in a civil action by any person who believes that he or she is or is likely to be damaged by such act.

15 U.S.C. § 1125(a). To the extent a use is made for reasons other than source identification that is not purely commercial the exclusions provided for in the TDRA would preclude any action anyway. 15 U.S.C. § 1125(c)(3).

Unlike where Congress provides six factors to be considered in determining whether dilution by blurring is likely, the TDRA does not elaborate on how to determine the likelihood of dilution by tarnishment. Recognizing that the likelihood of harm to reputation is a fairly nebulous concept, most courts have attempted to limit the reach of dilution by tarnishment. A mere association of the marks coupled with a negative impression of the junior user’s product or service is insufficient to establish a likelihood of dilution by tarnishment.\textsuperscript{140} The relevant question is whether the junior user’s product or service offered under a particular mark affects the consumer’s positive impression of the goods or services offered under the famous mark.\textsuperscript{141} In many circuits, dilution by tarnishment is not available simply upon proof that the junior user’s products or service are of a lower quality or a knockoff.\textsuperscript{142} Instead, courts traditionally limit tarnishment claims to associated marks attached to shoddy or unsavory products. As the First Circuit stated in \textit{L.L. Bean},

[a] trademark is tarnished when consumer capacity to associate it with the appropriate products or services has been diminished. The threat of tarnishment arises when the goodwill and reputation of a plaintiff’s trademark is linked to products which are of shoddy quality or which conjure associations that clash with the associations generated by the owner’s lawful use of the mark.\textsuperscript{143}

\textsuperscript{140} Starbucks Corp. v. Wolfe’s Borough Coffee Inc., 588 F.3d 97, 110 (2d Cir. 2009) (“That a consumer may associate a negative sounding junior mark with a famous mark says little of whether the consumer views the junior mark as harming the reputation of the famous mark.”).

\textsuperscript{141} Id. (“Although the term ‘Charbucks’ was once used as a pejorative . . . the [junior user] is not propagating that negative meaning but, rather, is redefining ‘Charbucks’ to promote a positive image for its coffee brand.”).

\textsuperscript{142} See Louis Vuitton Malletier S.A. v. Haute Diggity Dog LLC, 507 F.3d 252 (2d Cir. 2007) (no dilution by tarnishment from “Chewy Vuiton” dog toy shaped as a purse with the mark that mimicked the LV mark); Toho Co., Ltd. v. Sears, Roebuck & Co., 645 F.2d 788, 793 (9th Cir. 1981) (rejecting dilution by tarnishment claim finding that “Sear’s use of the reptilian monster character on its garbage bags [did not] link Godzilla with something unsavory or degrading.”); Bradford, supra note 71, at 15 (“Tarnishment has typically been understood as the connection of a famous mark with unsavory products and services, such as those promoting sex, drugs, or violence.”).

\textsuperscript{143} \textit{L.L. Bean Inc.}, 811 F.2d at 31; see also Deere & Co. v. MTD Products Inc., 41 F.3d 39, 43 (2d Cir. 1994) (“Tarnishment’ generally arises when the plaintiff’s trademark is linked to products of shoddy quality or is portrayed in an wholesome or unsavory context likely to evoke unflattering thoughts about the owner’s product.”).
The District Court in New York explained this limitation in *Clinique Laboratories, Inc. v. DEP Corporation:*\(^{144}\)

Clinique argues that its trademark and trade dress will be tarnished by Dep’s “cheap knock-offs of the CLINIQUE line of products.” However, this argument does not fit within the boundaries of tarnishment. Dep is not attempting to associate Clinique’s products with obscenity or sexual or illegal activity, the Basique product is neither shoddy or unwholesome, and no evidence suggests that Clinique’s trademark or trade dress will suffer negative associations through Dep’s use of the Basique mark.\(^{145}\)

Even though Congress did not expressly incorporate this limitation in the federal statute, and there are a number of historic cases where tarnishment was extended to simply inferior goods,\(^ {146}\) it is rare today for any court to endorse dilution by tarnishment from a famous mark’s association with an inferior product.\(^ {147}\)

\(^{144}\) 945 F. Supp. 547 (S.D.N.Y. 1996).

