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DILUTION BY TARNISHMENT:
THE NEW CAUSE OF ACTION

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I. INTRODUCTION

The Trademark Dilution Revision Act (TDRA) became law on October 6, 2006.1 The TDRA replaced the Federal Trademark Dilution Act (FTDA).2 One significant change in the new statute is the explicit recognition that federal trademark dilution law covers both main dilution theories—dilution by blurring and dilution by tarnishment.3 Under the FTDA, it had been unclear whether tarnishment was covered.4 Now, tarnishment is clearly actionable under the U.S. Trademark (Lanham) Act.5 

The TDRA, however, does not codify prior case law on tarnishment. Tarnishment under the TDRA is a much narrower cause of action than the cause of action that existed in pre-TDRA tarnishment case law. Prior to the TDRA, tarnishment case law focused on offensive uses of the plaintiff’s mark, with no general requirement that the defendant make a trademark use of the mark.6 Tarnishment under the TDRA focuses on the defendant’s “mark or trade name,” and whether it is likely to harm the

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4. Moseley v. V Secret Catalogue, 537 U.S. 418, 432 (2003) ("Petitioners have not disputed the relevance of tarnishment . . . presumably because that concept was prominent in litigation brought under state antidilution statutes and because it was mentioned in the legislative history. Whether it is actually embraced by the statutory text, however, is another matter. Indeed, the contrast between the state statutes . . . arguably supports a narrower reading of the FTDA."); see also Starbucks Corp. v. Wolfe’s Borough Coffee, Inc., 2004 U.S. Dist. LEXIS 19239, at *25 n.8 (S.D.N.Y. Sept. 28, 2004) ("The Supreme Court’s decision in Moseley calls into question the continued viability of the proposition that a demonstration of tarnishment is sufficient to show dilution within the meaning of the FTDA").
5. 15 U.S.C. § 1125(c)(2)(C) and § 1125(c)(3)).
reputation of the plaintiff’s mark. The TDRA also includes more explicit exemptions, such as parody and nominative fair uses.

However, this change has gone largely unnoticed. Articles on the TDRA tend to gloss over dilution by tarnishment and focus on dilution by blurring instead. Nearly two years after the TDRA became effective there are still relatively few reported opinions that really discuss or even consider the new law, let alone discuss tarnishment in particular. The cases that have been decided focus more on principles laid down in pre-TDRA cases than on interpreting and applying the new statutory elements of dilution by tarnishment. Despite the lack of attention it has received, this change is significant, and it deserves greater attention.

This article will demonstrate the significance of the change by briefly reviewing the history of dilution statutes in the United States, by analyzing the pre-TDRA cause of action for dilution by tarnishment, by analyzing the elements of a dilution by tarnishment claim under the TDRA, and by examining cases decided so far under the TDRA. This article will also argue that unless and until courts and litigators start to really look at and analyze the new cause of action for dilution by tarnishment, they will risk decisions that are incorrect under the statute and will perpetuate the inconsistencies in dilution law that prompted Congress to pass a federal dilution law in the first place.

8. See id. at § 1125(c)(3).
11. Many dilution cases decided in 2007 were decided under the FTDA, not the TDRA. See, e.g., Jada Toys, Inc. v. Mattel, Inc., 496 F.3d 974, 981 (9th Cir. 2007) (“Because this action was filed in 2004, prior to the 2006 amendment of § 1125 . . . the previous version of § 1125 applies.”); Griffith v. Fenrick, 486 F. Supp. 2d 848, 853 (W.D. Wis. 2007) (applying old FTDA exemption to dilution claim); Hodgdon Powder Co., Inc. v. Alliant Techsystems, Inc., 497 F. Supp. 2d 1221, 1232 n.3 (D. Kan. 2007) (“the parties agree that the Trademark Dilution Revision Act (TDRA) does not apply to plaintiff’s claims. The parties, and the court, rely on the law prior to the TDRA.”) This is because the TDRA applies only to claims for injunctive relief and to claims for monetary relief filed after October 6, 2006. See Dan-Foam A/S v. Brand Named Beds, LLC, 500 F. Supp. 2d 296, 308 (S.D.N.Y. 2007); Louis Vuitton Malletier S.A. v. Dooney & Bourke, Inc., 500 F. Supp. 2d 276, 283 (S.D.N.Y. 2007) (“The language of subsection 1125(c)(5) providing for monetary remedies unambiguously and explicitly prescribes its temporal scope to the day” of October 6, 2006).
12. These cases are discussed in detail in Part IV, below.
II. DILUTION THEORY AND LAW
IN THE UNITED STATES

A. Trademark Dilution

Dilution “is the legal theory that seeks to protect a trademark owner directly against the diminution of a trademark’s ‘commercial magnetism’ or selling power by unauthorized junior use of the same or substantially similar mark.”13 There are two main dilution theories—blurring and tarnishment.14 Blurring “seeks to protect the uniqueness and distinctiveness of a mark”15 while tarnishment “occurs when a defendant uses the same or similar marks in a way that creates an undesirable, unwholesome, or unsavory mental association with the plaintiff’s mark.”16 For example, in V Secret Catalogue, Inc. v. Moseley, the famous lingerie retailer Victoria’s Secret sued the proprietors of a small shop called VICTOR’S LITTLE SECRET that sold “a wide variety of items, including adult videos, ‘adult novelties,’ and lingerie.”17 The Sixth Circuit described the Moseley use as “a classic instance of dilution by tarnishing (associating the Victoria's Secret name with sex toys and lewd coffee mugs) and by blurring (linking the chain with a single, unauthorized establishment).”18


14. Original Appalachian Artworks, Inc. v. Topps Chewing Gum, Inc., 642 F. Supp. 1031, 1039 (N.D. Ga. 1986) (“Courts and commentators have stated that dilution can take two forms. The first is a ‘blurring’ or ‘whittling down’ of the distinctiveness of a mark. This can occur where the public sees the mark used widely on all kinds of products. The second type of dilution is the tarnishment that occurs when a defendant uses the same or similar marks in a way that creates an undesirable, unwholesome, or unsavory mental association with the plaintiff’s mark.”) (citing 2 J. Thomas McCarthy, Trademarks and Unfair Competition § 24.13 (1973)).


B. Pre-TDRA Dilution Legislation

1. State Statutes

Massachusetts was the first state to provide a statutory cause of action for trademark dilution. The Massachusetts statute, which was enacted in 1947, “prohibited both the likelihood of ‘injury to business reputation’ and ‘dilution’.”

Likelihood of injury to business reputation or of dilution of the distinctive quality of a trade name or trade-name shall be a ground for injunctive relief in cases of trade-name infringement or unfair competition notwithstanding the absence of competition between the parties or of confusion as to the source of goods or services.

Over time, the cause of action for “injury to business reputation” became known as “tarnishment.” Other states subsequently enacted similar bills, including Illinois in 1953, Georgia in 1955, and New York in 1955. The New York and Massachusetts laws were basically identical. The Illinois and Georgia statutes were worded a bit differently, but still provided for injunctive relief against the “injury to business reputation or of dilution of the distinctive quality of the mark, trade name . . . notwithstanding

22. See, e.g., Accuride Int’l, Inc. v. Accuride Corp., 871 F.2d 1531 (9th Cir. 1989) (while applying California’s statute, Cal. Bus. & Prof. Code § 14330 (West 1987), the Court stated that “[i]njury to business reputation is typically invoked where the plaintiff’s mark or name is tarnished or degraded through association with something unsavory”); Exxon Corp. v. Oxxford Clothes, Inc. 109 F.3d 1070, 1082 n.14 (5th Cir. 1997) (noting that Tex. Bus. & Com. Code § 16.29 (Vernon 1996), “like the model bill, states that in addition to enjoining trademark dilution a plaintiff may enjoin acts likely to injure business reputation,” but stating that “[i]t is unclear whether this language creates a separate cause of action or merely expresses the ‘tarnishment’ prong of the typical dilution cause of action”); see also Thomas R. Lee, Demystifying Dilution, 84 B.U.L. Rev. 859, 869-70 (October 2004) (noting the evolution in terminology). This is why the U.S. Supreme Court stated that the first Massachusetts dilution statute “expressly applied to both ‘tarnishment’ and ‘blurring’ even though it did not use the word “tarnishment.” Moseley, 537 U.S. at 430 (citing 1947 Mass. Acts, p. 300, ch. 307).
the absence of competition between the parties or of confusion as to the source of goods or services.”

In 1964, the United States Trademark Association (now the International Trademark Association (INTA)) revised its Model State Trademark Bill (MSTB) to include an anti-dilution provision. The 1964 MSTB dilution provision was similar to the Massachusetts statute by allowing injunctive relief for “injury to business reputation” or “dilution” even when there was no competition or likelihood of confusion. The 1964 MSTB, however, took out the language “a trade name or trade-mark” and replaced it with “a mark registered under this chapter, or a mark valid at common law.” This amendment made it clear that both registered and unregistered marks were protected. The 1964 MSTB also took out the language “in cases of trade-mark infringement or unfair competition” that was present in the Massachusetts statute.

The 1964 MSTB proved to be quite influential. A number of states enacted similar anti-dilution laws, including California, Maine, New Mexico and Texas. Although these statutes were not all identical, they did allow courts to enjoin junior uses of marks that were likely to cause “injury to business reputation” or “dilution” without a showing of likelihood of confusion or competition, so they are similar enough that it is helpful to think of them as the same general “type” of statute. For the purposes of this article, these statutes will be referred to generally as “Type-I” dilution statutes.


27. See 1964 Model State Trademark Bill § 12.


29. Id.


31. See Homes, Inc. v. Lund, 659 P.2d 377, 380 n.6 (Or. 1983) (listing statutes). Some of these statutes had minor textual variations. For example, the Texas statute, provided injunctive relief for “an act” that was “likely to injure a business reputation or to dilute” a mark. See Tex. Bus. & Com. Code § 16.29 (Vernon 1996); see also Exxon Corp. v. Oxxford Clothes, Inc. 109 F.3d 1070, 1083 (5th Cir. 1997) (discussing the statute’s “act” requirement).
In 1992, INTA revised the MSTB’s dilution provisions.\textsuperscript{32} The revised MSTB dilution section provided that:

The owner of a mark which is famous in this state shall be entitled, subject to the principles of equity, to an injunction against another’s use of a mark, commencing after the owner’s mark becomes famous, which causes dilution of the distinctive quality of the owner’s mark. . . .\textsuperscript{33}

The MSTB also included seven non-exclusive factors to guide courts in determining whether the plaintiff’s mark was “famous.”\textsuperscript{34} This fame requirement was one of the main innovations of the 1992 MSTB, limiting the scope of dilution protection as compared to Type-I statutes.\textsuperscript{35} The 1992 MSTB also took out the “injury to business reputation” and the “likelihood . . . of dilution” language, and instead provided for injunctive relief where the junior use “causes dilution of the distinctive quality of the owner’s mark.”\textsuperscript{36} The new Model Bill defined “dilution” as “the lessening of the capacity of registrant’s mark to identify and distinguish goods or services, regardless of the presence or absence of (a) competition between the parties, or (b) likelihood of confusion, mistake, or deception.”\textsuperscript{37} The language of the MSTB did not mention “tarnishment.”\textsuperscript{38}

Some states took INTA’s lead and adopted statutes based on the 1992 MSTB.\textsuperscript{39} These state’s statutes were not always identical, but they followed the same general language, and thus it is helpful to consider these statutes as a new general “type,” or “Type-II,” dilution statutes.

\begin{itemize}
\item \textsuperscript{32} See 4 McCarthy, supra note 26, § 24:77.
\item \textsuperscript{33} 1992 Model State Trademark Bill § 13 (as reprinted in 3 McCarthy, supra note 26, § 22:9).
\item \textsuperscript{34} See id.
\item \textsuperscript{35} Compare 1992 Model State Trademark Bill § 13 (as reprinted in 3 McCarthy, supra note 27, § 22:9) with 1964 Model State Trademark Bill § 12 (as reprinted in 3 McCarthy, supra note 26, § 22:8).
\item \textsuperscript{36} 1992 Model State Trademark Bill § 13.
\item \textsuperscript{37} Id. at § 1(K) (as reprinted in 3 McCarthy, supra note 26, § 22:9).
\item \textsuperscript{38} See 1992 Model State Trademark Bill § 13 (as reprinted in 3 McCarthy, supra note 26, § 22:9).
By 1995, about half of the states had enacted dilution statutes of some type.\textsuperscript{40} Despite the fact that the state statutes were often similarly worded and were of just two general types, judicial interpretations and applications of those statutes were largely inconsistent.\textsuperscript{41} For example, prior to the enactment of the first federal dilution law, Illinois, New York, California and New Mexico all had Type-I statutes that provided for a cause of action for dilution “notwithstanding the absence of competition between the parties or of confusion as to the source of goods or services.”\textsuperscript{42} This language seems to clearly indicate that dilution claims may be made regardless of the competitive status of the parties. Indeed, many courts interpreted the New York, New Mexico and California statutes this way.\textsuperscript{43} However, other courts—most notably in Illinois—interpreted the same language to bar dilution claims when the parties were in competition.\textsuperscript{44} Likewise, under this language, the presence or absence of confusion should not have mattered. In practice, however, some courts still required a showing of likelihood of confusion before they would issue an injunction based on tarnishment.\textsuperscript{45} Other courts “refused to apply

\textsuperscript{40} Lee, supra note 22, at 869-70 (citing Restatement (Third) of Unfair Competition § 25, Statutory Note (1995)).

