

**United States Court of Appeals**  
*for the*  
**Fourth Circuit**

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LOUIS VUITTON MALLETIER S.A.,

*Plaintiff-Appellant,*

— v. —

HAUTE DIGGITY DOG, LLC, VICTORIA D.N. DAUERNHEIM,  
and WOOFIES, LLC, d/b/a WOOFIES PET BOUTIQUE,

*Defendants-Appellees.*

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ON APPEAL FROM THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF VIRGINIA  
ALEXANDRIA DIVISION

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

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## **TABLE OF CONTENTS**

	Page
INTRODUCTION.....	1
STATEMENT OF INTEREST OF THE AMICUS CURIAE.....	2
SUMMARY OF ARGUMENT.....	6
ARGUMENT .....	8
I. THE DISTRICT COURT IMPROPERLY IGNORED THE PLAIN LANGUAGE OF THE FTDA’S FAIR USE EXCLUSION.....	8
II. THE DISTRICT COURT ERRED IN ITS APPLICATION OF THE FTDA BY FAILING TO ENGAGE IN ANY ANALYSIS OF THE STATUTORY FACTORS FOR DETERMINING LIKELIHOOD OF DILUTION BY BLURRING.....	16
CONCLUSION .....	22

## **TABLE OF AUTHORITIES**

### **FEDERAL CASES**

<i>A&amp;H Sportswear, Inc. v. Victoria's Secret Stores, Inc.</i> , 237 F.3d 198 (3d Cir. 2000).....	21
<i>American Express Co. v. Vibra Laboratories</i> , 10 U.S.P.Q. 2d (BNA) 2006 (S.D.N.Y Apr. 17, 1989).....	18
<i>Anheuser-Busch, Inc., v. L&amp;L Wings, Inc.</i> , 962 F.2d 316 (4th Cir. 1992).....	18
<i>Anti-Monopoly, Inc. v. General Mills Fun Group</i> , 684 F.2d 1316 (9th Cir. 1982).....	3
<i>In re Borden, Inc.</i> , 92 F.T.C. 669 (1978).....	3
<i>CareFirst of Md., Inc., v. First Care, P.C.</i> , 434 F.3d 263 (4th Cir. 2006).....	4
<i>Century 21 Real Estate Corp. v. Nev. Real Estate Advisory Commission</i> , 448 F. Supp. 1237 (D. Nev. 1978) .....	3
<i>Coca-Cola Co. v. Alma-Leo U.S.A., Inc.</i> , 719 F. Supp. 725 (N.D. Ill. 1989) .....	13
<i>Conopco, Inc. v. May Department Stores Co.</i> , 46 F.3d 1556 (Fed. Cir. 1994).....	3
<i>Contessa Premium Foods, Inc. v. Berdex Seafood, Inc.</i> , 126 S. Ct. 472 (2005) .....	3
<i>Dastar Corp. v. Twentieth Century Fox Film Corp.</i> , 539 U.S. 23 (2003) .....	3

<i>Deere &amp; Co. v. MTD Products, Inc.</i> , 41 F.3d 39 (2d Cir. 1994).....	12, 14
<i>Dickinson v. Zurko</i> , 527 U.S. 150 (1999) .....	3
<i>Dippin' Dots, Inc. v. Frosty Bites Distributing, LLC</i> , 369 F.3d 1197 (11th Cir. 2004).....	21
<i>Discover Bank v. Vaden</i> , 396 F.3d 366 (4th Cir. 2005).....	8, 20
<i>Dorsey Trailers, Inc. v. NLRB</i> , 233 F.3d 831 (4th Cir. 2000).....	10
<i>Elvis Presley Enterprises v. Caprese</i> , 141 F.3d 188 (5th Cir. 1998).....	19
<i>FDA v. Brown &amp; Williamson Tobacco Corp.</i> , 529 U.S. 120 (2000) .....	20
<i>Fla. Prepaid Postsecondary Education Expense Board v. College Sav. Bank</i> , 527 U.S. 627 (1999) .....	3
<i>Girl Scouts of USA v. Personality Posters Manufacturing Co.</i> , 304 F. Supp. 1228 (S.D.N.Y. 1969).....	13
<i>Grey v. Campbell Soup Co.</i> , 650 F. Supp. 1166 (C.D. Cal. 1986).....	13
<i>Gucci Shops, Inc v. R.H. Macy &amp; Co.</i> , 446 F. Supp. 838 (S.D.N.Y 1977).....	13
<i>Hard Rock Cafe Licensing Corp. v. Pac. Graphics, Inc.</i> , 776 F. Supp. 1454 (W.D. Wash. 1991).....	15
<i>Harley-Davidson, Inc. v. Grottanelli</i> , 164 F.3d 806 (2d Cir. 1999).....	14

