

IN THE UNITED STATES COURT OF APPEALS  
FOR THE NINTH CIRCUIT

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No. 09-16322

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LEVI STRAUSS & CO.,

*Plaintiff-Appellant,*

v.

ABERCROMBIE & FITCH TRADING CO.

*Defendant-Appellee.*

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On Appeal from the United States District Court  
for the Northern District of California

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**BRIEF OF AMICUS CURIAE  
INTERNATIONAL TRADEMARK ASSOCIATION  
IN SUPPORT OF VACATUR AND REMAND**

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**CORPORATE DISCLOSURE STATEMENT**

Pursuant to Fed. R. App. P. 26.1, *amicus curiae* International Trademark Association states that it is not a publicly-held corporation or other publicly-held entity. The International Trademark Association does not have any parent corporation and no publicly-held corporation or other publicly-held entity holds 10% or more of the International Trademark Association stock.

**TABLE OF CONTENTS**

	Page
INTRODUCTION .....	1
STATEMENT OF INTEREST OF THE AMICUS CURIAE .....	3
SUMMARY OF ARGUMENT .....	6
ARGUMENT .....	8
I.    The District Court Erred In Imposing As A Threshold Element For Dilution By Blurring That The Marks Must Be “Identical or Nearly Identical,” In Derogation Of The Structure, Text, and Legislative History Of The TDRA. ....	8
II.   The District Court Improperly Relied on Obsolete Pre-TDRA And State Caselaw in Interpreting the “Degree of Similarity” Factor When It Required that the Marks be “Identical or Nearly Identical.” .....	16
CONCLUSION .....	24

**TABLE OF AUTHORITIES****CASES**

<i>Allied Maint. v. Allied Mech. Trades</i> , 369 N.E.2d 628 (N.Y. 1977) .....	21
<i>Anti-Monopoly, Inc. v. Gen. Mills Fun Group</i> , 684 F.2d 1316 (9th Cir. 1982) .....	4
<i>Avery Dennison Corp. v. Sumpton</i> , 189 F.3d 868 (9th Cir. 1999) .....	12, 18
<i>Borden, Inc. v. Fed. Trade Comm’n</i> , 674 F.2d 498 (6th Cir. 1982), <i>vacated and remanded</i> , 461 U.S. 940 (1983).....	4
<i>Bristol-Myers Squibb Co. v. McNeil P.P.C.</i> , 973 F.2d 1033 (2d Cir. 1992) .....	21
<i>Century 21 Real Estate Corp. v. Nev. Real Estate Advisory Comm’n</i> , 448 F. Supp. 1237 (D. Nev. 1978), <i>aff’d</i> , 440 U.S. 941 (1979) .....	4
<i>Conopco, Inc. v. May Dep’t Stores Co.</i> , 46 F.3d 1556 (Fed. Cir. 1994).....	4
<i>Contessa Premium Foods, Inc. v. Berdex Seafood, Inc.</i> , 546 U.S. 957 (2005).....	4
<i>Dastar Corp. v. Twentieth Century Fox Film Corp.</i> , 539 U.S. 23 (2003).....	4
<i>Dickinson v. Zurko</i> , 527 U.S. 150 (1999) .....	4
<i>Fed. Express Corp. v. Fed. Espresso, Inc.</i> , 201 F.3d 168 (2d Cir. 2000).....	20
<i>Fla. Prepaid Postsecondary Educ. Expense Bd. v. College Sav. Bank</i> , 527 U.S. 627 (1999).....	4
<i>Greenpoint Fin. Corp. v. Sperry &amp; Hutchinson Co.</i> , 116 F. Supp. 2d 405 (S.D.N.Y. 2000) .....	21
<i>In re Borden, Inc.</i> , 92 F.T.C. 669 (1978), <i>aff’d sub nom Borden, Inc. v. Fed. Trade Comm’n</i> , 674 F.2d 498 (6th Cir. 1982), <i>vacated and remanded</i> , 461 U.S. 940 (1983) (mem.) .....	4
<i>ITC Ltd. v. Punchgini, Inc.</i> , 880 N.E.2d 852 (N.Y. 2007).....	4
<i>Jada Toys, Inc. v. Mattel, Inc.</i> , 518 F.3d 628 (9th Cir. 2007) .....	14, 17
<i>Johnson &amp; Johnson v. Actavis Group HF</i> , No. 06 Civ. 8209, 2008 WL 205212 (S.D.N.Y. Feb. 21, 2008).....	21

*K Mart Corp. v. Cartier, Inc.*, 486 U.S. 281 (1988).....4

*KP Permanent Make-Up, Inc. v. Lasting Impression Inc.*, 543 U.S. 111 (2004).....4

*Louis Vuitton Malletier S.A. v. Haute Diggity Dog, LLC*, 507 F.3d 252 (4th Cir. 2007) .....4

*Luigino’s, Inc. v. Stouffer Corp.*, 170 F.3d 827 (8th Cir. 1999).....13, 18, 21

*Moseley v. V. Secret Catalogue, Inc.*, 537 U.S. 418 (2003) .....4, 20

*Nabisco, Inc. v. PF Brands, Inc.*, 191 F.3d 208 (2d Cir. 1999).....20

*Panavision Int’l L.P. v. Toeppen*, 141 F.3d 1316 (9th Cir. 1998) .....12

*Perfumbay.com, Inc. v. eBay Inc.*, 506 F.3d 1165 (9th Cir. 2007) .....14

*Playboy Enters., Inc. v. Netscape Commc’ns Corp.*, 354 F.3d 1020 (9th Cir. 2004).....4, 13, 18