\textsuperscript{41} See Ringling Bros.-Barnum & Bailey Combined Shows, Inc. v. Utah Div. of Travel Dev., 170 F.3d 449, 455-59 (4th Cir. 1999) (discussing varying judicial application of state anti-dilution statutes); see also H.R. Rep. No. 104-374, 1996 U.S.C.C.A.N. 1029, 1030-31 (1995) (observing that “court decisions have been inconsistent and some courts are reluctant to grant nationwide injunctions for violation of state law where half of the states have no dilution law”).


\textsuperscript{44} See, e.g., EZ Loader Boat Trailers, Inc. v. Cox Trailers, Inc., 746 F.2d 375, 380-81 (7th Cir. 1984) (refusing to recognize competitor’s state dilution claim because “the Illinois courts have consistently held that the protections of the [Illinois] Anti-Dilution Statute [III. Rev. Stat. ch. 140, ¶ 23 (1983)] are unavailable to competitors”); AHP Subsidiary Holding Co. v. Stuart Hale Co., 1 F.3d 611, (7th Cir. 1993) (applying the same statute and concluding that “the protection of the Illinois Anti-Dilution statute is not available to competitors under Illinois case law”). Prior to 1993, some courts also interpreted New York’s statute to bar such claims. See Nikon, 987 F.2d 91 (noting that there had previously been “a split among the district courts in this Circuit as to whether competitors are covered” under N.Y. Gen. Bus. Law § 368-d (McKinney 1984)).

\textsuperscript{45} See, e.g., Girl Scouts of U.S.A. v. Personality Posters Mfg. Co., 304 F. Supp. 1228, 1230-33 (S.D.N.Y. 1969) (because there was no consumer confusion, the Girl Scouts were not entitled to an injunction for injury to business reputation against the manufacturer of a
the [anti-dilution] statute where confusion exist[ed].” Therefore, the extent—and sometimes the availability—of a mark owner’s protection from tarnishment varied significantly.

2. The FTDA

The first federal dilution statute was the FTDA. Under the FTDA, the owner of a mark could obtain injunctive relief against a junior user if: (1) the senior mark was famous; (2) the junior user made “commercial use in commerce of a mark or trade name;” (3) which started after the senior user’s mark became famous; (4) and which “cause[d] dilution of the distinctive quality” of the senior user’s mark. The statute provided factors to be considered in determining if a mark was “distinctive and famous.”

The FTDA was very similar to the 1992 MSTB, so it can also be generally classified as a Type-II dilution statute.

However, there were some notable changes in the FTDA language as compared to the 1992 MSTB. For example, while the 1992 MSTB provided for injunctive relief against “another’s use of a mark,” the FTDA required that the use be a “commercial use in commerce,” and while both statutes addressed “famous marks,” the FTDA added language that arguably required that the plaintiff’s mark be famous and distinctive. Another important poster which “consist[ed] of a smiling girl dressed in the well-known green uniform of the Junior Girl Scouts, with her hands clasped above her protruding, clearly pregnant abdomen. The caveat ‘BE PREPARED’ [the Girl Scout slogan] appear[ed] next to her hands”) (applying New York’s Type-I dilution statute, N.Y. Gen. Bus. Law § 368-d) (McKinney 1984). The Girl Scouts court pointed out that at that time, “[d]espite the seeming intention of this statute to confer protection where the federal Lanham Act might not, viz., even where there is no confusion as to the origin of the goods, the courts have denied relief where confusion is absent.” Id. at 1233 (citing cases).


49. See id.


51. Federal Trademark Dilution Act of 1995, Pub. L. No. 104-98, 109 Stat. 985 (formerly codified at 15 U.S.C. § 1125(c)). The FTDA stated first that “[t]he owner of a famous mark shall be entitled” to an injunction if the rest of the requirements were met, but
difference between the FTDA and the 1992 MSTB was that the FTDA included three exemptions:

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 news commentary.52

INTA also revised the MTSB in 1996 to mirror the FTDA.53 Some states followed suit by enacting statutes based on the Type-II language, and some states even replaced their old Type-I statutes with Type-II statutes.54

The FTDA was intended to “bring uniformity and consistency to the protection of famous marks” and to reflect the United States’ “international obligations in the trademark area.”55 Despite these high aspirations, a number of flaws in the statute soon became apparent. For example, the FTDA’s “famousness” and “distinctiveness” requirements were ambiguous, and the statute did not clearly specify whether actual dilution or likelihood of dilution was required, and it also did not explicitly include dilution by tarnishment.56 Judicial interpretations of the FTDA varied widely and the statute was subject to serious criticism.57

then gave factors for determining whether the plaintiff’s mark was “distinctive and famous.”

Id.


57. See H.R. Rep. No. 109-23, 2006 U.S.C.C.A.N. 1091, 1094 (House Report for the TDRA); see also Lars S. Smith, Implementing a Registration System for Famous Trademarks, 93 TMR 1097, 1100 (2003) (“notwithstanding Congressional desire for more consistency, uniformity and predictability, federal courts applying the FTDA have reached disparate and inconsistent results on several critical issues”).
In 2003, the U.S. Supreme Court stepped into the fray with *Moseley v. V Secret Catalogue*.58 In *Moseley*, the Court held that the FTDA required a plaintiff to prove actual dilution,59 but the Court provided almost no guidance as to what proving “actual dilution” actually entailed.60 Thus, the Court “essentially emasculate[d] the FTDA.”61 In *Moseley*, the Court also questioned whether tarnishment was actionable at all under the FTDA.62

3. The TDRA

In June 2006, Congress passed the TDRA.63 The TDRA was enacted to lower *Moseley’s* actual dilution standard and to address “conflicting case law on other relevant issues.”64 The TDRA was signed into law on October 6, 2006.65 One court has explained,

The TDRA revised the FTDA in three significant ways: (i) a *likelihood of dilution*, rather than *actual dilution*, is now a prerequisite to establishing a dilution claim; (ii) courts may apply four factors to determine whether a mark is famous and protection is denied to marks that are famous in only “niche” markets; and (iii) courts may apply six factors to determine whether there is a likelihood of dilution.66

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59. *Id.* at 433.
60. See, e.g., Ty Inc. v. Softbelly’s, Inc., 353 F.3d 528, 535 (7th Cir. 2003) (“After the district court’s ruling, the Supreme Court held in the *Victoria’s Secret* case cited above that the statute requires proof of ‘actual dilution,’ implying a need for trial-type evidence to determine, in the words of the Court, whether there has been ‘any lessening of the capacity of the *Victoria’s Secret* mark to identify and distinguish goods or services sold in *Victoria’s Secret* stores or advertised in its catalogs.’ We are not sure what question could be put to consumers that would elicit a meaningful answer either in that case or this one.”) (internal citation omitted); see also Jonathan Moskin, *Victoria’s Big Secret: Whither Dilution Under the Federal Dilution Act?* 93 TMR 842, 853-54 (2003) (noting the difficulties in designing any kind of dilution survey post-*Moseley*).
There are other changes, as well. For example, the TDRA protects famous marks that have acquired distinctiveness, as well as those that are inherently distinctive, and the TDRA expands the fair use exemption. The TDRA also makes specific provisions for trade dress dilution. Most importantly, the TDRA includes a trademark use requirement, which is discussed in detail below. So the TDRA is a new “type” of dilution statute, a “Type-III.”

III. PRE-TDRA TARNISHMENT

Pre-TDRA case law on tarnishment, though based on statutes, has a common law feel. Although dilution was originally “a creature of state law,” in the years prior to the enactment of the FTDA, “the federal courts ha[d] taken the lead in defining the doctrine’s parameters.” Furthermore, in interpreting state dilution statutes, it was not uncommon for courts to cite general propositions about dilution law from non-binding decisions in other jurisdictions that were interpreting different, though often similarly-worded, state statutes. Despite this cross-citation and citations:


69. INTA also revised its Model State Trademark Bill to mirror the TDRA, thus the 2006 MSTB can also be considered Type-III. California, which formerly had a Type-I statute, recently adopted a Type-III statute. See Cal. Bus. & Prof. Code § 14247 (2008) (enacted by Stats. 2007, c. 711 (A.B.1484), § 2). The California statute and the 2006 MSTB differs from the TDRA in that they require “commercial use of a mark or trade name” as opposed to “use of a mark or trade name in commerce.” Compare Cal. Bus. & Prof. Code § 14247 and 2006 Model State Trademark Bill with 15 U.S.C. § 1125.

70. Staffin, supra note 13, at 108-09 (citing Deere & Co. v. MTD Prods., Inc., 41 F.3d 39, 44-45 (2d Cir. 1994)).

71. See, e.g., Exxon Corp. v. Oxxford Clothes, Inc., 109 F.3d 1070 (5th Cir. 1997) (in applying Texas’s antidilution statute, Tex. Bus. & Com. Code § 16.29 (Vernon 1996), the court noted that the “statute, like that of twenty-five other states, including California, Illinois, and New York, is based upon language contained in Section 12 of the 1964 United States Trademark Association Model State Trademark Bill. Accordingly, owing to the dearth of case law interpreting Section 16.29, we remain mindful of the general law of dilution, that body of common principles which has evolved in those jurisdictions possessing statutes derived from the USTA’s model bill, in construing the Texas statute”) (internal citation omitted); see also Edgar Rice Burroughs, Inc. v. Manns Theatres, Inc., 195 U.S.P.Q. (BNA) 159, 162 (C.D. Cal. 1976) (declaring without reference to any particular statute that “[s]trong trademarks are protectible against acts of infringement arising out of the creation of a likelihood of confusion as to the source of origin of goods and/or services or dilution of their value”) (citing Tiffany & Co. v. Boston Club, Inc., 231 F. Supp. 836 (D.C. Mass., 1964) (applying the Massachusetts anti-dilution statute); Polaroid Corp. v. Polaroid, Inc. 319 F. 2d 830 (7th Cir., 1963) (applying the Illinois anti-dilution statute); Dawn v. Sterling Drug, Inc., 319 F. Supp. 358 (C.D. Cal. 1970) (applying the California anti-dilution statute). California did have a Type-I anti-dilution statute at the time. See Down, 319 F. Supp. at 363 (noting that Cal. Bus. & Prof. Code § 14330 was enacted in 1967). At any rate, the court in Manns
the similarity of many state dilution statutes, pre-TDRA tarnishment case law was inconsistent, and very few cases were decided on tarnishment alone.