\(^{145}\) Id. at 562. See also Jordache Enters. Inc. v. Hogg Wyld Ltd., 828 F.2d 1482, 1490 (10th Cir. 1987) (“The district court found that while LARDASHE ‘might be considered to be in poor taste by some consumers . . . it is not likely to create in the mind of consumers a particularly unwholesome, unsavory, or degrading association with plaintiff’s name and marks. [citation omitted.] We have examined the record . . . and we conclude that the district court’s finding is not clearly erroneous.”); Viacom Inc. v. Ingram Enters. Inc., 141 F.3d 886 (8th Cir. 1998) (rejects as a matter of law that the sale of BLOCKBUSTER fireworks could tarnish plaintiff’s mark); Estate of Ellington v. Gibson Piano Ventures, Inc., 75 U.S.P.Q.2d 1724, 1732 (S.D. Ill. 2005) (rejecting claim that mere fact that piano was entry level and there had been reports of defects and a poor finish meant that junior user’s pianos were shoddy within the meaning of dilution by tarnishment); Farouk Sys. Inc. v. Target Corp., 81 U.S.P.Q.2d 1151, 1155 (S.D. Tex. 2006) (“While plaintiff might be offended by any link with the discount retailer Target there is no evidence that the hair care products sold at Target were of a ‘shoddy quality.’”)


\(^{147}\) See Sony Computer Entm’t Inc. v. Connectix Corp., 203 F.3d 596, 609 (9th Cir. 2000) (reversing lower court’s finding of dilution by tarnishment because defendant’s product was of inferior quality and holding that the “evidence is insufficient to support a conclusion that the shoddiness of the Virtual Game Station alone tarnishes the Sony mark.”); but see Burberry Ltd. v. Euro Moda, Inc., Case No. 08 Civ. 5718-CM (S.D.N.Y. June 10, 2009) (granting summary judgment in favor of famous mark against counterfeiter on dilution by tarnishment claim finding that “merchandise bearing counterfeit Burberry Marks . . . was made from substandard materials, and contained errors not found in authentic Burberry merchandise.”); GTFM, Inc. v. Solid Clothing Inc., 215 F. Supp. 2d 273, 301 (S.D.N.Y. 2002) (“Because GTFM’s apparel is generally of higher quality than Solid’s, it
While no reported opinion has clearly articulated a reason for this demarcation, an obvious reason remains courts’ caution in expanding dilution’s reach.

Logic seems to dictate this limitation on dilution by tarnishment because a mere association with an inferior product does not make it necessarily probable that the reputation of a famous mark will be harmed. If consumers are likely to identify an associated mark on goods that are merely of an inferior quality with a source or sponsorship other than that of the owner of the famous mark and that association sufficiently carries over to when consumers encounter the famous mark, then a likelihood of blurring is proved. In this type of a situation where the owner of the famous mark is unable to prove any loss of association between its mark and the owner, is it probable that the junior user’s associated mark has tarnished the famous mark’s reputation? More likely is the instance where a use is so repugnant to the character of a famous mark that the junior use does not interfere with the mark’s association with a single source. By limiting tarnishment to shoddy, obscene, or illegal products, courts prevent any unnecessary overlap with blurring while allowing dilution protection where blurring cannot reach.

Finally, Congress’s limitation on any monetary award for dilution by tarnishment provides additional support for requiring proof of more than the mere inferiority of the junior user’s product or service. Unlike dilution by blurring, the prerequisite willfulness for any monetary award for dilution by tarnishment is not simply proof of a “willful[] intent[] to trade on the recognition of a famous mark” but requires proof that the junior user “willfully intended to harm the reputation of the famous mark.”148 While a willful intent to harm a famous mark’s reputation is not required to obtain an injunction for dilution by tarnishment, this language indicates a congressional intent that dilution by tarnishment requires more than simply an effort to trade on a famous mark’s reputation—it also includes some acknowledgement that the junior user’s use of an associated mark could adversely impact the reputation of the famous mark. Such recognition of an adverse impact on reputation is not as readily apparent from an argument that the junior user’s product is inferior, but is not really debatable if the junior user’s product is truly shoddy or illicit.