<i>Hewlett-Packard Co. v. Packard Press, Inc.</i> , 281 F.3d 1261 (Fed. Cir. 2002).....	21
<i>Hibbs v. Winn</i> , 542 U.S. 88 (2004) .....	10
<i>Hormel Foods Corp. v. Jim Henson Products, Inc.</i> , 73 F.3d 497 (2d Cir. 1996).....	11, 12
<i>K Mart Corp. v. Cartier, Inc.</i> , 486 U.S. 281 (1988) .....	3
<i>KP Permanent Make-Up, Inc. v. Lasting Impression I Inc.</i> , 543 U.S. 111 (2004) .....	3
<i>Lamie v. United States Trustee</i> , 540 U.S. 526 (2004) .....	9
<i>Mattel Inc. v. Walking Mountain Products</i> , 353 F.3d 792 (9th Cir. 2003).....	13
<i>Moseley v. V Secret Catalogue, Inc.</i> , 537 U.S. 418 (2003) .....	3, 12
<i>Nabisco, Inc. v. PF Brands, Inc.</i> , 191 F.3d 208 (2d Cir. 1999).....	17
<i>Playboy Enterprises, Inc. v. Netscape Commc'ns Corp.</i> , 354 F.3d 1020 (9th Cir. 2004).....	3
<i>Preferred Risk Mutual Insurance Co. v. United States</i> , 86 F.3d 789 (8th Cir. 1996).....	3
<i>Qualitex Co. v. Jacobson Products Co.</i> , 514 U.S. 159 (1995) .....	3
<i>Ralston Purina Co. v. On-Cor Frozen Foods, Inc.</i> , 746 F.2d 801 (Fed Cir. 1984).....	3

<i>Redd v. Shell Oil Co.</i> , 524 F.2d 1054 (10th Cir. 1975).....	3
<i>Ringling Brothers-Barnum &amp; Bailey Combined Shows, Inc. v. Utah Division of Travel Development</i> , 170 F.3d 449 (4th Cir. 1999).....	7, 12, 17
<i>Schieffelin &amp; Co. v. Jack Co. of Boca, Inc.</i> , 850 F. Supp. 232 (S.D.N.Y. 1994).....	13
<i>Test Masters Education Serv., Inc. v. Singh d/b/a Testmasters</i> , 428 F.3d 559 (5th Cir. 2005).....	3
<i>Tommy Hilfiger Licensing, Inc. v. Nature Laboratories, LLC</i> , 221 F. Supp. 2d 410 (S.D.N.Y. 2002).....	11, 15
<i>Traffix Devices, Inc. v. Marketing Displays, Inc.</i> , 532 U.S. 23 (2001) .....	3
<i>Two Pesos, Inc. v. Taco Cabana, Inc.</i> , 505 U.S. 763 (1992) .....	3
<i>United States ex rel. Wilson v. Graham County Soil &amp; Water Conservation District</i> , 367 F.3d 245 (4th Cir. 2004).....	9
<i>Wal-Mart Stores, Inc. v. Samara Brothers</i> , 529 U.S. 205 (2000) .....	3
<i>WarnerVision Entertainment, Inc. v. Empire of Carolina, Inc.</i> , 101 F.3d 259 (2d Cir. 1996).....	3
<i>Yankee Publ'g, Inc. v. News America Publ'g Inc.</i> , 809 F. Supp. 267 (S.D.N.Y. 1992).....	11, 12

## FEDERAL STATUTES

15 U.S.C. § 1115(b)(4).....	9
15 U.S.C. § 1125(c).....	<i>passim</i>

15 U.S.C. § 1127 .....	11
17 U.S.C. § 107 .....	9

## STATE STATUTES

N.Y. Gen. Bus. Law § 360-1.....	11
---------------------------------	----

## LEGISLATIVE HISTORY

<i>Hearings on a Committee Print to Amend the Federal Trademark Dilution Act</i> , 108th Cong., 2d Sess., Serial No. 72 (Apr. 22, 2004) .....	4
<i>Hearings on the Federal Trademark Dilution Act</i> , 107th Cong., 2d Sess., Serial No. 53 (Feb. 14, 2002).....	4
<i>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</i> , 109th Cong., 1st Sess. (Feb. 17, 2005).....	4
H.R. Rep. No. 109-23 .....	1, 5, 6, 15, 27

## TREATISES

2 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION (4th ed. 1996).....	4, 14
---	-------



## INTRODUCTION

INTA submits this brief *amicus curiae* to explain why the district court misapplied the Federal Trademark Dilution Act (“FTDA”), as recently amended by the Trademark Dilution Revision Act (“TDRA”), by holding that appellees’ CHEWY VUITON line of dog toy products was not, as a matter of law, likely to dilute the LOUIS VUITTON trademark and Monogram Multicolor trade dress, simply because it was a parody.