Before the FTDA was enacted, only a few cases granted injunctions based solely on state anti-dilution statutes; by one commentator’s count, there were only 16 such cases by the end of 1996.72 Of those 16 cases, only five cases granted relief on tarnishment grounds.73 Other cases stated that the plaintiff had proven tarnishment; however, those parts of the opinions were often dicta or were alternative holdings, with the cases rising or falling only on whether there was a likelihood of confusion.74

Theaters did not seem at all concerned about any statutory text, in California or elsewhere, citing to none and discussing none. See Manns Theatres, 195 U.S.P.Q. at 162.

73. These cases are: Deere & Co. v. MTD Prods., Inc., 41 F.3d 39, (2d Cir. 1994) (enjoining competitor’s commercial which used altered version of John Deere logo under New York’s Type-I anti-dilution statute using what the Second Circuit would later describe as a broad view of tarnishment); Eastman Kodak Co. v. Rakow, 739 F. Supp. 116, 118-120 (W.D.N.Y. 1989) (enjoining comedian’s use of the name “Kodak” in connection with his “comedy act [which] includes humor that relates to bodily functions and sex, and that uses crude, off-color language repeatedly” based on tarnishment and blurring under the New York Type-I anti-dilution statute); Am. Express Co. v. Vibra Approved Labs. Corp., 10 U.S.P.Q.2d 2006, 2014 (S.D.N.Y. 1989) (enjoining defendant’s “condom cards,” sold in sex shops, which parodied the American Express card design and “Don’t Leave Home Without It” slogan under the New York Type-I anti-dilution statute because, inter alia, “American Express has a legitimate concern that its own products’ reputation may be tarnished by the defendant’s conduct”); Coca-Cola Co. v. Alma-Leo U.S.A., Inc., 719 F. Supp. 725, 728-29 (N.D. Ill. 1989) (granting plaintiff a preliminary injunction based on tarnishment under the Illinois Type-I anti-dilution statute against defendant’s “bubble gum product” that came “in the form of a white powder,” which the court likened to cocaine and was “sold in a plastic container resembling Coca-Cola bottle”); Pillsbury Co. v. Milky Way Prods., Inc., 215 U.S.P.Q. 124, 135 (N.D. Ga. 1981) (enjoining “a picture of figures resembling plaintiff’s trade character ‘Poppin’ Fresh’ and ‘Poppie Fresh’ engaged in sexual intercourse and fellatio” based on tarnishment under Georgia’s Type-I anti-dilution statute).
74. See, e.g., Dallas Cowboys Cheerleaders, Inc. v. Pussycat Cinema, Ltd., 604 F.2d 200, 205 (2d Cir. 1979) (affirming grant of preliminary injunction based on trademark infringement and tarnishment under New York’s Type-I anti-dilution law against advertising and showing the X-rated film Debbie Does Dallas); Coca-Cola Co. v. Gemini Rising, Inc., 346 F. Supp. 1183, 1193 (E.D.N.Y. 1972) (granting a preliminary injunction based on trademark infringement and tarnishment under New York’s Type-I anti-dilution law against the manufacturer of “a poster which consist[ed] of an exact blown-up reproduction of plaintiff’s familiar ‘Coca-Cola’ trademark and distinctive format except for the substitution of the script letters ‘ine’ for ‘-Cola,’ so that the poster read[] ‘Enjoy Cocaine’”).
A. The Tarnishment Cause of Action, Pre-TDRA

1. Type-I Statutes

When applying Type-I statutes, courts generally used a two-part test for tarnishment. “First, plaintiff’s mark must possess a distinctive quality capable of dilution. Second, plaintiff must show a likelihood of dilution.” The second element, a “likelihood of dilution,” was interpreted by most courts to include both blurring and tarnishment. In interpreting the New York anti-dilution statute, the Second Circuit explained,

“Tarnishment” generally arises when the plaintiff’s trademark is linked to products of shoddy quality, or is portrayed in an unwholesome or unsavory context likely to evoke unflattering thoughts about the owner’s product. In such situations, the trademark’s reputation and commercial value might be diminished because the public will associate the lack of quality or lack of prestige in the defendant’s goods with the plaintiff’s unrelated goods, or because the defendant’s use reduces the trademark’s reputation and standing in the eyes of consumers as a wholesome identifier of the owner’s products or services.

Under these Type-I statutes, courts enjoined defendants who associated famous marks with, for example, sexual imagery or products, illegal drugs, and crude humor. Other courts cited


77. Deere & Co., 41 F.3d at 43 (citations omitted).


79. See Alma-Leo U.S.A., Inc., 719 F. Supp. at 728-29 (granting plaintiff a preliminary injunction based on tarnishment under the Illinois anti-dilution statute against defendant’s
tarnishment as one ground—or as an alternative ground—to enjoin the association of famous marks with things such as pornography and drugs. In summary, “[t]he sine qua non of tarnishment is a finding that plaintiff’s mark will suffer negative associations through defendant’s use.”

For example, American Express won a preliminary injunction under the New York dilution statute against a defendant who sold “condom cards” designed to look like the famous credit card, and which bore the slogan, NEVER LEAVE HOME WITHOUT IT, which was a clear reference to American Express’s slogan, DON’T LEAVE HOME WITHOUT IT. The court found that American Express had not “demonstrated a likelihood of confusion as to the source or sponsorship of defendant’s condom cards” and therefore it was not likely to prevail on its trademark infringement claim. On the other hand, the court decided that American Express was likely to prevail on its New York state dilution claim. The court concluded that “American Express has a legitimate concern that its own products’ reputation may be tarnished by defendants’ conduct” and it was therefore entitled to a preliminary injunction.

However, as the Second Circuit would later observe, “[t]arnishment is not limited to seamy conduct.” Courts applying

“bubble gum product” that came “in the form of a white powder” which the court likened to cocaine and was “sold in a plastic container resembling Coca-Cola bottle”).

80. See Eastman Kodak Co., 739 F. Supp. at 118-20 (enjoining comedian’s use of the name “Kodak” in connection with his “comedy act [which] includes humor that relates to bodily functions and sex, and that uses crude, off-color language repeatedly” based on tarnishment and blurring under the New York anti-dilution statute).

81. Dallas Cowboys Cheerleaders, Inc. v. Pussy Cat Cinema, Ltd., 604 F.2d 200, 205 (2d Cir. 1979) (affirming grant of preliminary injunction based on trademark infringement and tarnishment under New York’s anti-dilution law against advertising and showing the X-rated film, Debbie Does Dallas).

82. Coca-Cola Co. v. Gemini Rising, Inc., 346 F. Supp. 1183, 1193 (E.D.N.Y. 1972) (granting a preliminary injunction based on trademark infringement and tarnishment under New York’s anti-dilution law against the manufacturer of “a poster which consist[ed] of an exact blown-up reproduction of plaintiff’s familiar ‘Coca-Cola’ trademark and distinctive format except for the substitution of the script letters ‘ine’ for ‘.Cola,’ so that the poster read[] ‘Enjoy Cocaine’”).


85. Id. at 2012.

86. Id. at 2013.

87. Id. at 2014.

88. Hormel Foods Corp., 73 F.3d at 507 (citing Chemical Corp. v. Anheuser-Busch, Inc., 306 F.2d 433, 438 (5th Cir. 1962) (affirming grant of permanent injunction against the use of the slogan “Where there’s life . . . there’s bugs” in connection with the “sale of a combined
Type-I statutes used tarnishment as a basis—or as an alternative basis—to enjoin associations made between famous marks and “inexpensive, mass-produced products;” 89 “rude, violent and frequently noxious settings;” 90 and even marks for pet food that parodied a famous mark used to sell “premium quality food products . . . intended for human consumption.” 91 One court hinted—although it did not consider or decide—that tarnishment might be found where a defendant’s use of a famous mark links the senior user’s mark to a contentious political issue where the senior user “has developed [the] mark to suggest ‘carefree, comedic, non-political fun.’” 92 However, courts would not accept claims of tarnishment simply because a defendant’s use “might be considered to be in poor taste by some consumers” 93 or because the floor wax and insecticide,” based on trademark infringement and Florida common law unfair competition); Steinway & Sons v. Robert Demars & Friends, 210 U.S.P.Q. 954 (C.D. Cal. 1981) (granting preliminary injunction against sale of STEIN-WAY beer holders based on trademark infringement and California’s [Type-I] antidilution statute)).

89. *Steinway & Sons*, 210 U.S.P.Q. at 961, 964 (STEIN-WAY mark for beverage holder was likely to dilute the STEINWAY mark in violation of Cal. Bus. & Prof. Code, 14330, blurring it and tarnishing it because the use could cause the public “identify STEINWAY with a product incompatible with the quality and prestige attached by the public to plaintiff’s mark”).

90. *See Original Appalachian Artworks, Inc. v. Topps Chewing Gum, Inc.*, 642 F. Supp. 1031, 1040 (N.D. Ga. 1986) (Garbage Pail Kids, “dolls with features similar to Cabbage Patch Kids dolls in rude, violent and frequently noxious settings” were likely to tarnish plaintiff’s mark under Georgia’s anti-dilution statute, Ga. Code Ann. § 10-1-451(b) (1955)). But by the time the court ruled on the dilution claim, it had already determined that the Garbage Pail Kids infringed the plaintiff’s copyrights and trademarks, entitling the plaintiff to a preliminary injunction, so the dilution holding could be seen as dicta. *See id.* at 1036, 1039. 91. *Grey v. Campbell Soup Co.*, 650 F. Supp. 1166, 1175 (C.D. Cal. 1986) (concluding that the use of DOGIVA and CATIVA marks for pet snacks tarnished the GODIVA mark under the California statute, and holding that the marks were “likely to cause confusion and/or dilute” the GODIVA mark by blurring and/or tarnishment). 92. *See MGM-Pathe Communications Co. v. Pink Panther Patrol*, 774 F. Supp. 869, 871-73 (S.D.N.Y. 1991) (MGM, owner of the “Pink Panther” (service) mark, wanted to enjoin a “gay rights activist organization” from calling themselves the “Pink Panther Patrol.” The court did not reach MGM’s dilution claim under N.Y. Gen. Bus. Law § 368-d (McKinney 1997), but in discussing likelihood of confusion, it noted that “MGM contends [the Pink Panther’s] image will irrevocably be undermined and altered by its association with a decidedly serious community political organization engaged in combatting bias and fighting violence.”). 93. *See Jordache Enters., Inc. v. Hogg Wyld, Ltd.*, 828 F.2d 1482, 1490 (10th Cir. 1987) (plus-size jeans mark LARDASHE did not tarnish famous fashion mark JORDACHE under New Mexico’s Type-I dilution statute [N.M. Stat. Ann. § 57-3-10 (West 1987)] even though LARDASHE “might be considered to be in poor taste by some consumers” because the mark was “not likely to create in the mind of consumers a particularly unwholesome, unsavory, or degrading association with plaintiff’s name and marks”).
mark owner did not like the association. Many courts agreed with
the basic proposition, “Where the association is essentially a
harmless, clean pun, which merely parodies or pokes fun at the
plaintiff's mark, tarnishment is not likely.” Although courts
seemed to generally agree that a “mark can be tarnished if it is
used in an unwholesome context,” exactly “what suffices as an
unwholesome context is not immediately evident” from the case
law.

2. Type-II Statutes

Courts applying Type-II statutes, including the FTDA, have
used a variety of tests. Some courts, in applying Type-II statutes,
have employed tests that were similar to those used under Type-I
statutes. For example, in one early FTDA case, the court stated, “A
dilution claim is made out by showing: (1) the ownership of a
distinctive mark; and (2) a likelihood of dilution.” Another
variation of the test, which recognized the FTDA's fame
requirement, provided that “to prevail under this section, [the
plaintiff] must demonstrate (1) ownership of a famous mark and
(2) dilution.” Over time, courts added more elements, hewing
more closely to the statutory text. For example, the Second
Circuit’s test for FTDA dilution required the plaintiff to

94. See, e.g., Tommy Hilfiger Licensing, Inc. v. Nature Labs, LLC, 221 F. Supp. 2d 410,
422-23 (S.D.N.Y. 2002) (finding no tarnishment under the FTDA or New York’s Type-I
dilution statute [N.Y. Gen. Bus. Law § 360-1 (McKinney 1997)] because Tommy Hilfiger had
“not put forth any evidence” supporting a conclusion that its mark would suffer negative
associations due to defendant’s pet perfume, “Tommy Holedigger” and noting that there was
“nothing to suggest that a designer label has anything to lose from mere association with
pets”).