*Playboy Enters. v. Welles*, 279 F.3d 796 (9th Cir. 2002) .....13, 18

*Preferred Risk Mut. Ins. Co. v. United States*, 86 F.3d 789 (8th Cir. 1996) .....4

*Qualitex Co. v. Jacobson Prods. Co.*, 514 U.S. 159 (1995).....4

*Ralston Purina Co. v. On-Cor Frozen Foods, Inc.*, 746 F.2d 801 (Fed Cir. 1984) .....4

*Redd v. Shell Oil Co.*, 524 F.2d 1054 (10th Cir. 1975) .....4

*Starbucks Corp. v. Wolfe’s Borough Coffee, Inc.*, 477 F.3d 765 (2d Cir. 2007) .....21

*Starbucks Corp. v. Wolfe’s Borough Coffee, Inc.*, No. 08-3331-cv (2d Cir., argued June 22, 2009).....4

*Test Masters Educ. Servs., Inc. v. Singh*, 428 F.3d 559 (5th Cir. 2005).....4

*Thane Int’l, Inc. v. Trek Bicycle Corp.*, 305 F.3d 894 (9th Cir. 2002) .....12, 13, 14, 17, 18

*TraFFix Devices, Inc. v. Mktg. Displays, Inc.*, 532 U.S. 23 (2001) .....4

*Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763 (1992).....4

*Visa Int’l Serv. Assoc. v. JSL Corp.*, 590 F. Supp. 2d 1306 (D. Nev. 2008) .....17

*Wal-Mart Stores, Inc. v. Samara Bros.*, 529 U.S. 205 (2000).....4

*WarnerVision Entm’t Inc. v. Empire of Carolina, Inc.*, 101 F.3d 259 (2d Cir. 1996) .....4

**STATUTES**

15 U.S.C. § 1125(c)(1).....2, 8, 9

15 U.S.C. § 1125(c)(2)(A) .....21

15 U.S.C. § 1125(c)(2)(B) .....10

15 U.S.C. § 1125(c)(2)(C) .....11

Federal Trademark Dilution Act, P.L. 104-98, 109 Stat. 505 (1995).....10

N.Y. Gen. Bus. Law § 360-1 .....19

N.Y. Gen. Bus. Law § 368-d .....19

**OTHER AUTHORITIES**

H.R. 683, 109th Cong. (2005).....9, 16

H.R. REP. NO. 104-374 .....2, 5

H.R. REP. NO. 109-23.....2, 5, 6, 10, 15

*Hearings on the Federal Trademark Dilution Act*, 107th Cong., 2d Sess., Serial No. 53 (Feb. 14, 2002) .....5

*Hearings on a Committee Print to Amend the Federal Trademark Dilution Act*, 108th Cong., 2d Sess., Serial No. 72 (Apr. 22, 2004).....5

*Hearings on the Trademark Dilution Revision Act of 2005 Before the Subcomm. on Courts, the Internet, and Intellectual Property of the House Comm. on the Judiciary*, 109th Cong., 1st Sess. ....5, 9, 15, 22

J. Thomas McCarthy, *4 McCarthy on Trademarks and Unfair Competition* (4th ed. 1998), § 24:90.....22

J. Thomas McCarthy, *4 McCarthy on Trademarks and Unfair Competition* (4th ed. 2008), § 24:117.....21, 22

## **INTRODUCTION**

The International Trademark Association (“INTA”) submits this brief *amicus curiae* to explain the two legal errors on which the district court relied in ruling that the “Ruehl” jeans pocket stitching design used by appellee Abercrombie & Fitch Trading Co. (“A&F”) was not likely to cause dilution of the “Arcuate” stitching design trademark owned by appellant Levi Strauss & Co. (“LS&CO”).

First, the court improperly treated the question of similarity between the marks as a threshold element of the claim, rather than one of several factors to be weighed in assessing the likelihood of dilution by blurring.

Second, in applying the similarity factor, the court improperly required that the marks be “identical or nearly identical.” Although the “identical or nearly identical” standard was applied in this Circuit under the former version of the federal dilution law, that law was changed in 2006 with the Trademark Dilution Revision Act (“TDRA”), which now provides that courts should consider merely the “degree of similarity” between the marks; there is no requirement that the marks must be “identical or nearly identical.”

Under this new statute, the correct approach, when considering a claim of dilution by blurring, is first to consider the threshold elements, namely: (1) whether the plaintiff’s mark is famous, (2) whether the plaintiff’s mark is distinctive, (3) whether the defendant used the challenged mark or trade name in commerce,

and (4) whether that use began after plaintiff's mark already was famous. 15 U.S.C. § 1125(c)(1). If all those elements are satisfied, the district court should then consider whether plaintiff has shown a likelihood of dilution by blurring.

To assist the court in determining whether dilution by blurring is likely, the TDRA lists six non-exclusive factors that the court may consider, including the "degree of similarity" between the marks. *Id.* § 1125(c)(2)(B). Significantly, it is only in this weighing of the various blurring factors that the similarity of the marks should be considered; similarity (or identity) should not be considered as an aspect of the "use in commerce" element or any of the other threshold elements of a federal dilution claim.

This error of law threatens to undermine Congress' intent in adopting the TDRA and the earlier Federal Trademark Dilution Act ("FTDA"), which were passed to protect holders of famous marks against attempts "to trade upon the goodwill and established renown of such marks, and thereby dilute their distinctive quality." H.R. REP. NO. 109-23, at 4 (citing H.R. REP. NO. 104-374).<sup>1</sup> The TDRA does not limit federal dilution protection only to identical or nearly identical marks, nor does it mandate any particular level of similarity as a threshold requirement.

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<sup>1</sup> H.R. REP. NO. 109-23 incorrectly refers to H.R. REP. NO. 104-364, which is unrelated to trademark dilution law; the correct reference is H.R. REP. NO. 104-374.