---

IX. CONCLUSION

Infringement and dilution are different. Infringement protects the uniqueness of products associated with a mark.

Graphically, this can be represented as follows:

\[\text{Infringement}\]

\[
\begin{array}{c}
\text{Product} & \text{Mark} & \text{Source} \\
\end{array}
\]

Infringement protects a mark’s ability to identify specific products

Dilution recognizes that a mark’s value stems not only from its ability to identify specific products but also from its ability to identify a specific source. The value of a mark could be insidiously harmed if consumers began to identify a mark as indicating a source other than the rightful holder. In particular, harm to the distinctiveness of a mark could occur if a junior user was successful in identifying that mark with a source other than the senior user even though no consumer would be confused that the senior user’s products emanated from or were sponsored by that source. Graphically, dilution can be represented as follows:

\[\text{Infringement}\]

\[
\begin{array}{c}
\text{Product} & \text{Mark} & \text{Source} \\
\end{array}
\]

Addresses confusion of another’s product with the same source
Articulated in this manner, it is understandable why in enacting dilution protection, Congress recognized that once a mark achieves a certain level of consumer recognition, the owner of such a mark is entitled to protection of that mark irrespective of whether a consumer would be likely to confuse another mark holder’s product or service as emanating from, or sponsored by, the same source as the senior user’s product or service. By eliminating the need to demonstrate a likelihood of confusion, holders of famous marks can protect the distinctive association of a mark with a single source even though consumers know that a defendant’s goods or services are not affiliated with, or sponsored by, the plaintiff. Indeed, accepting that dilution aims to protect the selling power of a famous mark, proof of dilution is actually undermined if there exists an actionable likelihood that consumers will confuse a junior user’s product or service as emanating from the same source as the products or services of the owner of the
famous mark, at least as with respect to blurring. Similarly, it is easy to see why when a junior user's product or service actually competes with the products or services of the famous mark's owner; it is much more likely that consumers will suffer confusion relevant for infringement, while the famous mark's ability to identify a single source will not be compromised.

Again, however, courts and commentators have, unfortunately, isolated certain language in the federal statute to make the dilution action coextensive with infringement, albeit with a lower standard of proof. Specifically, some focus on the element of an “association arising from the similarity between a designation of source and a famous mark”—as meaning that a proof of likelihood of confusion necessarily proves the requisite “association.” Some go further and conclude that proof of a likelihood of confusion necessarily proves—or goes a long way to prove—that dilution actually occurs. For example, one commentator charts his conclusion that a consumer’s association sufficient for a likelihood of confusion should result in a presumption of dilution as follows:150

149. As discussed above, the analysis with respect to tarnishment is not necessarily as elegantly intuitive. The selling power of a famous mark is arguably tarnished to a greater degree if consumers are likely to confuse a junior user's offensive or shoddy product as emanating from the same source as the goods and services of the owner of a famous mark than it would be if consumers knew that the junior user's product came from a different source. The former situation, however, is clearly covered by the existing causes of action for infringement and counterfeiting under the Lanham Act.

150. Gunnell, supra note 9, at 111.
use of a famous mark. Instead, Congress limited an owner’s right to protect the selling power of a famous mark as it relates to the owner’s goods and services—that is, the distinctiveness of a mark. For example, while not requiring an absolute identity between the marks, Congress recognized that marks can be so different or be used in such distinct product categories that no consumer would associate the marks as they are used in trade at all. In such instances, a dilution claim would fail to prove the requisite “association.” On the other end of the spectrum, if the association between a junior user and owner of the famous mark is strong enough that consumers perceive the junior user’s products as coming from the same source as the products or services of the owner of the famous mark, there has been no loss of the mark’s ability to distinguish its source. In this instance, the dilution claim also fails, but this time because it fails to prove a loss of the mark’s ability to identify its source even though an association may exist. Graphically, this construction of where an association relevant for dilution falls between a completely distinct mark and a likelihood of confusion can be shown as follows:

While clearly there must be some common elements of shared identity for consumers to view marks as sufficiently similar to trigger either a likelihood of confusion or a likelihood of dilution, the stronger identity required for infringement does not mean that an identity sufficient for a likelihood of confusion proves a likelihood of dilution. The language of the federal statute demonstrates this point. Not only must there be an association between the two marks but the junior user’s designation must “impair the distinctiveness of the famous mark.”151 If an association is so strong that consumers will probably believe that the goods or services come from the same source—the necessary proof for infringement—then it is not probable that there has been

a loss of association between the famous mark and its specific source.

Obviously, the treatment of evidence supporting a likelihood of confusion becomes an issue only when a claim is brought against the purveyor of a related good or service sufficient to support a cause of action for infringement. This, unfortunately, has been the situation in the vast majority of cases decided since the enactment of the FTDA in 1995. Thus, courts have had to confront the relevance of evidence of a likelihood of confusion to proof of dilution. Some courts have punted, simply stating that the fame requirement of dilution substitutes for the likelihood of confusion requirement, rendering likelihood of confusion evidence meaningless on a claim of dilution.\(^{152}\) Other courts and commentators have gone in the opposite direction, holding that evidence of the presence or absence of a likelihood of confusion proves or disproves dilution.\(^{153}\) This article maintains that, because of the different purposes served by dilution and infringement, evidence of a likelihood of confusion can actually undermine a claim for dilution.\(^{154}\) In other words, no whittling away of a mark’s identification with a single source occurs if consumers confuse a defendant’s product or service as emanating from the same source as the plaintiff’s good or service. While a defendant’s use of a confusingly similar mark adds to the goods or services identified with the mark (arguably diluting the uniqueness of a plaintiff’s product or service with the mark), proof of consumer confusion necessarily means that there has been no lessening of the identification of the mark with a single source. Because dilution protects a mark’s identification with a source and not a product’s unique identification with a mark, increasing the number of products or services identified with a mark does not prove a claim of dilution unless the plaintiff also proves that consumers more likely than not perceive the defendant’s goods or

\(^{152}\) Avery Dennison Corp. v. Sumption, 189 F.3d 868, 879 (9th Cir. 1999) (recognizing the “[l]ikelihood of [c]onfusion [r]emains [i]relevant” to a dilution causes of action, the Ninth Circuit stated “the famousness element of the dilution causes of action serves the same general purpose as the likelihood of confusion element of an infringement or unfair competition analysis.”).

\(^{153}\) See, e.g., Gunnell, supra note 9, at 154 (“[c]onsumer confusion by its very nature is some evisceration of the capacity of a mark to identify its source.”).

\(^{154}\) Mattel, Inc. v. MCA Records, Inc., 296 F.3d 894, 903 (9th Cir. 2002) (“By contrast to trademark infringement, the injury from dilution usually occurs when the consumers are not confused about the source of a product.”); 4 McCarthy, supra note 11, § 24:70 n.8 (“Either a person thinks that similarly branded goods come from the same source (or are connected or affiliated) or not.”).
services as coming from a source other than the source of the plaintiff’s goods or services.

Treating dilution as a cause of action that begins where infringement leaves off is not only consistent with the historical grounding of dilution protection but is completely consistent with the language of the TDRA. Recognizing the necessity that the associated mark of the junior user must be used to identify a source or sponsorship distinct from that of the famous mark not only furthers the goal of protecting the selling power of a famous mark, it also provides a much easier guidepost for courts confronted with cases involving both claims of infringement and dilution. Where infringement looks back from the mark to its product to ensure and protect the distinctiveness of the goods associated with the mark, dilution looks in the other direction, ensuring a famous mark’s ability to identify its owner when consumers encounter the owner’s goods and services in the marketplace.

This article has staked out positions at odds with many reported opinions and with the conclusions of a number of scholars on this subject. These positions, however, are not necessarily controversial or disruptive because of the well-documented inconsistent understanding and application of federal dilution law. With more dialogue, dilution can be clarified and so serve a useful and understandable purpose.