95. Jordache Enters., Inc. v. Hogg Wyld, Ltd., 625 F. Supp. 48, 57 (D.N.M. 1985), aff’d,
828 F.2d 1482 (10th Cir. 1987) (under N.M. Stat. Ann. § 57-3B-10 (1987)); see also Hormel
Foods Corp., 73 F.3d at 507 (deciding there was no tarnishment because, inter alia, “a
simple humorous reference to the fact that SPAM is made from pork is unlikely to tarnish
Hormel’s mark”) (under N.Y. Gen. Bus. Law § 368-d (McKinney 1984)); Tommy Hilfiger
Licensing, Inc., 221 F. Supp. 2d at 423 (finding that tarnishment was not likely because
manufacturer of dog perfumes with names parodying famous designer perfumes were only
“a light-hearted if somewhat heavy-handed parody”) (under N.Y. Gen. Bus. Law § 360-1
(McKinney 1997)).

96. Jordache Enters., Inc., 828 F.2d at 1490 (citing cases decided under Type-I statutes
with a variety of seemingly contradictory results).

Foods Corp., 73 F.3d at 506).

Labs., Inc. v. DEP Corp., 945 F. Supp. 547, 561 (S.D.N.Y. 1996)); accord Anheuser-Busch
itself, then codified at 15 U.S.C. § 1125(c)).

99. See id.
“demonstrate [that] (1) the senior mark must be famous; (2) it must be distinctive; (3) the junior use must be a commercial use in commerce; (4) it must begin after the senior mark has become famous; and (5) it must cause dilution of the distinctive quality of the senior mark.”100

Type-II statutes did not specifically mention “injury to business reputation” or “tarnishment,”101 but many courts still recognized tarnishment as one way that a junior use could “cause dilution.”102 To support the proposition that “dilution” under a Type-II statute could occur through blurring or tarnishment, courts often cited older cases that interpreted Type-I statutes, without any discussion or seeming awareness of the differences in the statutory text.103 Other courts that concluded that the FTDA included a claim for tarnishment relied upon for support the legislative history of the FTDA, which discusses both types of dilution.104 Other courts, most notably the U.S. Supreme Court,


103. See, e.g., Mattel, 55 U.S.P.Q.2d at 1626–27. Here, the court cited the Second Circuit’s opinion in Deere & Co. v. MTD Prods., Inc. for many of its statements about tarnishment, but never noted that the court in Deere was interpreting the New York anti-dilution statute (a Type-I statute). See id. (quoting Deere & Co. v. MTD Prods., Inc., 41 F.3d 39, 43 (2d Cir. 1999). Likewise, in Mattel Inc. v. Jcom Inc., the court stated that “[d]ilution of a famous trademark can occur in at least two ways. First, the mark can be blurred by use on non-competitive goods or services, where there is no likelihood of confusion. Second, the mark can be tarnished by association with unwholesome goods or services.” 48 U.S.P.Q.2d 1467, 1470 (S.D.N.Y. 1998). For this proposition, the court cited another pre-FTDA case decided under the Type-I New York dilution statute. See id. (citing Hormel Foods Corp. v. Jim Henson Prods., Inc., 73 F.3d 497 (2d Cir. 1996) (considering the application of N.Y. Gen. Bus. Law § 368-d (McKinney 1984))).

looked at the statutory text with more scrutiny, and questioned whether tarnishment was even covered by the FTDA.105

In cases that did recognize a cause of action for tarnishment under the FTDA, and other Type-II statutes, the cause of action was usually described along the following general lines:

Tarnishment can be shown when Plaintiff’s mark is used in connection with shoddy goods and services, or an association with obscenity, unwholesome wares, or sexual or illegal activity. A famous trademark can also suffer dilution that results from an unauthorized use which degrades, tarnishes, or dilutes the mark’s distinctive quality.106

Under these Type-II statutes, courts enjoined defendants who associated famous marks with “an adult entertainment establishment,”107 pornographic websites,108 the sale of other “sexual devices and clothing”109 and crude parodies.110 One court

105. See Moseley v. V Secret Catalogue, 537 U.S. 418, 432 (2003). Because the language in many state statutes is similar to that of the FTDA, it could be argued that tarnishment is not actionable under those state statutes as well. See Welkowitz, supra note 62, at 694.


108. See Mattel, 55 U.S.P.Q.2d at 1627 (granting Mattel a permanent injunction against the operation of a pornographic website styled as “Barbie’s Playpen,” based on the Anti-Cybersquatting Consumer Protection Act and under the FTDA, stating that “the defendant’s website will create negative associations with BARBIE’); Mattel Inc. v. Jcom Inc., 48 U.S.P.Q.2d 1467, 1471 (S.D.N.Y. 1998) (granting permanent injunction and awarding damages based on defendant’s use of the term “Barbie’s Playhouse” on its adult website, based on tarnishment under the FTDA); see also Hasbro, Inc. v. Internet Ent’mt Group, Ltd., 40 U.S.P.Q.2d 1479, 1480 (W.D. Wash. 1996) (granting temporary restraining order based on the FTDA and the Washington Type-II anti-dilution statute [Wash. Rev. Code § 19.77.160 (1989)], without any discussion of the standards or the statutes, against defendant who had “been diluting the value of Hasbro’s CANDY LAND mark by using the name CANDYLAND to identify a sexually explicit Internet site, and by using the name string ‘candyland.com’ as an Internet domain name”).

109. See Toys “R” Us, 40 U.S.P.Q.2d at 1996 WL 772709. The court granted Toys “R” Us a preliminary injunction based on its FTDA claim against defendants who operated “an Internet site and shopping service featuring a variety of sexual devices and clothing under the name “adultsus.” See id. at *4. The court first found that the Toys “R” Us family of marks was famous, under the FTDA, then stated that “‘Adults R Us’ tarnishes the ‘R Us’ family of marks by associating them with a line of sexual products that are inconsistent with the image Toy “R” Us has striven to maintain for itself.” Id. at *3. Therefore, the court
even awarded damages based on tarnishment by spam emails that had been designed to look like they had been sent by the plaintiff. 111

For example, in Polo Ralph Lauren L.P. v. Schuman, the court found that the “Defendant’s use of the name THE POLO CLUB and/or ‘Polo Executive Retreat’ to promote an adult entertainment business” tarnished the POLO mark and “if permitted in the future, will cause Plaintiff’s mark to continue to suffer negative associations.” 112

However, the mere fact that a plaintiff disliked a particular association did not mean a court would find tarnishment. 113 For example, a court refused to find tarnishment based on a skit that made fun of the famous Barney dinosaur character. 114 The skit featured a Barney look-alike engaging in a dance contest, and fighting with sports mascot-type figure. 115 The court stated that there was no tarnishment because the “skit does not link Barney to products of shoddy quality or portray him in an unwholesome or unsavory context” and because the defendants did “not seek to ridicule Barney to sell more of their own competitive products,” finding instead that “the parody is of the product itself.” 116 The court remarked, “What makes the act funny is that Barney is such a wholesome, good character and the putative Barney acts like an evil alter ego.” 117


111. See Am. Online, Inc. v. IMS, 24 F. Supp. 2d 548, 551-52 (E.D. Va. 1998). The court ruled that AOL was entitled to damages under the FTDA from a defendant who sent millions of spam emails to AOL’s subscribers that included the term “aol.com” in the email headings. See id.


113. See, e.g., Clark v. Am. Online Inc., No. CV-98-5650 CAS (CWX), 2000 WL 33535712, at *6 (C.D. Cal. Nov. 30, 2000) (rejecting plaintiff’s FTDA claim because plaintiff had not shown that an association of Dick Clark’s name with AOL and/or the AARP was an “unwholesome, unsavory or degrading” association and because associating Dick Clark with other 1950s icons could not be tarnishing because “Dick Clark is himself an icon from the 1950s”).


115. See id. at 950-51.

116. Id. at 954.

117. See id.
B. Use of the Plaintiff’s Mark Required

In the past, the use inquiry for tarnishment was focused on the defendant’s use of the plaintiff’s mark—that is, the plaintiff’s famous mark. In other words, there was no general requirement that the defendant make a trademark use of the mark; the defendant simply had to use the plaintiff’s mark in some improper manner.

Type-I statutes generally did not discuss “use” at all, but instead provided relief against “injury to business reputation.” Under this type of statute, courts enjoined a number of non-trademark uses based on—or alternatively based on—tarnishment, but some courts—explicitly or implicitly—required a trademark use.

Type-II statutes provided a cause of action when a defendant improperly used “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.” Only one “mark” is discussed—the famous mark—as evidenced by the repeated use of “the.” Therefore, it is clear that the statute covers improper uses of the plaintiff’s mark but imposes no requirement that the defendant make a trademark use of “the mark.” This language does not exclude trademark uses from liability, but it does not require them, either. Some courts applying the FTDA did add a trademark use requirement, but that requirement is clearly not mandated by the statutory language. Indeed, courts finding a trademark use requirement under the FTDA usually based their conclusion on the “commercial use” language in the FTDA, not the phrase “mark or trade name.”

120. See, e.g., Hormel Foods Corp. v. Jim Henson Prods., Inc., 73 F.3d 497, 506 (2d Cir. 1996) (Muppet character “Spa’am” did not tarnish the SPAM mark because, “Henson is not using the name ‘Spa’am’ as a product brand name”) (interpreting N.Y. Gen. Bus. Law § 368-d (McKinney 1984), a Type-I statute).
122. See id.
123. A leading treatise argues that the words “a mark or trade name” in the FTDA does create a trademark use requirement. See 4 McCarthy, supra note 26, §§ 23:11.50, 24:122. While that argument has considerable merit based on the theory of dilution and based on the phrase on its own, it ignores the context in which the phrase is used.
124. The Ninth Circuit read a trademark use-like requirement into the FTDA’s “commercial use” requirement, though. See Mattel, Inc. v. MCA Records, Inc., 296 F.3d 894 (9th Cir. 2002) (“Although [the FTDA’s ‘commercial use’] statutory language is ungainly, its
The Second Circuit noted that the question of whether trademark use was required under both a Type-I statute and the FTDA "seems a complicated question." So, pre-TDRA:

Tarnishment can be shown when Plaintiff's mark is used in connection with shoddy goods and services, or an association with obscenity, unwholesome wares, or sexual or illegal activity. A famous trademark can also suffer dilution that results from an unauthorized use which degrades, tarnishes, or dilutes the mark's distinctive quality.

C. Similarity Requirement

Neither Type-I nor Type-II dilution statutes explicitly contained a similarity requirement. However, courts generally required that the defendant use "the same or similar marks in a way that creates an undesirable, unwholesome, or unsavory mental association with the plaintiff's mark." In some cases, courts required that the marks be identical; one court observed, 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.

125. Nabisco, Inc. v. PF Brands, Inc., 191 F.3d 208, 223 (2d Cir. 1999) ("Nabisco also contends that the antidilution statutes [in this case, the FTDA and N.Y. Gen. Bus. Law § 360-l (McKinney 1997), a Type-I statute] require that the junior use of a mark be a 'trademark use'—that is, a use for the designation of a sponsor or identification of a product—and that its use of the fish shape is neither. Whether the antidilution statute applies only to trademark uses by the junior user, as Nabisco contends, seems a complicated question. We need not resolve it, however, because we disagree with Nabisco's contention that its use of the goldfish cracker is a nontrademark use").