First, the district court’s holding ignores the plain text of the FTDA. As part of a deliberate legislative compromise, the statute expressly states that a parody is not immunized from dilution liability when it uses a plaintiff’s famous mark as a brand, that is, “as a designation of source for the [defendant’s] own goods or services.” 15 U.S.C. § 1125(c)(3)(A).



**LOUIS VUITTON**

Second, the district court ignored the list of statutory factors for likelihood of dilution set forth in the FTDA. Instead, it applied case law interpreting New York State’s, and not Congress’, dilution law.

The decision below thus undermines the clarity to litigants that the TDRA was expressly enacted to provide. *See* H.R. REP. NO. 109-23, at 6 (TDRA was a

legislative response to the lack of clarity in the law and splits among the circuits that had resulted in forum shopping and unnecessary, costly lawsuits).

These fundamental errors require vacatur and remand so that the district court can determine, based on a proper application of the FTDA, whether appellees' CHEWY VUITON mark and trade dress are likely to cause dilution of appellant's LOUIS VUITTON mark and its Monogram Multicolor trade dress.

### **STATEMENT OF INTEREST OF THE AMICUS CURIAE<sup>1</sup>**

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 5,000 members in more than 190 countries. Its members include trademark owners, law firms, advertising agencies, package design firms, and professional associations. All share the goal of promoting an understanding of the essential role trademarks play in fostering informed decisions by consumers, effective commerce, and fair competition.

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<sup>1</sup> The proposed *amicus curiae* brief was not authored, in whole or in part, by counsel to a party and no contribution to its preparation or submission was made by any person other than INTA and its counsel. The law firm representing appellant, and one of the law firms representing appellees, are associate members of INTA, but attorneys affiliated with those law firms have not participated in the preparation or submission of the brief. Appellant is a member of INTA, but did not participate in the preparation or submission of the brief. Appellees are not members of INTA.

INTA members frequently are participants in trademark litigation as both plaintiffs and defendants, and therefore are interested in the development of clear, 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.<sup>2</sup>

INTA was initially founded as the United States Trademark Association, 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>2</sup> Cases in which INTA has filed *amicus* briefs include *Contessa Premium Foods, Inc. v. Berdex Seafood, Inc.*, 126 S. Ct. 472 (2005); *KP Permanent Make-Up, Inc. v. Lasting Impression I 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); *Test Masters Educ. Serv., Inc. v. Singh d/b/a Testmasters*, 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*, 684 F.2d 1316 (9th Cir. 1982), *cert. denied*, 459 U.S. 1227 (1983); *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); *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).

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 Federal Trademark Dilution Act in 1995, as well as international trademark laws and treaties such as the Madrid Protocol and the Trademark Law Treaty. Most recently, INTA was requested, on several occasions, to testify before Congress in connection with the Trademark Dilution Revision Act, which amended the FTDA as of October 6, 2006, and which is the subject of this brief.<sup>3</sup>

The TDRA was enacted, in large part, to provide guidance and clarity in two areas of federal trademark dilution law – blurring and parody – which had been prone to inconsistent application and results.<sup>4</sup> INTA and its members have a

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<sup>3</sup> In particular, INTA officers testified regarding the FTDA and 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 Hearings on the Federal Trademark Dilution Act*, 107th Cong., 2d Sess., Serial No. 53 (Feb. 14, 2002); *Hearings on a Committee Print to Amend the Federal Trademark Dilution Act*, 108th Cong., 2d Sess., Serial No. 72 (Apr. 22, 2004); *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. (Feb. 17, 2005). The House Committee report regarding the TDRA extensively cited the testimony of INTA's President at the 2005 hearing. *See* H.R. REP. NO. 109-23, at 5-6 (2005).

<sup>4</sup> A trademark dilution claim is an independent commercial tort that is distinct in kind from a trademark infringement claim. 2 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION, § 24:70 (4th ed.). Whereas the focus of an infringement claim is on likelihood of confusion by

particular interest in ensuring that this legislative goal is not undermined by erroneous decisions that ignore the plain language of the statute and misapply the changes intended by the TDRA. *See* H.R. REP. NO. 109-23, at 5 (House Committee on the Judiciary was concerned with 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’s constituents – trademark owners and their advisors, parties seeking to ensure that prospective marks do not infringe or dilute legitimate third-party rights, and parties seeking to make fair uses of trademarks – 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.* at 5-6. The public, too, would benefit because clear and consistent application of the standards for determining when particular uses are likely to cause dilution by blurring, and when such uses