Accordingly, *amicus curiae* respectfully requests that this Court vacate the judgment of the district court, instruct the district court on the proper standards to be used in assessing whether A&F's mark is likely to cause dilution by blurring, and remand this case for reconsideration in light of these correct legal standards.<sup>2</sup>

### **STATEMENT OF INTEREST OF THE AMICUS CURIAE**

Founded in 1878, INTA is a not-for-profit organization dedicated to the support and advancement of trademarks and related intellectual property concepts as essential elements of trade and commerce. INTA has over 5,600 members in more than 190 countries.<sup>3</sup> Its members include trademark owners, law firms, and other professionals who regularly assist brand owners in the creation, protection and enforcement of their trademarks. All of INTA's members share the goal of promoting an understanding of the essential role trademarks play in fostering informed decisions by consumers, effective commerce, and fair competition.

INTA members frequently are participants in trademark litigation as both plaintiffs and defendants, and therefore are interested in the development of clear,

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<sup>2</sup> INTA takes no position on whether A&F's pocket stitching mark is likely to dilute the distinctiveness of LS&CO's Arcuate stitching design. That is an issue for the district court to decide once it applies the proper standards.

<sup>3</sup> Both parties are members of INTA, and the law firms representing the parties are associate members of INTA. Attorneys associated with the parties and their law firms have not participated in the preparation or submission of this *amicus curiae* brief. This proposed brief was authored solely by INTA and its counsel.

consistent and fair principles of trademark and unfair competition law. INTA has substantial expertise and has participated as an *amicus curiae* in numerous cases involving significant trademark issues, including in this Court.<sup>4</sup>

INTA (formerly known as the United States Trademark Association) was founded in part to encourage the enactment of federal trademark legislation after the invalidation on constitutional grounds of the United States' first trademark act.

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<sup>4</sup> Cases in which INTA has filed *amicus* briefs include *Contessa Premium Foods, Inc. v. Berdex Seafood, Inc.*, 546 U.S. 957 (2005) (mem.); *KP Permanent Make-Up, Inc. v. Lasting Impression, Inc.*, 543 U.S. 111 (2004); *Dastar Corp. v. Twentieth Century Fox Film Corp.*, 539 U.S. 23 (2003); *Moseley v. V Secret Catalogue, Inc.*, 537 U.S. 418 (2003); *TrafFix Devices, Inc. v. Mktg. Displays, Inc.*, 532 U.S. 23 (2001); *Wal-Mart Stores, Inc. v. Samara Bros.*, 529 U.S. 205 (2000); *Fla. Prepaid Postsecondary Educ. Expense Bd. v. College Sav. Bank*, 527 U.S. 627 (1999); *Dickinson v. Zurko*, 527 U.S. 150 (1999); *Qualitex Co. v. Jacobson Prods. Co.*, 514 U.S. 159 (1995); *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763 (1992); *K Mart Corp. v. Cartier, Inc.*, 486 U.S. 281 (1988); *Chloé v. Queen Bee of Beverly Hills, LLC*, No. 09-3361-cv (pending in 2d Cir.) (brief filed Nov. 19, 2009); *Starbucks Corp. v. Wolfe's Borough Coffee, Inc.*, No. 08-3331-cv (2d Cir., argued June 22, 2009); *Louis Vuitton Malletier S.A. v. Haute Diggity Dog, LLC*, 507 F.3d 252 (4th Cir. 2007); *Test Masters Educ. Servs., Inc. v. Singh*, 428 F.3d 559 (5th Cir. 2005); *Playboy Enters., Inc. v. Netscape Commc'ns Corp.*, 354 F.3d 1020 (9th Cir. 2004); *WarnerVision Entm't Inc. v. Empire of Carolina, Inc.*, 101 F.3d 259 (2d Cir. 1996); *Preferred Risk Mut. Ins. Co. v. United States*, 86 F.3d 789 (8th Cir. 1996); *Conopco, Inc. v. May Dep't Stores Co.*, 46 F.3d 1556 (Fed. Cir. 1994); *Ralston Purina Co. v. On-Cor Frozen Foods, Inc.*, 746 F.2d 801 (Fed. Cir. 1984); *Anti-Monopoly, Inc. v. Gen. Mills Fun Group, Inc.*, 684 F.2d 1316 (9th Cir. 1982); *In re Borden, Inc.*, 92 F.T.C. 669 (1978), *aff'd sub nom. Borden, Inc. v. Fed. Trade Comm'n*, 674 F.2d 498 (6th Cir. 1982), *vacated and remanded*, 461 U.S. 940 (1983) (mem.); *Redd v. Shell Oil Co.*, 524 F.2d 1054 (10th Cir. 1975); *Century 21 Real Estate Corp. v. Nev. Real Estate Advisory Comm'n*, 448 F. Supp. 1237 (D. Nev. 1978), *aff'd*, 440 U.S. 941 (1979) (mem.); *ITC Ltd. v. Punchgini, Inc.*, 880 N.E.2d 852 (N.Y. 2007).