126. Polo Ralph Lauren L.P. v. Schuman, No. Civ.A. H97-1855, 1998 WL 110059, at *5 (S.D. Tex. 1998) (considering plaintiff's claims under the FTDA and the Texas Type-I anti-dilution statute) (emphasis added); see also Mattel Inc. v. Internet Dimensions Inc., 55 U.S.P.Q.2d 1620, 1627 (S.D.N.Y. 2000) (while applying the FTDA, stating that "a mark can be tarnished when its likeness is placed in the context of sexual activity, obscenity, or illegal activity") (emphasis added). Where the defendant did not use the plaintiff's mark, some courts refused to find tarnishment. See, e.g., Exxon Corp. v. Oxxford Clothes, Inc. 109 F.3d 1070, 1082 n.14 (5th Cir. 1997) (affirming dismissal of defendant's dilution counterclaim, based on tarnishment and blurring, under the Texas Type-I statute because, inter alia, there was "no claim here that Exxon makes any use of Oxxford's trademark"); Am. Family Life Ins. Co. v. Hagan, 266 F. Supp. 2d 682, 700 (N.D. Ohio 2002) (denying plaintiff's motion for preliminary injunction against political candidate's "TaftQuack" commercials; in rejecting plaintiff's dilution arguments under the FTDA and Ohio common law, the court distinguished past cases in which defendant had used plaintiff's mark and noted that "[i]n this case, Hagan is not using the name AFLAC, or the website www.aflac.com. or even the AFLAC Duck, to identify himself or his political views.")


“The cases finding a trademark had been tarnished even though there was no unwholesome context all involve the use of identical, or almost identical, trade names on different products.”

D. Parody and Pre-TDRA Tarnishment Cases

Cases including claims of tarnishment have often involved actual or purported parodies. Prior to the enactment of the TDRA, there was not a “parody defense” per se. Broadly speaking, the makers of parodies raised two related defenses: (1) their work was expressive speech protected by the First Amendment; and/or (2) their work was not a commercial use, and thus beyond the reach of dilution statutes.

Defendants making these types of arguments met with varying degrees of success and courts analyzed these claims very differently. Differences in analyses generally seemed to have little to do with the statutes themselves; therefore, the statutory language does not appear to have had much influence over the results.

On one end of the spectrum, some courts rejected First Amendment claims where the parody did not target the mark owner, i.e., where alternative avenues of communication existed. For example, in Dallas Cowboys Cheerleaders, Inc. v. Pussycat Cinema, Ltd., the Second Circuit affirmed a preliminary injunction against the distribution, showing and advertising of the film, Debbie Does Dallas. The film was, according to the Second Circuit, “a gross and revolting sex film whose plot, to the extent that there is one, involves a cheerleader at a fictional high school, Debbie, who has been selected to become a “Texas Cowgirl,”” so in the movie, Debbie wore “a uniform strikingly similar to that worn by the Dallas Cowboys Cheerleaders.” Dallas Cowboys Cheerleaders, Inc. sued the filmmakers, alleging violation of


131. One exception might be the FTDA’s “noncommercial use” exemption, discussed below in Part IV.B.2.


133. Id. at 202-03. Advertising for the film also made reference to the Dallas Cowboys Cheerleaders. See id. at 203.
Section 43(a) of the Lanham Act and tarnishment under New York’s dilution statute.\textsuperscript{134} The Second Circuit first affirmed that the Cowboys Cheerleaders uniform was protectible as a trademark and that the plaintiff was entitled to an injunction under Section 43(a) because there was a likelihood of confusion as to sponsorship or approval of the film by the Dallas Cowboys Cheerleaders.\textsuperscript{135} The court also stated, without discussion, “Even if plaintiff had not established a likelihood of confusion, it would be entitled to relief under New York General Business Law § 368-d.”\textsuperscript{136}

Both the district court and the Second Circuit decided that \textit{Debbie Does Dallas} did not qualify as a parody because, in the district court’s words, “The purpose of the movie has nothing to do with humor; it has nothing to do with a commentary, either by ridicule or otherwise, upon the Dallas Cowboys Cheerleaders.”\textsuperscript{137} The Second Circuit also rejected the defendants’ First Amendment defense, stating, “That defendants’ movie may convey a barely discernible message does not entitle them to appropriate plaintiff’s trademark in the process of conveying that message.”\textsuperscript{138} The court stated, “Plaintiff’s trademark is in the nature of a property right, and as such it need not yield to the exercise of First Amendment rights under circumstances where adequate alternative avenues of communication exist.”\textsuperscript{139} The court concluded, “Because there are numerous ways in which defendants may comment on ‘sexuality in athletics’ without infringing plaintiff’s trademark, the district court did not encroach upon their [F]irst [A]mendment rights in granting a preliminary injunction.”\textsuperscript{140}

Other courts also enjoined purported parodies based, in whole or in part, on tarnishment where the defendant did not target the mark holder, or where the use of the plaintiff’s mark was not necessary to the alleged message of the parody.\textsuperscript{141} Where the

\textsuperscript{135}. See \textit{Dallas Cowboys Cheerleaders}, 604 F.2d at 204-05.
\textsuperscript{136}. \textit{Id}. at 205 n.8. The statute was a Type-I statute.
\textsuperscript{137}. \textit{Dallas Cowboys Cheerleaders}, 467 F. Supp. at 376. The Second Circuit agreed that the “defendants’ use of plaintiff’s uniform hardly qualifies as parody or any other form of fair use.” \textit{Dallas Cowboys Cheerleaders}, 604 F.2d at 206.
\textsuperscript{138}. \textit{Dallas Cowboys Cheerleaders}, 604 F.2d at 206.
\textsuperscript{139}. \textit{Id}. (internal citations and quotation marks omitted).
\textsuperscript{140}. \textit{Id}.
\textsuperscript{141}. See, e.g., Anheuser-Busch, Inc. v. Balducci Publ’ns, 28 F.3d 769, 779 (8th Cir. 1994) (ruling that plaintiff was entitled to injunction against “Michelob Oily” mock advertisement because it was likely to cause dilution and tarnishment under Missouri’s Type-I dilution statute, Mo. Rev. Stat. § 417.061 (1973)). The Eighth Circuit rejected the defendant’s argument “that the application of the anti-dilution statute to enjoin the ad parody’s
parodies did target the mark holder, so that there were no alternate avenues of communications, courts often refused injunctions. At least one court suggested that where the mark owner was not targeted, there could be no parody, but this preference for parodies that target the mark holder was not universal; at least one case described parody as a type of dilution—making parody not a defense, but the offense. At the other end of the spectrum, some courts simply refused to apply dilution statutes to any expression that was not purely commercial speech. For example, the First Circuit reversed an injunction against a “prurient parody of [L.L.] Bean’s famous catalog” in *L.L. Bean, Inc. v. Drake Publishers, Inc.* The “adult erotic entertainment” magazine *High Society* had published an article that “displayed a facsimile of Bean’s trademark and featured pictures of nude models in sexually explicit positions using ‘products’ that were described in a crudely humorous fashion.” L.L. Bean sued, alleging, among other things, trademark tarnishment under Maine law, and it won an injunction from the trial court. The First Circuit limited its review to “whether enjoining the publication of appellant’s parody violates the [F]irst [A]mendment guarantees of freedom of expression” and it reversed the trial court. The First Circuit’s opinion was based

publication would violate the First Amendment” because “the First Amendment prevents any construction of an anti-dilution statute that would enjoin perceived tarnishment in a non-commercial context.” See id. at 778. The court based this decision, in part on the fact that “Balducci’s parody . . . suggested that Anheuser-Busch products were contaminated with oil. This unsupported attack was not even remotely necessary to Balducci’s goals of commenting on the Gasconade oil spill and water pollution generally.” Id.

142. See, e.g., World Wrestling Fed’n Entm’t Inc. v. Big Dog Holdings, Inc., 280 F. Supp. 2d 413, 418 (W.D. Pa. 2003); see also Mattel, Inc. v. Walking Mountain Prods., 353 F.3d 792, 812 (9th Cir. 2003) (“Mattel cannot use trademark laws to censor all parodies or satires which use its name or dress”) (internal quotation marks omitted).

143. See Am. Family Life Ins. Co. v. Hagan, 266 F. Supp. 2d 682, 688 (N.D. Ohio 2002) (stating in dicta that political candidate’s “TaftQuack” commercials were not parodies because “the TaftQuack commercials make absolutely no mention of AFLAC, its business practices, or the insurance products that it sells”).


146. Id.


148. Id. at 34.
in part on the fact that the magazine publisher “ha[d] not used Bean’s mark to identify or market goods or services; it ha[d] used the mark solely to identify Bean as the object of its parody.” The court emphasized that “denying parodists the opportunity to poke fun at symbols and names which have become woven into the fabric of our daily life, would constitute a serious curtailment of a protected form of expression.”

When the FTDA was enacted, these sorts of noncommercial speech arguments were made and analyzed under the “noncommercial use” exemption. For example, in Mattel, Inc. v. MCA Records, Inc., the Ninth Circuit interpreted the “noncommercial use” exemption in the FTDA to mean “a use that consists entirely of noncommercial, or fully constitutionally protected, speech.” If speech is not ‘purely commercial’—that is, if it does more than propose a commercial transaction—then it is entitled to full First Amendment protection.” Following Mattel, one district court denied a motion for preliminary injunction based on tarnishment filed by the owner of the STAR WARS films against an animated pornographic film called Starballz. The court held, “Starballz tarnished the Star Wars family of marks by associating them with a pornographic film that is inconsistent with the image Star Wars has striven to maintain for itself.” Then, however, without discussing or deciding the matter, the court just presumed that Starballz was a parody. Citing Mattel and the noncommercial use exemption, the court then stated, “Parody is a form of non-commercial, protected speech which is not affected by the Federal Trademark Dilution Act.” Without further discussion, the court concluded, “Plaintiffs have therefore failed to establish a likelihood that they will prevail on the merits of their trademark dilution cause of action.”

In between these two analytical extremes, courts have reached a variety of different results on tarnishment cases involving purported parodies, using a variety of different analyses. Some

149. Id. at 33.
150. Id. at 34.
151. Mattel, Inc. v. MCA Records, Inc., 296 F.3d 894, 904 (9th Cir. 2002) (citing 2 Jerome Gilson et al., Trademark Protection and Practice § 5.12[1][c][vi], at 5-240).
152. Id. at 906 (citing Hoffman v. Capital Cities/ABC, Inc., 255 F.3d 1180, 1185-86 (9th Cir. 2001).
154. Id. at 900.
155. See id.
156. Id. (citing Mattel, 296 F.3d at 894).
157. See id. at 901.
courts focused on the defendant’s purpose, rejecting free speech claims where they found that the defendant’s primary purpose was not expressive.\textsuperscript{158} Some courts engaged in balancing tests, weighing “the public’s interest in free expression and its interest in avoiding consumer confusion and trademark dilution.”\textsuperscript{159} Some courts distinguished between parodies for parody’s sake and parodies done to “sell more of [defendant’s] competitive products,” with the latter fact weighing in favor of an injunction.\textsuperscript{160} Even where the defendant competed with the plaintiff, some courts would not find tarnishment if the defendant merely made a “clean, harmless pun.”\textsuperscript{161} Other courts seemed to simply brush aside defendants’ claims of parody when they found the association adequately offensive. For example, in the American Express “condom card” case, the defendant conceded that it had imitated the American Express card and slogan, but “argu[ed] that the

\textsuperscript{158} See, e.g., Kraft Foods Holdings, Inc. v. Helm, 205 F. Supp. 2d 942, 955 (N.D. Ill. 2002) (rejecting defendant’s parody and First Amendment arguments where defendant admitted his “King VelVeeda” trade name was not a parody and the websites on which he used it were “not about free speech”) (considering tarnishment claims under 765 ILCS 1036/65) (1998); Original Appalachian Artworks, Inc. v. Topps Chewing Gum, Inc., 642 F. Supp. 1031, 1034 (N.D. Ga. 1986) (rejecting defendant’s parody defense to the copyright claim because the court found that “the primary purpose behind defendant’s parody is not an effort to make a social comment but is an attempt to make money”). The court in \textit{Original Appalachian Artworks} did not discuss parody in the context of either trademark infringement or the plaintiff’s claim under Georgia’s Type-I statute, Ga. Code Ann. § 10-1-451(b) (1955), presumably because it had already decided that defense did not apply. See \textit{Original Appalachian Artworks}, 642 F. Supp. at 1036-1040.