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consumers, a trademark dilution claim seeks to protect the property interests of owners of strong marks from “gradual attenuation or whittling away.” *Id.* (“The dilution theory grants protection to strong, well-recognized marks even in the absence of likelihood of confusion, if defendant’s use is such as to diminish or dilute the strong identification value of the plaintiff’s mark even while not confusing customers as to sources, sponsorship, affiliation or connection.”); *CareFirst of Md., Inc., v. First Care, P.C.*, 434 F.3d 263, 274 (4th Cir. 2006) (“In the dilution context, likelihood of confusion is irrelevant.”) (internal quotation and citation omitted).

are fair uses, will help ensure that an appropriate balance is maintained between promoting fair competition through trademark rights on the one hand, and protecting free expression through First Amendment rights on the other.

### **SUMMARY OF ARGUMENT**

This appeal presents two issues of first impression involved in the interpretation of Section 43(c) of the Lanham Act, 15 U.S.C. § 1125(c), as recently amended by the TDRA. Specifically, the Court is presented with the *res nova* issues of (1) the role of parody in analyzing trademark dilution claims under the TDRA, and (2) the proper way to analyze dilution claims in light of the TDRA's list of factors that courts may consider in determining whether a mark is likely to cause dilution by blurring.

This Court has a unique opportunity to interpret, for the first time, the new fair use exclusion of the TDRA, 15 U.S.C. § 1125(c)(3)(A). Following extensive testimony from both INTA and the American Civil Liberties Union ("ACLU"), Congress deliberately crafted this provision to ensure that the right balance was struck between the protection of famous trademarks and the safeguarding of free speech. H.R. REP. NO. 109-23, at 25 (noting that the ACLU worked together with INTA and the American Intellectual Property Law Association to craft a separate defense for parody, comment and criticism that "balance[s] . . . the rights of trademark holders and the First Amendment").

The result of the legislative process was a carefully delineated exclusion that protects some (but not all) parodies, commentary and criticism from liability under the FTDA. In keeping with the distinction between core First Amendment speech and other types of commercial uses, this legislative compromise is reflected in a bright-line rule that is easy for litigants to understand and for courts to administer: Although parodies of famous marks are generally protected as fair uses, use of a famous trademark or its likeness *as a brand* (that is, as the designation of source of a product or service, even if meant as a parody) is not a “fair use” and is therefore subject to liability under the TDRA, if the standard for likelihood of dilution by blurring or tarnishment is otherwise met. *See* 15 U.S.C. § 1125(c)(3)(A) (limiting fair use exclusion to “[a]ny fair use . . . of a famous mark by another person *other than as a designation of source for the person’s own goods or services*”) (emphasis added).

The TDRA also sets forth a non-exclusive list of factors that courts may consider in analyzing whether dilution by blurring is likely (that is, whether the defendant’s use is likely to create an association with the famous mark that impairs the distinctiveness of that mark). *See* 15 U.S.C. § 1125(c)(2)(B)(i)-(vi) (listing factors). By offering this list of factors, Congress intended to help courts analyze claims of dilution by blurring, a concept this Court has found “dauntingly elusive.” *Ringling Bros.-Barnum & Bailey Combined Shows, Inc. v. Utah Div. of Travel*

*Dev.*, 170 F.3d 449, 451 (4th Cir. 1999), *overruled in part by Moseley v. V Secret Catalogue, Inc.*, 537 U.S. 418 (2003). The district court, however, ignored these factors and never articulated any analysis of whether appellees' use of the CHEWY VUITON mark and trade dress was likely to cause dilution by blurring under these factors.

In sum, the district court's decision not only disregards the unambiguous statutory language of the TDRA, but also threatens to undermine the clarity that Congress intended to provide in enacting the statute. If allowed to stand, the decision will return trademark owners, users and litigants to the world of uncertainty and inconsistency that had previously prevailed in this area of the law. Affirming the district court's decision would not only bind courts within the Fourth Circuit, but, as the first appellate decision analyzing the TDRA, could very well influence decisions throughout the country.

## **ARGUMENT**

### **I. THE DISTRICT COURT IMPROPERLY IGNORED THE PLAIN LANGUAGE OF THE FTDA'S FAIR USE EXCLUSION**

In interpreting the FTDA, the court must first start with the plain language of the statute. *Discover Bank v. Vaden*, 396 F.3d 366, 369 (4th Cir. 2005) ("It is fundamental that 'when interpreting statutes we start with the plain language.'") (*quoting U.S. Dep't of Labor v. North Carolina Growers Ass'n*, 377 F.3d 345, 350 (4th Cir. 2001)). "It is well established that when the statute's language is plain,



the sole function of the courts – at least where the disposition required by the text is not absurd – is to enforce it according to its terms.” *Lamie v. United States Tr.*, 540 U.S. 526, 534 (2004) (internal quotation marks omitted); *accord United States ex rel. Wilson v. Graham County Soil & Water Conservation Dist.*, 367 F.3d 245, 247 (4th Cir. 2004).