Since that time, INTA has been instrumental in making recommendations and providing assistance to legislators in connection with all major pieces of federal trademark legislation, including the Lanham Act in 1946 and the FTDA in 1995, as well as international trademark laws and treaties such as the Madrid Protocol and the Trademark Law Treaty. Most relevant to this brief, Congress asked INTA, on several occasions, to testify in connection with its consideration of the TDRA.<sup>5</sup>

The first federal dilution law, the FTDA, was enacted “to protect famous trademarks from subsequent uses that blur the distinctiveness of the mark or tarnish or disparage it, even in the absence of a likelihood of confusion.” H.R. REP. NO. 104-374, at 2. A decade later, Congress enacted the TDRA, in part to provide guidance and clarity in the area of dilution by blurring, which had been prone to inconsistent application and results. *See* H.R. REP. NO. 109-23, at 5-6

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<sup>5</sup> In particular, INTA officers testified extensively regarding the TDRA before the Subcommittee on Courts, the Internet and Intellectual Property of the House Committee on the Judiciary on February 14, 2002, April 22, 2004 and February 17, 2005. *See Hearing on the Federal Trademark Dilution Act Before the Subcomm. on Courts, the Internet, and Intellectual Property of the H. Comm. on the Judiciary, 107th Cong. (2002); Hearing on a Committee Print to Amend the Federal Trademark Dilution Act Before the Subcomm. on Courts, the Internet and Intellectual Property of the H. Comm. on the Judiciary, 108th Cong. (2004); Hearing on the Trademark Dilution Revision Act of 2005 Before the Subcomm. on Courts, the Internet, and Intellectual Property of the H. Comm. on the Judiciary, 109th Cong. (2005).* The House Committee report regarding the TDRA cited the testimony of INTA’s President at the 2005 hearing. *See* H.R. REP. NO. 109-23, at 5 (2005).

(House Committee on the Judiciary was concerned by the lack of uniformity in application of the FTDA, as “it complicates the ability of mark holders to protect their property and businesses to plan their commercial affairs”). INTA and its members have a particular interest in ensuring that this legislative goal is not undermined by erroneous decisions that misapply the protections intended by the TDRA. INTA’s constituents – trademark owners and their advisors, and parties seeking to ensure that prospective marks do not dilute legitimate rights of others – need clear, consistently-applied principles to guide their commercial decisions. Courts also would benefit from such clarity because it would help judges resolve dilution cases efficiently and would help avoid the forum shopping and unnecessary litigation that often accompanies inconsistent application of the law.

*Id.*

### **SUMMARY OF ARGUMENT**

The district court erred when it rejected LS&CO’s dilution claim based, at least in part, on the ground that A&F’s Ruehl design was not “identical or nearly identical” to LS&CO’s Arcuate mark. The district court’s mistake is the result of two interrelated legal errors.

First, the district court wrongly treated the requirement that the marks must be identical or nearly identical as an independent element of the blurring claim. The TDRA distinguishes between the threshold *elements* of the dilution claim

(*e.g.*, the plaintiff must own a famous and distinctive mark, and the defendant's mark must be used in commerce) and the list of *factors* that are to be weighed, along with other factors, in determining whether dilution by blurring is likely (*e.g.*, the degree of similarity between the marks, the extent to which plaintiff's use is exclusive, and the defendant's intent). The district court erroneously isolated one of the blurring factors – namely, the similarity between the marks – and elevated it to operate as a threshold element. Rather, the issue of similarity should have been considered only as one of the six nonexclusive factors to be weighed together in assessing whether the defendant's mark is likely to cause dilution by blurring.

Second, the district court erred when it used as the standard for similarity that the marks must be “identical or nearly identical.” Although that standard was used in this Circuit in cases applying the prior version of the federal dilution law, the TDRA repudiated that approach. The TDRA instead directs courts to consider the “degree” of similarity along with the other listed factors. In other words, in balancing the factors, one of the issues the court should consider is whether the marks are identical, substantially similar, modestly similar, slightly similar, or not similar at all. It is only in balancing the several blurring factors that similarity, or lack thereof, should be considered by the court.

## ARGUMENT

### **I. The District Court Erred In Imposing As A Threshold Element For Dilution By Blurring That The Marks Must Be “Identical or Nearly Identical,” In Derogation Of The Structure, Text, and Legislative History Of The TDRA.**

The TDRA distinguishes between the threshold elements of a dilution claim (*e.g.*, the plaintiff must own a famous and distinctive mark, and the defendant’s mark or trade name must be used in commerce) and the factors that are to be weighed, along with other factors, in determining whether dilution by blurring is likely (*e.g.*, the degree of similarity between the marks, the extent to which plaintiff’s use is exclusive, and the defendant’s intent). The district court erroneously isolated one of the blurring factors – namely, the similarity between the marks – and elevated it to operate as a threshold element. That approach to analyzing claims of dilution by blurring is inconsistent with the plain language of the TDRA and constitutes reversible legal error.

The TDRA lists the elements of a claim for dilution by blurring as follows:

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.

15 U.S.C. § 1125(c)(1) (emphasis added). The dilution by blurring cause of action thus includes as essential elements that the plaintiff’s mark must be both “famous” and “distinctive,” and that the defendant must have used in commerce “a mark or trade name” that is likely to cause dilution by blurring. The cause of action itself says nothing about whether the defendant’s mark must be “identical” or “similar” to the plaintiff’s mark; rather, the defendant need only be using “*a* mark.” *Id.* (emphasis added).

The statute goes on to provide definitions and factors that courts should use in making these determinations. The statute defines “dilution by blurring” as “association arising from the similarity between a mark or trade name and a famous mark that impairs the distinctiveness of the famous mark.”<sup>6</sup> The TDRA then lists six factors that the court may consider to make that determination, namely:

- (i) The degree of similarity between the mark or trade name and the famous mark.
- (ii) The degree of inherent or acquired distinctiveness of the famous mark.

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<sup>6</sup> The significance of the term “similarity” is that the putative association giving rise to a likelihood of dilution must arise from similarity between the marks themselves and not from some other cause (such as an association that arises because of product similarities or competition between the owners of the marks). *See Hearing on the Trademark Dilution Revision Act of 2005 Before the Subcomm. on Courts, the Internet, and Intellectual Property of the H. Comm. on the Judiciary*, H.R. 683, 109th Cong. 12 (2005) (Testimony of Anne Gundelfinger, then-President of INTA).