\textsuperscript{159} See, e.g., Am. Dairy Queen Corp. v. New Line Prods., Inc., 35 F. Supp. 2d 727, 734-35 (D. Minn. 1998) (granting a preliminary injunction against defendant’s use of the title “Dairy Queens” for a mockumentary “satirizing beauty contests in rural Minnesota” based on likelihood of confusion and tarnishment under the FTDA).

\textsuperscript{160} Compare Deere & Co. v. MTD Prods., Inc., 41 F.3d 39, 44 (2d Cir. 1994) (“Satirists, selling no product other than the publication that contains their expression, may wish to parody a mark to make a point of social commentary, or perhaps both to comment and entertain. Such uses risk some dilution of the identifying or selling power of the mark, but that risk is generally tolerated in the interest of maintaining broad opportunities for expression. . . . The potentially diluting effect is even less deserving of protection when the object of the joke is the mark of a directly competing product.”) (internal citations omitted) with Hormel Foods Corp. v. Jim Henson Prods., 73 F.3d 497, 507-08 (2d Cir. 1996) (“unlike Deere, Henson’s merchandise will not be in direct competition with that of Hormel . . . Henson does not seek to ridicule SPAM in order to sell more of its competitive products; rather, the parody is part of the product itself”). Both cases were interpreting and applying N.Y. Gen. Bus. Law § 368-d (McKinney 1984), a Type-I statute. See \textit{Deere & Co.}, 41 F.3d at 40; \textit{Hormel Foods}, 73 F.3d at 500.

\textsuperscript{161} Jordache Enters., Inc. v. Hogg Wyld, Ltd., 625 F. Supp. 48, 57 (D.N.M.1985), \textit{aff’d}, 828 F.2d 1482 (10th Cir.1987)) (decided under New Mexico’s Type-I statute, N.M. Stat. Ann. § 57-3-10 (1987)); \textit{see also} Kraft Foods Holdings, Inc. v. Helm, 205 F. Supp. 2d 942, 953 (N.D. Ill. 2002) (distinguishing \textit{Hormel} and \textit{Jordache}, in which injunctive relief was denied, because those cases “did not involve explicit sexual or illegal activities” but instead involved “harmless, obvious jokes parodying the original product”).
cards are a legitimate parody of plaintiff’s trademarks.” The court never really addressed this claim, but simply concluded that “defendants’ condom card cannot be shrugged off as a mere bawdy jest, unreachable by any legal theory” and it granted a preliminary injunction.

Due to all of these different approaches, it was difficult to predict how any given court would rule on tarnishment claims involving parodies. It is difficult to compare these parody cases directly because they were not all truly analogous in procedural posture or the arguments made. For example, in some cases involving arguable parodies, the courts did not reach the issue of whether or not the defendant’s work was a parody. Other cases were really decided based on a likelihood of confusion, not on dilution, with the court’s ruling on dilution added only briefly at the end. It is clear that there was no single “parody defense;” rather, actual and purported parodists made a number of different types of speech-related arguments that met with varying degrees of success.

IV. TDRA TARNISHMENT

The TDRA defines “dilution by tarnishment” as “association arising from the similarity between a mark or trade name and a famous mark that harms the reputation of the famous mark.” The TDRA provides:

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


163. Id. at 2013-14.


165. See, e.g., Dallas Cowboys Cheerleaders, Inc. v. Pussycat Cinema, Ltd., 604 F.2d 200, 205 n.8 (2d Cir.1979) (addressing plaintiff’s tarnishment claim under N.Y. Gen. Bus. L. § 368-d only in a footnote, as an alternate holding).

presence or absence of actual or likely confusion, of competition, or of actual economic injury.\textsuperscript{167}

Therefore, to succeed in a claim for dilution by tarnishment under the TDRA, the plaintiff must show:

1. The plaintiff's mark was eligible for TDRA protection before
2. the defendant made a trademark use of a mark or trade name,
3. which is substantially similar to the famous mark,
4. and as a result of such similarity, the junior use creates a mental association between the defendant's mark and the famous mark,
5. which is likely to harm the famous mark's reputation.
6. Except the following is not actionable under the TDRA:
   a) Any fair use;
   b) all forms of news reporting and news commentary; or
   c) any noncommercial use of a mark.\textsuperscript{168}

As with pre-TDRA tarnishment, the plaintiff need not prove actual or likely consumer confusion.\textsuperscript{169}

\textbf{A. Plaintiff's Mark Must Be Eligible for Dilution Protection}

To be protected under the TDRA, the plaintiff's mark must be “famous” and “distinctive.” The plaintiff's mark need not be registered.\textsuperscript{170}

1. The Plaintiff Must Have a \textit{Nationally Famous Mark}

Under the FTDA, circuits were split over how famous a mark had to be to earn dilution protection. Some courts held that the mark had to be famous throughout the United States to be protected, while others accepted a “niche fame” theory.\textsuperscript{171} The

\begin{thebibliography}{99}
\bibitem{167} Id. at § 1125(c)(1).
\bibitem{168} See id. at § 1125(c)(3). For claims of trade dress dilution, the TDRA adds that the plaintiff must prove non-functionality as well as fame apart from any registered marks that may be part of the trade dress. See id. at § 1125(c)(4).
\bibitem{169} Id. at § 1125(c)(1) (plaintiff may state a claim “regardless of the presence or absence of actual or likely confusion, of competition, or of actual economic injury”).
\bibitem{170} Registration is, however, a factor courts may consider in determining whether the plaintiff’s mark is famous. Id. at § 1125(c)(2)(A)(iv).
\bibitem{171} See Thane Int’l v. Trek Bicycle Corp., 305 F.3d 894, 908 (9th Cir. 2002) (citing Avery Dennison Corp. v. Sumpton, 189 F.3d 868, 877 (9th Cir. 1999)). Under the niche fame
TDRA resolved the split and stated that “a mark is famous if it is widely recognized by the general consuming public of the United States as a designation of source of the goods or services of the mark’s owner.”\textsuperscript{172} Under the TDRA, “the question is whether the mark is well-known throughout the country by the \textit{general} consuming public, regardless of the \textit{relevant} consuming public.”\textsuperscript{173}

Therefore, TDRA tarnishment is narrower than dilution under the FTDA—at least as the FTDA was interpreted by some courts—because now a federal claim for dilution by tarnishment cannot be made unless the mark is nationally famous. Furthermore, the plaintiff's mark must have attained this national fame before the defendant's use began.\textsuperscript{174} A number of cases have already denied relief under the TDRA because the plaintiff’s mark was not nationally famous. Some examples of marks that have been found to be insufficiently famous under the TDRA are: CHARLOTTE for clothing and accessories;\textsuperscript{175} JARRITOS for soft drinks;\textsuperscript{176} SUNSHINE IN A BOX for sunlamps;\textsuperscript{177} the University of Texas “longhorn logo;”\textsuperscript{178} and the trade dress of hand-made, “high-end ‘rustic’ light fixtures,” which were sold in an admittedly small

\textsuperscript{172} 15 U.S.C. § 1125(c)(2)(A). The TDRA also provides that “[i]n determining whether a mark possesses the requisite degree of recognition, the court may consider all relevant factors, including the following: (i) The duration, extent, and geographic reach of advertising and publicity of the mark, whether advertised or publicized by the owner or third parties. (ii) The amount, volume, and geographic extent of sales of goods or services offered under the mark. (iii) The extent of actual recognition of the mark. (iv) Whether the mark was registered under the Act of March 3, 1881, or the Act of February 20, 1905, or on the principal register.” \textit{Id.}


\textsuperscript{175} See GMA Accessories, Inc. v. Croscill, Inc., No. 06 Civ. 6236(GEL), 2008 WL 591803, at *10 (S.D.N.Y. Mar. 3, 2008) (slip opinion) (“To prevail on a dilution claim, a plaintiff must prove when its mark achieved fame.”).

\textsuperscript{176} See Jarritos, Inc. v. Los Jarritos, No. C 05-02380 JSW, 2007 WL 1302506, at *18 (N.D. Cal. May 2, 2007) (granting defendant’s motion for summary judgment on plaintiff’s federal dilution claim because plaintiff’s “Charlotte” mark for clothing and accessories was not sufficiently famous).

\textsuperscript{177} See Verilux, Inc. v. Hahn, No. 3:05cv254 (PCD), 2007 WL 2318819, at *12 (D. Conn. Aug. 10, 2007) (concluding that the marks were not famous under either the TDRA or the FTDA).

At least one court denied relief where the plaintiff failed to prove that the mark became famous before the defendant’s use began, the second part of the TDRA fame analysis.180 Courts have found the following marks to be sufficiently nationally famous under the TDRA: NIKE;181 PEPSI;182 eBay;183 the adidas “Three-Stripe Mark” for shoes;184 and Louis Vuitton’s “Monogram Multicolore Mark” for handbags (the design of the LV monogram logo in 33 colors on a white or black background).185 Courts have also assumed—without deciding—that the following marks are sufficiently nationally famous under the TDRA: DIANE VON FURSTENBERG for dresses,186 STARBUCKS for coffee,187 and VICTORIA’S SECRET for lingerie.188 Courts have held that there were genuine issues of material fact as to the national fame

179. Hammerton, Inc. v. Heisterman, No. 2:06-CV-00806 TS, 2008 WL 2004327, at *7 (D. Utah May 9, 2008) (granting summary judgment to defendants on plaintiff’s dilution by tarnishment claim based on lack of fame where “Plaintiff has offered no evidence to show that its trade dress [for high-end ‘rustic’ light fixtures] is widely recognized by the general public. Rather, Plaintiff admits that ‘the market for [its] light fixture products is quite small, given their unique styling, and the price of such high-end hand-crafted fixtures.’

180. See Blue v. Johnson, No. C 07-05370 SI, 2008 WL 2024995, at *6 (N.D. Cal. May 9, 2008) (granting plaintiff’s preliminary injunction based on trademark infringement but ruling that plaintiff, a “writer, lecturer, blogger, podcaster, editor, and newspaper columnist,” was unlikely to succeed on her TDRA claim for her trade name “Violet Blue” because “nothing in the record suggests that plaintiff’s trademark was ‘widely recognized by the general consuming public’ before defendant’s use began”) (quoting 15 U.S.C. § 1125(c)(2)(A)).


182. See Pepsico, Inc. v. # 1 Wholesale, LLC, No. 07-CV-367, 2007 WL 2142294, at *4 (N.D. Ga. July 20, 2007) (concluding, without discussion of the statute or its fame factors, that “[t]he Pepsico Marks [including PEPSI] are unquestionably famous as a result of their long use and PepsiCo’s extensive sale of products under those marks”).

183. See Perfumebay.com Inc. v. eBay, Inc., 506 F.3d 1165, 1180 n.7 (9th Cir. 2007) (noting that the lower court held that eBay was a famous mark and that the parties did not challenge that finding on appeal).

184. See adidas-Am., Inc. v. Payless Shoesource, Inc., 546 F. Supp. 2d 1029, 1063 (D. Or. 2008) (holding that the Three-Stripe Mark was “famous” under the TDRA and FTDA).


of marks, including: TEMPUR-PEDIC for mattresses, HOT WHEELS for toy cars, and ARGUS for financial publications and analyses.