The plain language of the TDRA expressly states that not every parody is protected by the fair use exclusion. Rather, to be immunized from dilution liability, the parody must be a “fair use”<sup>5</sup> and cannot be used as a brand. As the statute puts it:

The following shall not be actionable as dilution by blurring or dilution by tarnishment . . . : 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 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.

15 U.S.C. § 1125(c)(3)(A) (emphasis added).<sup>6</sup>

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<sup>5</sup> The “fair use” provisions of the Lanham Act, 15 U.S.C. §§ 1115(b)(4), 1125(c)(3)(A), are distinct from the “fair use” provision of the Copyright Act, 17 U.S.C. § 107. Despite the similar terminology, these provisions address different issues and are resolved using different standards.

<sup>6</sup> Prior to the enactment of the TDRA, the statute was considerably less specific regarding exclusions from dilution liability, providing:

This legislative compromise recognizes that parodies commenting or criticizing famous marks may well constitute the kinds of free speech that should be protected, but where a defendant tweaks a famous mark for branding purposes, as a designation of source for its own goods or services, it should not be automatically shielded from dilution liability. The district court’s approach, however, rendered inoperative and superfluous this essential part of the legislative compromise, a result that is plainly improper. *See Hibbs v. Winn*, 542 U.S. 88, 101 (2004) (“A statute should be construed so that effect is given to all its provisions, so that no part will be . . . superfluous.”); *Dorsey Trailers, Inc. v. NLRB*, 233 F.3d 831, 843 (4th Cir. 2000) (“It is an elementary canon of construction that a statute should be interpreted so as not to render one part inoperative.”) (internal quotation marks and citation omitted).

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

15 U.S.C. § 1125(c)(4) (2000), *amended by* Pub. L. No. 109-312, 120 Stat. 1730. The current statute thus differed from its current version in two material respects: (1) it did not contain the limiting language “as a designation of source for the person’s own goods or services”; and (2) it did not specifically list parody as a form of protected fair use.

Instead of applying the plain text of the statute to appellees' parody,<sup>7</sup> the district court was distracted by a trio of inapplicable cases – *Yankee Publ'g, Inc. v. News Am. Publ'g Inc.*, 809 F. Supp. 267, 282 (S.D.N.Y. 1992); *Tommy Hilfiger Licensing, Inc. v. Nature Labs, LLC*, 221 F. Supp. 2d 410, 422-23 (S.D.N.Y. 2002); and *Hormel Foods Corp. v. Jim Henson Prods., Inc.*, 73 F.3d 497, 506 (2d Cir. 1996). *See* Mem. Op. at 19. All three of those cases, though, applied the New York dilution statute, which does not contain **any** language regarding fair use exclusions to liability, including parody, and all three predate the amendments enacted by the TDRA. *See* N.Y. GEN. BUS. LAW § 360-l.<sup>8</sup> Whatever insight New

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<sup>7</sup> INTA takes no position on how the fair use provision should be applied in this case because that ultimately is a question of fact for the district court to decide. Among the facts that the district court might consider on remand are appellees' use of the CHEWY VUITON designation on appellees' products, as shown in the photograph on page 1, and that appellees applied, unsuccessfully, to register CHEWY VUITON as a trademark with the United States Patent and Trademark Office. *See* J.A. 874-777, 888-89; *see also* 15 U.S.C. § 1127 ("The term 'trademark' includes any word, name, symbol, or device, or any combination thereof . . . used by a person . . . to identify and distinguish his or her goods . . . to indicate the source of the goods. . . .").

<sup>8</sup> The New York statute provides:

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."

York law may provide on this subject in the abstract must yield to the specific requirements of the FTDA. *See Moseley*, 537 U.S. at 432 (interpreting FTDA based on plain language of statute rather than state dilution statutes, highlighting textual differences); *Ringling Bros.*, 170 F.3d at 459 (interpreting FTDA based on plain language of the statute; “[g]iven the critical provisions that expressly differentiate the federal Act on key points from the state statutes, we must assume that this was exactly what was intended by Congress”) (citation omitted), *overruled on other grounds by Moseley v. V Secret Catalogue, Inc.*, 537 U.S. 418 (2003).<sup>9</sup>

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At the time that *Yankee Publishing* and *Tommy Hilfiger* were published, New York’s dilution statute was found in § 368-d. That version was identical to the current version found at § 360-l. *See Yankee Publ’g*, 809 F. Supp. at 282.