- (iii) The extent to which the owner of the famous mark is engaging in substantially exclusive use of the mark.
- (iv) The degree of recognition of the famous mark.
- (v) Whether the user of the mark or trade name intended to create an association with the famous mark.
- (vi) Any actual association between the mark or trade name and the famous mark.

15 U.S.C. § 1125(c)(2)(B).

The TDRA's inclusion of a detailed definition for the concept of "dilution by blurring," along with this list of factors for consideration by courts, was one of the principal changes implemented by the TDRA. The original federal dilution act, the FTDA, did not define dilution by blurring; instead, it simply provided for injunctive relief against a use that "causes dilution of the distinctive quality of the [famous] mark." Federal Trademark Dilution Act, P.L. 104-98, 109 Stat. 985 (1995), enacted Jan. 16, 1996, Sec. 3 (amending Lanham Act to add new subsection 43(c)(1)). Because courts had struggled with the meaning of dilution, the TRDA contained the more detailed definition quoted above. H.R. REP. NO. 109-23, at 5-6.

Those provisions (and the analogous provisions on "dilution by tarnishment")<sup>7</sup> are the only place where the statute makes any mention of

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<sup>7</sup> Tarnishment cases are similarly structured. First, the court must consider the same four threshold elements, *e.g.*, plaintiff must have a famous and distinctive  
(continued...)

“similarity” between the marks. “Similarity” is not mentioned in the recitation of the principal elements of a dilution claim under the TDRA. Moreover, under the TDRA, “similarity” is not to be considered in isolation; rather, once the court makes a finding with respect to the degree “of similarity,” it is instructed to weigh that factor, along with “all relevant factors,” to determine whether dilution by blurring is likely.

Despite the distinction the statute’s structure draws between the essential elements of the claim and the factors to be weighed in assessing whether dilution by blurring is likely, the district court improperly isolated one of the blurring factors – the similarity between the marks – and elevated it to a threshold element of the dilution cause of action.<sup>8</sup> Specifically, the court held:

To prevail on its dilution claim, LS&CO has the burden of proving . . . (a) that LS&CO is the owner of a trademark that is famous; (b) that the famous mark is distinctive; . . . (c) that

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(...continued)

mark, and defendant must have used in commerce a mark or trade name after the plaintiff’s mark became famous. If all four elements are met, the court must then consider whether plaintiff has shown a likelihood of dilution by tarnishment, which the TDRA defines as “association arising from the similarity between a mark or trade name and a famous mark that harms the reputation of the famous mark.” 15 U.S.C. § 1125(c)(2)(C). Thus, in tarnishment claims as well, similarity is considered only as part of the analysis of whether tarnishment is likely, and not as part of the threshold elements to a dilution claim.

<sup>8</sup> As discussed in Section II, *infra*, the district court also improperly morphed this “degree of similarity” factor into a requirement that the marks be “identical or nearly identical.”

A&F is making or has made use in commerce of an *identical or nearly identical trademark*, in this case the [A&F] Ruehl design; (d) that A&F's use of its Ruehl design began after LS&CO's Arcuate mark became famous; and (e) that A&F's use of its Ruehl design is *likely to cause dilution by blurring* of LS&CO's Arcuate mark.

Excerpts of Record at 11 (emphasis added). This articulation of the elements is inconsistent with the TDRA. Nowhere in that statute's "use in commerce" element<sup>9</sup> is there any requirement that defendant's mark be "identical or nearly identical" (or that the mark have any other specific level of similarity to plaintiff's mark).<sup>10</sup> Rather, the issue of similarity is to be considered only as one of the six

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<sup>9</sup> Properly understood, the use in commerce requirement focuses on the way the mark is used, not on the similarity between the plaintiff's and defendant's marks. *Cf. Avery Dennison Corp. v. Sumpton*, 189 F.3d 868, 880 (9th Cir. 1999) ("Commercial use under the Federal Trademark Dilution Act requires the defendant to be using the trademark as a trademark, capitalizing on its trademark status. . . . All evidence in the record indicates that Appellants register common surnames in domain-name combinations and license e-mail addresses using those surnames, with the consequent intent to capitalize on the surname status of 'Avery' and 'Dennison.' Appellants do not use trademarks qua trademarks as required by the caselaw to establish commercial use.").

<sup>10</sup> To the extent the district court relied on pre-TDRA cases to support its conclusion that identity is an essential element of the "use in commerce" element, those cases are no longer viable. One of the cases on which the district court relied was *Thane Int'l, Inc. v. Trek Bicycle Corp.*, 305 F.3d 894 (9th Cir. 2002), which alluded to the four-part dilution test derived from *Panavision Int'l, L.P. v. Toepfen*, 141 F.3d 1316, 1324 (9th Cir. 1998) and *Avery Dennison Corp.*, 189 F.3d at 874. Those cases, though, were decided under the previous federal dilution law, the FTDA. After observing that both *Panavision* and *Avery* declared that "a plaintiff must show that *its* mark is famous' and 'the defendant is making a commercial use of *the* mark in commerce,'" the *Thane* panel observed: "These locutions indicate that the defendant must use essentially *the* same mark, not just *a*

(continued...)

nonexclusive factors to be weighed together, along with any other factors the court deems relevant, in assessing whether the defendant's mark is likely to cause dilution by blurring.