These decisions seem to be, for the most part, in line with the TDRA’s “widely recognized by the general consuming public of the United States” definition of fame. However, not all courts are abiding by the new fame standard. In Pet Silk, Inc. v. Jackson, the district court held that the mark PET SILK, used for pet grooming products, was adequately famous under the TDRA even though there was only evidence of “market fame,” not national fame. The court quoted the new TDRA text, including the requirement that the plaintiff’s mark be famous among the “general consuming public of the United States.” The defendant did not contest the fame of the mark, so the issue was not really before the court, but the court stated nevertheless that “a review of the factors for a famous mark under § 1125(c)(1) demonstrates that the characterization is valid.” While purporting to follow the statutory text, the court blatantly ignored the national fame requirement. The court just stated, “Pet Silk® has name recognition in the pet supply and dog grooming market. And, the Fifth Circuit has held that market fame is sufficient.” The court failed to mention—or to notice—that the Fifth Circuit case it cited was decided under completely different statutory language. The court merely concluded that “the mark meets § 1125(c)(2)(A)’s

189. See Dan-Foam A/S v. Brand Named Beds, LLC, 500 F. Supp. 2d 296, 323-24 (S.D.N.Y. 2007) (denying defendant’s summary judgment motion on plaintiff’s TDRA claim because, inter alia, there was a genuine issue of material fact as to the TEMPUR-PEDIC mark).

190. See Jada Toys, Inc. v. Mattel, Inc., 518 F.3d 628, 635 (9th Cir. 2008) (reversing district court’s grant of summary judgment in favor of defendant on TDRA claim because, inter alia, “a reasonable trier of fact could conclude that the HOT WHEELS mark is famous”).


194. See id. at 830 n.8.

195. Id. at 830.

196. Id. (citing Advantage Rent-A-Car, Inc. v. Enterprise Rent-A-Car, Co., 238 F.3d 378, 380 (5th Cir. 2001)).

197. See Advantage Rent-A-Car, 238 F.3d at 380, 380 n.2 (holding that “market fame” was sufficient under the FDRA and the Arkansas and New Mexico dilution statutes, two other Type-II statutes with “identical” language, Ark. Code Ann. § 4-71-213 (1997) and N.M. Stat. Ann. § 57-3B-15 (1997)).
definition of famous.”\textsuperscript{198} Clearly, this conclusion is untenable under the TDRA, which requires national fame.\textsuperscript{199} This is one example of the danger of simply relying on old tarnishment case law when interpreting claims for dilution by tarnishment under the TDRA. Not only is this result clearly incorrect, but it perpetuates one of the specific inconsistencies the TDRA was designed to fix.

\textbf{2. Plaintiff’s Mark Must Be Distinctive}

A plaintiff’s mark must also be “distinctive, inherently or through acquired distinctiveness.”\textsuperscript{200} The U.S. Supreme Court has explained:

\begin{quote}
[A] mark can be distinctive in one of two ways. First, a mark is inherently distinctive if “[its] intrinsic nature serves to identify a particular source.” In the context of word marks, courts have applied the now-classic test originally formulated by Judge Friendly, in which word marks that are “arbitrary” (“Camel” cigarettes), “fanciful” (“Kodak” film), or “suggestive” (“Tide” laundry detergent) are held to be inherently distinctive. Second, a mark has acquired distinctiveness, even if it is not inherently distinctive, if it has developed secondary meaning, which occurs when, “in the minds of the public, the primary significance of a [mark] is to identify the source of the product rather than the product itself.”\textsuperscript{201}
\end{quote}

Under the FTDA, courts had disagreed about whether acquired distinctiveness was sufficient or if the plaintiff’s mark needed to be inherently distinctive.\textsuperscript{202} Under the TDRA, it is clear that either type of distinctiveness is sufficient.

\begin{footnotesize}
\textsuperscript{198} See Pet Silk, 481 F. Supp. 2d at 830.
\textsuperscript{200} Id.
\textsuperscript{202} Chicoine & Visintine, supra note 30, at 1157-58 (“some courts interpreting the FTDA of 1996 found that its distinctiveness requirement was met only upon a showing that the mark was inherently distinctive”) (citing Malletier v. Dooney & Bourke, Inc., 340 F. Supp. 2d 415, 435 (S.D.N.Y. 2004); Midwest Research Inst. v. S & B Promotions, Inc., 677 F. Supp. 1007 (W.D. Mo. 1988)).
\end{footnotesize}
B. Trademark Use Requirement

1. Defendant’s Mark or Trade Name

Whereas pre-TDRA tarnishment focused on a defendant’s wrongful use of the plaintiff’s mark, TDRA tarnishment focuses on the defendant’s use of the defendant’s own mark. In other words, the TDRA creates a cause of action against trademark uses only. The TDRA provides a cause of action “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 tarnishment of the famous mark.” It is thus clear that under the TDRA, only use as a mark or as a trade name is actionable. It is not enough that a defendant use the famous mark in a distasteful way. The junior user must use the famous mark—or something similar to it—to indicate the source of his or her own goods or services. That is, the junior user must use the mark in a distasteful trademark way. This is clear from the language of the statute.

One draft of the TDRA defined dilution by tarnishment as “association arising from the similarity between a designation of source and a famous mark that harms the reputation of the famous mark.” Under this language, a plaintiff would have had to prove “first, that the defendant is tarnishing the plaintiff’s mark by means of something that consumers perceive as a designation of source of the defendant’s goods.” As Professor Beebe explained, “[A] t-shirt or bumper sticker that states ‘Wal-Mart is Evil’ . . . though certainly tarnishing” would not be prohibited under the Act as then drafted. Professor Beebe argued that this “designation of source” language would also have dramatically changed the results in several “canonical cases in anti-tarnishment law.” For example,

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203. See Lynda J. Oswald, “Tarnishment” and “Blurring” Under the Federal Trademark Dilution Act of 1995, 36 Am. Bus. L.J. 255, 263 (Winter 1999); see also 4 McCarthy, supra note 26, § 24:68 (explaining that blurring occurs when “[c]ustomers or prospective customers will see the plaintiff’s mark used by other persons to identify other sources on a plethora of different goods and services”) (emphasis added); id. at 24:69 (in tarnishment, “the effect of the defendant’s unauthorized use [presumably, of the plaintiff’s mark] is to tarnish, degrade, or dilute the distinctive quality of the mark”).


205. See id.

206. Or, to be precise, in a way that tells the consumer something about the source of the goods, as is the case with certification marks.


208. Id.

209. Id.
according to Professor Beebe, “[n]either ‘Michelob Oily’ nor ‘Enjoy Cocaine’ nor the Dallas Cowboy Cheerleaders uniform [worn by actors in an adult film] would be seen as designations of source of the defendant’s goods and thus would not be enjoinable under the anti-tarnishment provisions of the TDRA.”210 Professor Beebe concluded:

The basis of antidilution doctrine as set forth in the TDRA is that consumers perceive two separate entities using two similar or identical designations of source; the junior mark may then either blur or tarnish the senior mark. But if consumers believe that the junior entity is using the senior entity’s mark simply to refer to the senior entity rather than as a designation of source for the junior entity, then the senior entity has no basis for an anti-tarnishment cause of action. There are no longer two designations of source. Rather, there is the senior entity’s designation of source and the junior’s nominative use of that designation.211

The “designation of source” requirement was “opposed . . . on a number of grounds” by the American Intellectual Property Law Association (AIPLA).212 According to William G. Barber, Chairperson of the AIPLA Trademark Dilution Bill Task Force, “this ‘designation of source’ requirement was severely overbroad and completely unnecessary.”213 Barber argued, among other things, that “[t]he [proposed] ‘designation of source’ limitation would . . . have precluded tarnishment claims where a defendant’s commercial use is not as a designation of source for its goods or services. This would have eliminated an entire body of law in which courts have been granting relief for many years.”214 Ultimately, the phrase “as a designation of source of the person’s goods or services” was removed” from the bill.215 Describing this as a “happy ending,”216 Barber appears to conclude that striking this language would result in the codification of the “entire body of

210. Id. at 1172 n.128 (citing Anheuser-Busch, Inc. v. Balducci Publ’ns, 28 F.3d 769 (8th Cir. 1994); Coca-Cola Co. v. Gemini Rising, Inc., 346 F. Supp. 1183 (E.D.N.Y. 1972); Dallas Cowboys Cheerleaders, Inc. v. Pussycat Cinema, Ltd., 604 F.2d 200 (2d Cir. 1979)).

211. Id. at 1173 n.130.


213. Id.

214. Id. at 1129.

215. Id. at 1132.

216. Id.
However, while the “designation of source” phrase was removed, the phrase “a mark or trade name” is still used in the statute, in a context that clearly describes at least two marks, the famous mark and the defendant’s mark. Unlike the phrase “designation of source,” the terms “mark” and “trade name” are defined in the Lanham Act.

The Lanham Act defines “trade name” as “any name used by a person to identify his or her business or vocation.” The Lanham Act defines “mark” as “any trademark, service mark, collective mark, or certification mark.” An essential element of both trademarks and service marks is that the mark must be used “to indicate the source of the goods” or “services.” Service marks may include “[t]itles, character names, and other distinctive features of radio or television programs . . . notwithstanding that they, or the programs, may advertise the goods of the sponsor.” A collective mark must be “a trademark or service mark.” Certification marks need not indicate the source of goods in the same direct way other marks do, but they do need to indicate the “regional or other origin, material, mode of manufacture, quality, accuracy, or other characteristics of such person’s goods or services or that the work or labor on the goods or services was performed by

217. Id. at 1129.
219. Barber, supra note 3, at 1132. In a more recent article, Barber points out the fact that these two terms appeared in the FTDA as well, and argues that this means there is no trademark use requirement in the TDRA. See William G. Barber, Dumping the “Designation of Source” Requirement from the TDRA: A Response to the Alleged “Trademark Use Requirement in Dilution Cases,” 24 Santa Clara Computer & High Tech. L.J. 559, 561 (2007-2008). While the phrases do indeed appear in both statutes, the context in which they appear is very different, as previously explored above.
221. Id.
222. See id. The Lanham Act defines “trademark” as “any word, name, symbol, or device, or any combination thereof . . . used by a person . . . to identify and distinguish his or her goods, including a unique product, from those manufactured or sold by others and to indicate the source of the goods, even if that source is unknown.” Id. The Lanham Act defines “service mark” as “any word, name, symbol, or device, or any combination thereof . . . used by a person . . . to identify and distinguish the services of one person, including a unique service, from the services of others and to indicate the source of the services, even if that source is unknown. Titles, character names, and other distinctive features of radio or television programs may be registered as service marks notwithstanding that they, or the programs, may advertise the goods of the sponsor.” Id.
223. Id.
224. See id. The Lanham Act defines “collective mark” as “a trademark or service mark . . . used by the members of a cooperative, an association, or other collective group or organization . . . and includes marks indicating membership in a union, an association, or other organization.” Id.
members of a union or other organization." So certification marks, like other marks, convey information about the source of the goods; to be actionable, then, the junior user must use the certification mark as a certification of some characteristic of his or her product or service.

Therefore, under the new language, a junior use is not actionable unless that junior use indicates the source of the junior user's goods or services—that is, the junior use must function as a trademark. Under the TDRA, then, Toys "R" Us can sue over the mark ADULTS "R" US when used to sell "a variety of sexual devices and clothing." Victoria’s Secret recently won summary judgment and a permanent injunction against the Moseleys for their use of the retail store name VICTOR’S LITTLE SECRET. Because characters can be registered as service marks, it is also likely that the holders of the rights to the “Tarzan” character may still have a claim against the producers of the adult film entitled Tarz & Jane & Boy & Cheeta and featuring famous Tarzan characters. It is true that many past cases involving tarnishment claims would not be actionable under the TDRA because they involved noxious uses that were not trademark uses.