<sup>9</sup> Moreover, the Second Circuit’s decision in *Hormel* is distinguishable because the defendant did not use the famous mark as a product brand, but rather as a character name within a movie branded with its own housemark, which “tends to dissipate the fear that [the famous mark] will no longer be considered a unique product identifier.” 73 F.3d at 506. Similarly, in *Yankee Publishing*, the defendant’s parodical use (a special edition cover of its *New York magazine* made to mimic the *Farmer’s Almanac*) prominently contained its own source identifier – its title – in its usual position, boldness, size, and distinctive typeface, so the parodical use would not be considered use “as a designation of source” under the TDRA. *See* 809 F. Supp. at 271. In addition, both of these cases involved media – a movie in one case and a magazine in another – that historically have enjoyed broad First Amendment protections that are not applicable in the context of the sale of commercial products like appellees’ dog toys and beds. *Deere & Co. v. MTD Prods., Inc.*, 41 F.3d 39, 44-45 (2d Cir. 1994).

If any prior cases should have been considered, they should have been those that have considered the propriety of applying a defense of parody in the context of commercial products. In such cases, courts have not hesitated to enjoin source-designating commercial parodies of famous marks. *See, e.g., Schieffelin & Co. v. Jack Co. of Boca*, 850 F. Supp. 232 (S.D.N.Y. 1994) (enjoining “Dom Popignon” parody of famous DOM PERIGNON trademark and trade dress); *Coca-Cola Co. v. Alma-Leo U.S.A., Inc.*, 719 F. Supp. 725 (N.D. Ill. 1989) (enjoining parody of famous Coca-Cola trade dress); *see also Grey v. Campbell Soup Co.*, 650 F. Supp. 1166 (C.D. Cal. 1986); *Gucci Shops, Inc v. R.H. Macy & Co.*, 446 F. Supp. 838 (S.D.N.Y. 1977). Such commercial, source-identifying parodies stand in stark contrast to the kinds of non-commercial, fair use parodies that are now expressly protected by the statute. *See, e.g., Mattel Inc. v. Walking Mountain Prods.*, 353 F.3d 792 (9th Cir. 2003) (rejecting dilution challenge against photographs parodying famous Barbie doll); *Girl Scouts of USA v. Personality Posters Mfg. Co.*, 304 F. Supp. 1228, 1233 (S.D.N.Y. 1969) (rejecting dilution challenge against poster parodying famous Girl Scouts uniform).



The importance of this distinction between commercial and noncommercial parodies in dilution cases was expressly acknowledged by the Second Circuit in a case involving the very New York dilution statute on which the district court relied:

Sellers of commercial products who wish to attract attention to their . . . products and thereby increase sales by poking fun at widely recognized marks of noncompeting products, risk diluting the selling power of the mark that is made fun of. When this occurs, not for worthy purposes of expression, but simply to sell products, that purpose can easily be achieved in other ways.

*Deere & Co. v. MTD Prods., Inc.*, 41 F.3d 39, 44-45 (2d Cir. 1994) (internal citation omitted). *See also* 2 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION, § 24:105 (4th ed.) (“First Amendment protection is greatest in the case of an editorial, non-commercial parody which causes tarnishment, but such concern is much lessened where the parody is a trademark used to identify a commercial product such as wearing apparel.”).

The source-designation limitation Congress adopted not only is consistent with these principles, but it also helps clarify the pre-TDRA inconsistency among some courts regarding whether parody is an automatic defense to trademark dilution claims. *Compare Harley-Davidson, Inc. v. Grottanelli*, 164 F.3d 806, 813 (2d Cir. 1999) (rejecting parody defense because defendant only used plaintiff’s mark “somewhat humorously to promote his own products and services, which is

not a permitted trademark parody use”) and *Hard Rock Cafe Licensing Corp. v. Pac. Graphics, Inc.*, 776 F. Supp. 1454, 1462 (W.D. Wash. 1991) (noting that “[a] defendant’s claim of parody will be disregarded where the purpose of the similarity is to capitalize on a famous mark’s popularity for the defendant’s own commercial use”) with *Tommy Hilfiger*, 221 F. Supp. 2d at 421-23 (finding no dilution, despite the fact that defendant used famous mark as a designation of source of its parody pet products). By creating a bright line separating non-protected, source-identifying uses from purely expressive ones, the TDRA provides clarity and directly promotes Congress’ stated goals of reducing inconsistencies among the courts, increasing predictability to mark holders and businesses, reducing forum shopping, and avoiding unnecessary costly lawsuits. H.R. REP. NO. 109-23, at 5-6.