The structure of the TDRA thus treats similarity as one of the factors to be considered in the blurring analysis, but not as a threshold element of a dilution claim. If a plaintiff's mark is not famous or distinctive, that is the end of the analysis; such a mark is not entitled to any dilution protection (whether under a

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(...continued)

similar one.” 305 F.3d at 905 (emphasis added). Although those locutions may have been appropriate under the FTDA, they do not square with the text of the TDRA, which has different language that does not include the locutions that were the basis of the *Thane* holding. When *Thane* was decided, the FTDA provided for an injunction to stop “commercial use in commerce of **a mark** or trade name, if such use begins after **the mark** has become famous and causes dilution.” 305 F.3d at 904 (quoting the then current version of §1125(c)) (emphasis added). This language has completely changed. The TDRA now provides for “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 or by tarnishment.” The current statute thus does not have the language that *Thane* parsed to support its conclusion that the marks must be identical. This Court may, therefore, distinguish *Thane* as inapplicable to the new statute.

*Thane* also relied on *Playboy Enters. Inc. v. Welles*, 279 F.3d 796 (9th Cir. 2002), where the panel followed the Eighth Circuit's decision in *Luigino's, Inc. v. Stouffer Corp.*, 170 F.3d 827, 832 (8th Cir. 1999). The *Playboy* court did not, however, specify that the “nearly identical” test must be applied as part of the use in commerce element. *See* 279 F.3d at 806. Similarly, in *Luigino's*, the Eighth Circuit held that the marks must be “essentially the same,” but this requirement was not incorporated into a use in commerce analysis. In fact, the *Luigino's* panel did not even mention a requirement that the plaintiff prove use in commerce as an element of a dilution cause of action. *See* 170 F.3d at 832.

blurring or a tarnishment theory). If, on the other hand, a defendant's mark is less than substantially similar, that is not an automatic bar to a dilution claim.

Although that factor may not weigh in favor of dilution by blurring, a finding of dilution by blurring may still be appropriate if the other factors show that blurring is likely.

A review of the TDRA's legislative history reinforces the conclusion that "similarity" should be considered as one of several factors to be weighed together, and should not be treated as an independent element that must be met. As the House Report noted:

[A] court is permitted to consider all relevant factors in determining the presence of dilution by blurring. Specific *factors* that provide guidance in this regard include:

- the degree of similarity between the source designation and the famous mark;
- the degree of inherent or acquired distinctiveness of the famous mark; and
- the degree of recognition of the famous mark.

H.R. REP. NO. 109-23, at 8 (emphasis added). "Degree of similarity" is thus expressly referred to as a "factor," not a threshold element.

Likewise, hearing testimony discussing the blurring cause of action supports the conclusion that Congress intended similarity to be weighed with the other factors, and not isolated as a gatekeeper or threshold element:

Factor one [degree of similarity] is self-evident and refers to step one of the blurring analysis: ***How similar are the two marks? The less similar the marks, the less likely a consumer association between the marks***; the more similar the marks, or if they are identical, the more likely it is that the junior mark will impair the association of the senior mark with its source and/or its particular brand attributes.

The second factor is the degree of inherent or acquired distinctiveness of the famous mark. The more inherently distinctive and memorable the mark, the more it is likely to be blurred by the use of other identical ***or similar marks***. The more descriptive the mark, the less likely it is to be blurred by uses of identical ***or similar marks***.

*Hearing on the Trademark Dilution Revision Act of 2005 Before the Subcomm. on Courts, the Internet, and Intellectual Property of the H. Comm. on the Judiciary, H.R. 683, 109th Cong. 14 (2005) (“TDRA Hearings”)* (testimony of Anne Gundelfinger, then-President of INTA) (emphasis added). This testimony further supports the conclusion that the “degree of similarity” is one of several factors relevant to the determination of dilution by blurring, and that those factors are intended to be weighed. A “more similar” mark will weigh in favor of a finding of blurring; a “less similar” mark will weigh against such a finding, but is not alone disqualifying. Even in a case with a “less similar” mark, a finding of dilution by blurring is still possible if that factor is outweighed by the other factors.

In sum, the only threshold elements of a cause of action are fame, distinctiveness, use in commerce, and that the defendant’s use started after the plaintiff’s mark became famous. The degree of similarity between the marks

should be weighed in considering whether the defendant's mark is likely to cause dilution by blurring, but it is not an isolated or threshold factor that need be satisfied in order for the plaintiff to prevail on a dilution claim.

**II. The District Court Improperly Relied on Obsolete Pre-TDRA And State Caselaw in Interpreting the “Degree of Similarity” Factor When It Required that the Marks be “Identical or Nearly Identical.”**

An independent basis for reversal is that, regardless of whether similarity is considered as a threshold element or one of several factors to be weighed, the proper standard for assessing similarity is to determine the “degree” of similarity, not whether the marks are “identical or nearly identical.” Because the district court applied a strict “identical or nearly identical” standard, it committed legal error.

The district court's error was based on its reliance on a principle that was developed in dilution cases prior to the TDRA and that improperly continued to be applied in post-TDRA cases. In particular, in support of its conclusion that the marks had to be “identical or nearly identical,” the district court cited a string of cases from this Court, including *Thane*, *Perfumbay.com*, and *Jada Toys*.

However, an analysis of those cases and the precedents on which they are based shows that the “identical or nearly identical” standard was initially imported from the very different New York State antidilution statute. The new TDRA repudiated

that “identical or nearly identical” standard<sup>11</sup> and instead directs the court to consider the “degree of similarity” along with other factors. Because the TDRA changed the old “identical or nearly identical” standard, those cases are no longer good law with respect to this issue.

When the court in *Thane* (which was interpreting the previous federal dilution law, the FTDA) adopted the “identical or nearly identical” standard,<sup>12</sup> it noted that it was a “recently established requirement” set down in *Playboy Enters. v. Welles*, 279 F.3d 796, 806 n.41 (9th Cir. 2002) (also an FTDA case). The *Playboy* court, though, had merely followed, without any analysis or explanation, the Eighth Circuit’s holding in *Luigino’s Inc. v. Stouffer Corp.*, 170 F.3d 827 (8th Cir. 1999) (likewise interpreting the FTDA), which, in turn, also without any analysis or explanation, relied upon two other authorities – a Second Circuit

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<sup>11</sup> At least one district court has recognized the obsolescence of *Thane* and its progeny. *Visa Int’l Serv. Assoc. v. JSL Corp.*, 590 F. Supp. 2d 1306, 1316 (D. Nev. 2008) (recognizing that TDRA “would appear to abrogate the judicial gloss” that the mark must be identical or nearly identical, but applying that standard because it thought it was compelled to do so by *Jada Toys*).

<sup>12</sup> *Thane* also relied on *Avery Dennison Corp.*, 189 F.3d at 875. Significantly, although the *Avery* panel did not discuss the degree of similarity required for blurring, it did *not* require identity or near identity when it defined tarnishment: “Tarnishment occurs when a defendant’s use of a mark similar to a plaintiff’s presents a danger that consumers will form unfavorable associations with the mark.” *Avery*, 189 F.2d at 881.

decision applying the New York antidilution statute, and the then-existing version of Professor McCarthy's treatise on trademark law:

To support an action for dilution by blurring, "the marks must at least be similar enough that a significant segment of the target group of customers sees the two marks as essentially the same." McCarthy, [*McCarthy on Trademarks and Unfair Competition*] § 24:90.1, at 24-145 [(4th ed. 1998)]. *See also Mead Data Cent., Inc. v. Toyota Motor Sales, U.S.A., Inc.*, 875 F.2d 1026, 1029 (2d Cir. 1989) (holding that marks had to be "very" or "substantially" similar to support a claim of dilution, and finding that "Lexis" and "Lexus" were not substantially similar).

*Luigino's*, 170 F.3d at 832. To understand the genesis of the "identical or nearly identical" standard, then (or the "very" or "substantially" similar standard, as the *Mead Data* court put it), one must trace the historical record back to those original sources.

*Mead Data* involved the Second Circuit's construction of New York's antidilution statute, N.Y. GEN. BUS. LAW § 368-d,<sup>13</sup> which was enacted in 1954. Unlike the TDRA, the New York antidilution statute makes no mention of weighing the "degree of similarity" in assessing whether dilution by blurring is likely. In fact, the statute had very little detail at all. The statute provided, in its entirety:

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<sup>13</sup> The New York antidilution law was recodified in 1996 at N.Y. GEN. BUS. LAW § 360-1.

Likelihood of injury to business reputation or of dilution of the distinctive quality of a mark or trade name shall be a ground for injunctive relief in cases of infringement of a mark registered or not registered or in cases of unfair competition, notwithstanding the absence of competition between the parties or the absence of confusion as to the source of goods or services.

*Mead Data*, 875 F.2d at 1027 (quoting N.Y. GEN. BUS. LAW § 368-d).

In interpreting the meaning of this New York statute, the Second Circuit stated:

The brief legislative history accompanying section 368-d describes the purpose of the statute as preventing “the whittling away of an established trademark's selling power and value through *its* unauthorized use by others upon dissimilar products.” 1954 N.Y. Legis. Ann. 49 (emphasis supplied). If we were to interpret literally the italicized word “its”, we would limit statutory violations to the unauthorized use of the identical established mark. . . .

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. . . .

Nevertheless, in keeping with the original intent of the statute, the similarity must be substantial before the doctrine of dilution may be applied. . . . We hold only that the marks must be “very” or “substantially” similar and that, absent such similarity, there can be no viable claim of dilution.

875 F.2d at 1028-29 (citations omitted).

As this review shows, one source of the “identical or nearly identical” standard is this twenty-year-old decision, which predates federal dilution law, interprets a one-sentence state law passed more than half a century ago, and turns

entirely on the legislative history's express reference to the word "its" as signifying an intent to reach only uses of the exact mark, or at least a very or substantially similar mark ("its [the mark's] unauthorized use by others").<sup>14</sup> *Mead Data* is thus irrelevant to the proper interpretation of the far more detailed, differently expressed, and much more recent TDRA, which includes an express provision on the way in which similarity of the marks should be addressed.<sup>15</sup>

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<sup>14</sup> The "very" or "substantially" similar standard makes doctrinal sense in the context of the New York antidilution statute because, unlike the TDRA, which protects only marks that are widely recognized among "the general consuming public of the United States," 15 U.S.C. § 1125(c)(2)(A), the New York antidilution statute covers a larger category of marks. Under New York law, dilution protection extends to marks used in New York State, *Greenpoint Fin. Corp. v. Sperry & Hutchinson Co.*, 116 F. Supp. 2d 405, 413 (S.D.N.Y. 2000), that are "truly of distinctive quality or which have acquired secondary meaning in the mind of the public." *Bristol-Myers Squibb Co. v. McNeil-P.P.C., Inc.*, 973 F.2d 1033, 1049 (2d Cir. 1992) (quoting *Allied Maint. v. Allied Mech. Trades*, 369 N.E.2d 1162, 1166(N.Y. 1977)). The practical result of this standard is that the New York antidilution statute has a distinctiveness standard far less stringent than the TDRA's requirements that the mark be both distinctive and nationally famous. See *Johnson & Johnson v. Actavis Group HF*, No. 06 Civ. 8209, 2008 WL 228061, at \*8 & n.8 (S.D.N.Y. Jan. 25, 2008) (New York antidilution statute protects distinctive marks; unlike the TDRA, proof of fame is not required); see also *Starbucks Corp. v. Wolfe's Borough Coffee, Inc.*, 477 F.3d 765, 766 (2d Cir. 2007) ("it is not clear that [New York's antidilution law] is coextensive with the amended" TDRA). In other words, the lower threshold for determining which marks are eligible for protection against dilution in New York state is partially offset by the higher threshold for finding that the marks must be "very" or "substantially" similar under the state law.