In sum, under the plain text of the statute, a district court’s finding that a junior use of a famous mark constitutes parody is not dispositive – a use can constitute parody as a factual matter, yet may still be enjoined if it is used as a designation of source for goods or services and otherwise meets the standard for likelihood of dilution by blurring or tarnishment. The plain text of the fair use exclusion found in Section 43(c)(3)(A) reflects the balance that Congress adopted, and that is the balance that should be respected by courts.

## **II. THE DISTRICT COURT ERRED IN ITS APPLICATION OF THE FTDA BY FAILING TO ENGAGE IN ANY ANALYSIS OF THE STATUTORY FACTORS FOR DETERMINING LIKELIHOOD OF DILUTION BY BLURRING.**

The TDRA amended the FTDA to incorporate a non-exclusive list of factors that a court may consider in analyzing whether a defendant's use is likely to cause dilution by blurring. These factors are:

- (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.
- (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).

This list of factors was an important part of the amendment of the FTDA. Prior to the enactment of the TDRA, there were no statutory factors to guide courts in analyzing dilution claims. As a result, there was significant divergence among



the circuit courts of appeal as to the proper factors to consider in analyzing a dilution by blurring claim.<sup>10</sup>

The TDRA resolved these differences by providing express guidance to courts. By articulating a list of six key factors, Congress highlighted the factors it believes are most relevant when considering whether a junior use may impair the distinctiveness of a famous mark. Moreover, the codification of these factors was intended to make the law consistent across the country to prevent forum shopping and enhance predictability both to holders of famous marks and to third parties seeking to adopt and use trademarks. *See* H.R. REP. NO. 109-23, at 5-6.

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<sup>10</sup> *Compare Ringling Bros.-Barnum & Bailey Combined Shows, Inc. v. Utah Div. of Travel Dev.*, 170 F.3d 449, 458 (4th Cir. 1999) (considering three factors: “(1) a sufficient similarity between the junior and senior marks to evoke an instinctive mental association of the two by a relevant universe of consumers which (2) is the effective cause of (3) an actual lessening of the senior mark’s selling power, expressed in its capacity to identify and distinguish goods or services”), *overruled in part by Moseley v. V Secret Catalogue, Inc.*, 537 U.S. 418 (2003) *and I.P. Lund Trading ApS v. Kohler Co.*, 163 F.3d 27, 68-71 (1st Cir. 1998) (considering two factors: similarity of the marks and renown of the senior mark) *with Nabisco, Inc. v. PF Brands, Inc.*, 191 F.3d 208, 217-222 (2d Cir. 1999) (considering ten factors: (1) distinctiveness of the senior mark; (2) similarity of the marks; (3) proximity of the products and likelihood of bridging the gap; (4) interrelationship among the distinctiveness of the senior mark, the similarity of the junior mark, and the proximity of the products; (5) shared consumers and geographical limitations; (6) sophistication of customers; (7) actual confusion; (8) adjectival or referential quality of the junior use; (9) harm to the junior user and delay by the senior user; and (10) effect of the senior user’s prior laxity in protecting the mark), *overruled in part by Moseley v. V Secret Catalogue, Inc.*, 537 U.S. 418 (2003).

The district court's analysis, though, gave short shrift to the statutory factors. Although the court quoted the factors, it proceeded to ignore them and instead looked for guidance to cases interpreting New York's dilution statute. Following those inapplicable precedents, the court concluded that, because appellees' use was a parody, there could be no association between the CHEWY VUITON mark and trade dress and appellant's famous and distinctive LOUIS VUITTON mark and trade dress as a matter of law. *See* Mem. Op. at 18-20. This was clear error.

First, as noted above, federal law governs, not the law of the State of New York. That is an important distinction because New York's dilution law differs materially from the TDRA in that the New York statute (1) does not contain any list of statutory factors for courts to consider when performing a likelihood of dilution analysis, and (2) does not account for or mention fair use or parody at all.

Second, the district court's rationale disregards the meaning of dilution as defined in the TDRA. Although a parody, if it is effective, might dispel **confusion**, *see Anheuser-Busch, Inc., v. L&L Wings, Inc.*, 962 F.2d 316, 321 (4th Cir. 1992), that a product is a parody does not mean that there can be no **association** with the famous mark as a matter of law. *See Am. Express Co. v. Vibra Labs.*, 10 U.S.P.Q.2d (BNA) 2006 (S.D.N.Y. Apr. 17, 1989) (parody condom sold under the marks AMERICA EXPRESS and NEVER LEAVE HOME WITHOUT IT was unlikely to cause confusion, but did cause dilution). To the contrary, every

effective parody *by necessity* creates an association with the famous mark. *Elvis Presley Enters. v. Caprese*, 141 F.3d 188, 199 (5th Cir. 1998) (“When parody takes aim at a particular original work, the parody must be able to ‘conjure up’ at least enough of that original to make the object of its critical wit recognizable.’ . . . This same need to conjure up the original exists when a parody targets a trademark or service mark.”) (quoting *Campbell v. Acuff-Rose Music*, 510 U.S. 569, 588 (1994)). That is why Congress excluded from liability certain parodies, specifically those that do not use the famous mark as a designation of source. Otherwise, if a parody could never cause association, parodies would never constitute dilution and there would be no need for any exclusion for certain types of parodies.