<sup>15</sup> Significantly, the Second Circuit disregarded this *Mead Data* standard when it later interpreted the first federal dilution act. In *Nabisco, Inc. v. PF Brands, Inc.*, 191 F.3d 208 (2d Cir. 1999), *abrogated on other grounds by Moseley v. V Secret*  
(continued...)

The other source cited in the 1999 *Luigino's* decision – the 1998 version of the McCarthy treatise – is similarly irrelevant to the proper interpretation of the subsequently-passed TDRA. The updated edition of that treatise now states that, “[u]nder the *state antidilution statutes*, the courts have generally required that the accused mark be nearly identical to the famous mark.” 4 McCarthy § 24:117, at 24-349 & n.6 (4th ed. 2009; Rel. 48, 12/2008) (emphasis added) (citing *Mead Data*). The treatise also recognizes that the TDRA adopted a different standard: It requires courts to assess the degree of similarity “as one of the ‘relevant factors’ to consider,” and is “silent on the crucial question of just how similar the competing marks must be to create a likelihood of the requisite ‘dilution.’” Professor McCarthy goes on to note that “[t]he intent of INTA, the bill’s sponsor, was that the more similar the marks, the more likely it would be that the required

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(...continued)

*Catalogue*, 537 U.S. 418 (2003), the Second Circuit held that the relevant assessment was the “degree of similarity,” not “very” or “substantial” similarity. As the Second Circuit explained, the FTDA required the court to determine whether “[t]he marks [are] of sufficient similarity so that, in the mind of the consumer, the junior mark will conjure an association with the senior. . . . [T]here is a close interdependent relationship among these factors. The weaker any of the three factors may be [distinctiveness of the famous mark, degree of similarity, and proximity of the products], the stronger the others must be to make a case of dilution.” 191 F.3d at 218-19; *see also Fed. Express Corp. v. Fed. Espresso, Inc.*, 201 F.3d 168, 177 (2d Cir. 2000) (“[A]lthough the district court found that ‘Federal Express’ and ‘Federal Espresso’ are not substantially similar names, the factfinder at trial may well find that the marks are of ‘sufficient similarity so that, in the mind of the consumer, the junior mark will conjure an association with the senior.’”) (quoting *Nabisco*).

‘association’ would occur,” *Id.* at 24-348; conversely, “[t]he less similar the marks, the less likely” dilution would be, but that remains a question of fact for the court to assess in light of all the “relevant factors.” *Hearing on the Trademark Dilution Revision Act of 2005 Before the Subcomm. on Courts, the Internet, and Intellectual Property of the H. Comm. on the Judiciary*, H.R. 683, 109th Cong. 14 (2005) (testimony of Anne Gundelfinger, then-President of INTA).<sup>16</sup> Professor McCarthy thus recognizes in the updated version of his treatise that the standard under the TDRA is different from the FTDA standard applied in 1999 in *Luigino’s*.

In sum, this Court should not blindly follow those before it that have adopted the “identical or nearly identical” standard because those prior courts were interpreting two different statutes – first, the New York antidilution statute, which had no definition of dilution and no explanation of how similarity should be considered, and second, the FTDA, which also had no definition of dilution and no explanation of how similarity should be considered. Rather, the “identical or

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<sup>16</sup> In the period prior to enactment of the TDRA, Professor McCarthy had promoted as the appropriate standard for blurring that “the marks must at least be similar enough that a substantial segment of the target group of customers sees the two marks as *essentially the same*.” 4 McCarthy § 24:90, at 24-145 (4th ed. 1998) (emphasis added). Although Professor McCarthy continues to argue that “without identity or near identity, the injury of blurring is unlikely” as a matter of fact, 4 McCarthy § 24:117, at 24-348 (4th ed. 2009; Rel. 48, 12/2008), Congress decided to adopt a different legal standard, directing courts to weigh the “degree of similarity.” That is the standard that should apply in this case.

nearly identical” standard arose in a different era, in a different context, and under differently worded statutes; it should not be adopted wholesale in the context of the federal TDRA. Instead, this Court should assess the “degree of similarity” without imposing any threshold similarity requirement and, as discussed in Part I, *supra*, weigh that factor with the others to determine whether dilution by blurring is likely. In conducting that analysis, the district court should bear in mind that the TDRA says nothing at all about any particular quantum of similarity that must exist. The “degree” of similarity could in any given case be de minimis, slight, modest, substantial, extensive, or overwhelming. Once the court determines the “degree” of similarity, it then can weigh that factor, along with the others, in determining whether blurring is likely.

**CONCLUSION**

For the foregoing reasons, the judgment of the district court should be vacated with respect to appellant's claim for dilution by blurring under Section 43(c) of the Lanham Act, and remanded with instructions to analyze the claim under the proper standards as listed in the TDRA.

Dated: New York, New York  
November 19, 2009

Respectfully submitted,

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Pursuant to Rule 32(a)(7)(C) of the Federal Rules of Appellate Procedure, the undersigned certifies that:

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Dated: New York, New York  
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**CERTIFICATE OF SERVICE**

I hereby certify that I electronically filed the foregoing with the Clerk of the Court for the United States Court of Appeals for the Ninth Circuit by using the appellate CM/ECF system on November 19, 2009.

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