Thus, whether a product is a parody cannot answer the question of whether it is likely to cause dilution by blurring. Instead, the court must consider whether the use, parodical or not, is likely to cause “association . . . that impairs the distinctiveness of the famous mark.” 15 U.S.C. § 1125(c)(2)(b)(1). To make that assessment, courts should consider the six factors articulated by Congress. Significantly, none of those six factors includes any mention of parody. Congress placed parody in a different part of the statute, and in interpreting the statute, courts should put parody in the Congressionally-mandated place in the statutory

framework – as a potential exclusion to liability rather than as an automatic bar to liability.<sup>11</sup>

The district court did not undertake this analysis. Instead of considering parody as a possible exclusion (if the statutory limitation was met), it conflated the finding of parody with the dilution analysis. By failing to discuss the factors at all, the district court committed an error of law. Congress took care to set forth the factors it determined important in evaluating whether a likelihood of dilution by blurring exists. Courts faced with claims of dilution should not simply disregard those factors; instead, at the minimum, courts should consider the factors and discuss how they affect the analysis of whether the junior use is likely to impair the distinctiveness of the famous trademark. Indeed, in the directly analogous context

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<sup>11</sup> To the extent that the district court considered appellees’ parodical use as a factor in determining that there was no likelihood of dilution, it was error for the court to give that factor conclusive effect without weighing it against the factors prescribed by the statute and not considering the source-designation limitation provided for in Section 43(c)(3)(A). Such an analysis would be inconsistent with the overall statutory scheme, which provides a specific fair use exclusion from liability elsewhere because, as discussed *supra*, it would render the source-designation limitation found in Section 43(c)(3)(A) superfluous. *See Vaden*, 396 F.3d at 369 (4th Cir. 2005) (“[C]ourts must give effect to every provision and word in a statute and avoid any interpretation that may render statutory terms meaningless or superfluous.”) (internal citation and quotation omitted); *see also FDA v. Brown & Williamson Tobacco Corp.*, 529 U.S. 120, 132-33 (2000) (“It is a fundamental canon of statutory construction that the words of a statute must be read in their context and with a view to their place in the overall statutory scheme. . . . [A] court must therefore interpret the statute as a symmetrical and coherent regulatory scheme, and fit, if possible, all parts into a harmonious whole.”) (internal citations and quotations omitted).

of trademark infringement, it is well-settled that a complete failure to consider the infringement factors, even though they also are non-exclusive, is error. *See Dippin' Dots, Inc. v. Frosty Bites Distrib., LLC*, 369 F.3d 1197, 1207 (11th Cir. 2004) (noting that, in context of trademark infringement claim, a district court's failure to consider all seven nonexclusive likelihood of confusion factors constitutes error of law, because otherwise it cannot be ensured that the determination was properly made in light of the totality of the circumstances); *Hewlett-Packard Co. v. Packard Press, Inc.*, 281 F.3d 1261, 1266-67 (Fed. Cir. 2002) (stating that a court must consider each nonexclusive factor in likelihood of confusion test for which there is evidence on the record); *A&H Sportswear, Inc. v. Victoria's Secret Stores, Inc.*, 237 F.3d 198, 236 (3d Cir. 2000) (finding error of law in district court's failure to consider each nonexclusive factor in trademark infringement likelihood of confusion test).

In sum, the analysis of the district court improperly conflated the fair use/parody analysis with the threshold question of likelihood of dilution. A proper analysis of likelihood of dilution under the plain text of the TDRA requires that the court, at a minimum, analyze the statutory factors designated by Congress as relevant. On remand, the district court should be instructed to analyze the list of statutory factors in performing its likelihood of dilution analysis, and consider the claim of parody in the appropriate place in the statutory scheme—within the

Section 43(c)(3)(a) exclusions from liability, and subject to the statute's plain text source-designation limitation.

### **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 dictated by the statute, as amended by the TDRA.

Dated: February 22, 2007

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: February 22, 2007.



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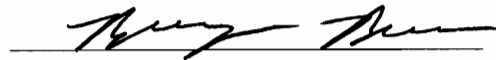
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