It could be argued that the legislative history of the TDRA directly contradicts this reading of the statute. It might seem strange to—in effect—read a “designation of source” requirement into the TDRA when Congress deleted that precise phrase. However, there are many reasons why reading the TDRA to require that the defendant use the allegedly tarnishing mark as a mark is correct. First, it is the plain reading of an unambiguous

225. Id.
226. Other commentators have read the statute the same way. See, e.g., Dogan & Lemley, supra note 9, at 549-50.
230. See Beebe, supra note 207, 1172 n.128 (citing Anheuser-Busch, Inc. v. Balducci Publ’ns, 28 F.3d 769 (8th Cir. 1994) (enjoining use of MICHELOB OILY in mock advertisement appearing in humor magazine); Coca-Cola Co. v. Gemini Rising, Inc., 346 F. Supp. 1183 (E.D.N.Y. 1972) (enjoining use of ENJOY COCAINE on a poster); Dallas Cowboys Cheerleaders, Inc. v.ussy Cat Cinema, Ltd., 604 F.2d 200 (2d Cir. 1979) (enjoining use of Dallas Cowboys cheerleader costumes in pornographic movie)).
231. Barber, supra note 3, at 1132 (“The objectionable language ‘as a designation of source of the person’s goods or services’ was removed in the House Judiciary Committee’s mark-up of H.R. 683, substantially strengthening the bill and providing a huge win to trademark owners.”).
statute.232 “[T]he fact that Congress carefully reexamined and entirely rewrote” the federal dilution statute “supports the conclusion that the text . . . as enacted reflects the deliberate choice of Congress.”233

Second, Barber—perhaps inadvertently—provided a compelling reason why Congress might have changed the language, even if Congress did not want to change the effect of the TDRA. Barber pointed out that “the phrase ‘designation of source’ is nowhere defined in” the Lanham Act and observed that using an undefined phrase “would have only led to further confusion in the bill’s application.”234 But the TDRA was meant to alleviate, not create confusion.235 Therefore, it makes sense that Congress would change the wording of the statute once the problem was pointed out. By replacing the phrase “designation of source” with the defined and familiar “mark or trade name,” Congress solved the problem identified by Barber and provided greater clarity to the federal dilution law.

Third, the language of the “fair use” exemption specifies that use “of a famous mark by another person other than as a designation of source for the person’s own goods or services” is not actionable under the TDRA.236 One might argue that this language actually belies the argument that use as a mark is required by the TDRA; it would not make sense for Congress to exempt something that did not meet the statutory requirements in the first place. However, in light of the interpretation melee that was the FTDA jurisprudence,237 it seems more likely that Congress was just trying to be absolutely clear when it came to what should be excluded from the scope of liability of the TDRA. So, even though technically duplicative, the exemption language makes crystal clear that uses “other than as a designation of source for the person’s own goods or services” are not actionable under the TDRA.


234. Barber, supra note 3, at 1132.


237. See Keola R. Whittaker, Comment, Trademark Dilution in a Global Age, 27 U. Pa. J. Int’l Econ. L. 907, 911 (2006) (“In recent years, interpretations of the FTDA have been increasingly contentious. The law has been called ‘dauntingly elusive,’ controversial, and has been accused of giving rise to an ‘exceedingly abstract and vague claim.’”) (internal citations omitted).
Fourth, this reading strikes a reasonable balance between the competing interests of protecting famous marks from tarnishment and protecting First Amendment rights. The “designation of source” language was “intended to prevent any descriptive or nominative fair use of a mark from being actionable, and also to respond to concerns that extending dilution protection to other non-trademark uses would raise First Amendment problems.”

Requiring the junior use be use as a mark significantly advances this goal by shielding many artistic works—including parodies that are not used as trademarks—from legal attack. In the context of trademark infringement, “[t]he likelihood of confusion requirement . . . acts as a brake to safeguard First Amendment rights in the commercial arena.” The First Amendment does provide limited protection to commercial speech, but it does not protect commercial speech that is “false or misleading in any way.” Therefore, enjoining commercial speech that confuses consumers—such as an act of trademark infringement—does not violate the First Amendment. However, non-confusing commercial speech may be enjoined if it is diluting, thereby raising First Amendment concerns. These concerns become sharply focused in the tarnishment context because many cases brought under a tarnishment theory involve “traditional forms of expression—such as literature, music, and film,” which typically enjoy broad First Amendment protection.

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238. Barber, supra note 3 at 1128 (citing “Statement of William G. Barber on behalf of the American Intellectual Property Law Association before the Subcommittee on Courts, the Internet and Intellectual Property, Committee on the Judiciary, United States House of Representatives, on the Trademark Dilution Revision Act of 2005 (H.R. 683),” Feb. 17, 2005, at 3-4, available at http://judiciary.house.gov/Hearings.aspx?ID=81); see also Mattel, Inc. v. MCA Records, Inc., 296 F.3d 894, 904 (9th Cir. 2002) (First Amendment “concerns apply with greater force in the dilution context because dilution lacks two very significant limitations that reduce the tension between trademark law and the First Amendment. First, depending on the strength and distinctiveness of the mark, trademark law grants relief only against uses that are likely to confuse. . . . Second, a trademark injunction, even a very broad one, is premised on the need to prevent consumer confusion.”).

239. Staffin, supra note 13, at 167.

240. Commercial speech, defined as speech “which does no more than propose a commercial transaction,” receives limited First Amendment protection. Virginia State Bd. of Pharmacy v. Virginia Citizens Consumer Council, 425 U.S. 748, 762 (1976) (internal quotation marks omitted); id. at 771-72 (“The First Amendment . . . does not prohibit the State from insuring that the stream of commercial information flow cleanly as well as freely.”).

241. See Staffin, supra note 13, at 167.

242. See id.; see also Mattel, 296 F.3d at 905 (“Dilution . . . does not require a showing of consumer confusion . . . and dilution injunctions therefore lack the built-in First Amendment compass of trademark injunctions.”).

The tarnishment theory, if too broadly construed, could “entitle the owner to quash an unauthorized use of the mark by another who is communicating ideas or expressing points of view.”244 Professor Denicola has argued, “Famous trademarks offer a particularly powerful means of conjuring up the image of their owners, and thus become an important, perhaps at times indispensable, part of the public vocabulary. Rules restricting the [non-trademark] use of well-known trademarks may therefore restrict the communication of ideas.”245 Reading the TDRA to categorically exempt non-trademark uses solves this problem and means that TDRA tarnishment, as opposed to pre-TDRA tarnishment, aligns better with the interests and strictures of the First Amendment.

2. “Commercial Use” Requirement Removed

Under the FTDA, a diluting use was only actionable if the defendant made “commercial use in commerce of a mark or trade name.”246 The TDRA, on the other hand, requires only “use of a mark or trade name in commerce.”247 This change is important because it fixes a logical inconsistency in the language of the FTDA, as described by Judge Kozinski:

[T]he FTDA’s three statutory exemptions . . . are uses that, though potentially dilutive, are nevertheless permitted: comparative advertising; news reporting and commentary; and noncommercial use. 15 U.S.C. § 1125(c)(4)(B). . . . A “noncommercial use” exemption, on its face, presents a bit of a conundrum because it seems at odds with the earlier requirement that the junior use be a “commercial use in commerce.” If a use has to be commercial in order to be dilutive, how then can it also be noncommercial so as to satisfy the exception of section 1125(c)(4)(B)? If the term “commercial use” had the same meaning in both provisions, this would eliminate one of the three statutory exemptions defined by this subsection, because any use found to be dilutive would, of necessity, not be noncommercial.248

248. Mattel, 296 F.3d 894 at 904.
The “commercial use in commerce” language in the FTDA may simply have been an attempt by Congress to make absolutely clear that noncommercial uses were not actionable. Whether that language was a mistake or whether it was meant for emphasis, the change in the TDRA fixes the apparent inconsistency.\(^{249}\) Now, instead of the undefined phrase “commercial use in commerce,” the federal dilution statute discusses only the defined phrase “use in commerce.”\(^{250}\) The Lanham Act defines “use in commerce” as follows:

For purposes of this chapter, a mark shall be deemed to be in use in commerce—(1) on goods when (A) it is placed in any manner on the goods or their containers or the displays associated therewith or on the tags or labels affixed thereto, or if the nature of the goods makes such placement impracticable, then on documents associated with the goods or their sale, and (B) the goods are sold or transported in commerce, and (2) on services when it is used or displayed in the sale or advertising of services and the services are rendered in commerce, or the services are rendered in more than one State or in the United States and a foreign country and the person rendering the services is engaged in commerce in connection with the services.\(^{251}\)

If courts would follow the new statutory text instead of their old FTDA cases, the change in language could create greater clarity and consistency in federal dilution law. Unfortunately, that does not seem to be the trend so far.

For example, in *Gamecaster, Inc. v. IGN Entertainment*, the court discussed the enactment of the TDRA and considered how it would affect the plaintiff’s claim that its GAMECASTER mark had been diluted by the defendant’s use of the term “gamecaster” during its video game competition.\(^{252}\) As a threshold matter, the court noted that under the Ninth Circuit’s *Panavision* FTDA test for dilution:

[A] plaintiff must show: (1) the mark is famous; (2) the defendant is making a commercial use of the mark in commerce; (3) the defendant’s use began after the mark

\(^{249}\) A leading treatise notes that the “noncommercial use” defense under the FTDA “was probably redundant in view of the requirement (deleted in the 2006 TDRA) . . . that the challenged use be a ‘commercial use.’" *4 McCarthy, supra* note 26, § 24:128 n.2.


became famous; and (4) the defendant’s use of the mark dilutes the quality of the mark by diminishing the capacity of the mark to identify and distinguish goods and services.253

The court concluded “that the amended statute [the TDRA] only affects the fourth prong of the dilution test, allowing a plaintiff to bring a successful dilution claim . . . as long as the plaintiff proves that defendant’s use is likely to cause dilution by blurring or tarnishment.”254 Therefore, the court applied the “commercial use of the mark in commerce” portion of the Panavision test without mentioning that the subsequently enacted TDRA does not require “commercial use in commerce,” only “use in commerce.” The court also noted that after Panavision, the Ninth Circuit had further interpreted “commercial use in commerce” to “require[] the defendant to be using the trademark as a trademark, capitalizing on its trademark status.”255 Therefore, the court concluded, “[I]f the use of the word ‘gamecaster’ was not used in a trade mark sense, there is no liability for dilution.”256 The court reasoned that because the defendants had argued that they were not using the term in a trade mark sense, it was too early to determine if the plaintiff would be able to succeed on the merits of the dilution claim.257 This is another case in which the court reached the right result—requiring that the defendant make a trademark use as a prerequisite for liability under the TDRA—but reached it in the wrong way, by looking to the elements enunciated under old statutes instead of the elements in the new statute.

In another TDRA case decided by a district court in the Ninth Circuit, Best Western International, Inc. v. Doe, the plaintiff hotel company alleged “that the Defendants have posted anonymous messages on an Internet site” that diluted Best Western’s famous marks.258 One defendant, H. James Dial, came forward and “voluntarily entered his appearance in this action and identified himself as one of the Doe Defendants named in the complaint.”259 Dial argued that Best Western’s Lanham Act claims should be dismissed on the ground that the “complaint fail[ed] to properly state these claims under the Lanham Act because there is no allegation that Defendants used Plaintiff’s marks in commerce or

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253. Id. (citing Panavision Int’l, L.P. v. Toeppen, 141 F.3d 1316, 1324 (9th Cir. 1998)).
254. Id. at *20-21.
255. Id. (citing Avery Dennison Corp. v. Sumpton, 189 F.3d 868, 880 (9th Cir. 1999)).
256. Id. at *15 (citing Avery Dennison Corp., 189 F.3d at 880).
257. Id. at *22.
259. Id. at *2-3.
in connection with goods or services.” The court agreed with Dial and dismissed Best Western’s “common law trademark infringement and unfair competition claims.” However, the court stated that Best Western’s “trademark dilution claim under the Lanham Act presents a closer question. The Lanham Act section prohibiting trademark dilution does not explicitly require that the trademark in question be used in connection with goods or services. Rather, the section provides that the mark must be used ‘in commerce.’” Quoting a Ninth Circuit case decided under the FTDA, the court stated that the phrase “in commerce” was “simply a jurisdictional predicate” for federal statutes and that “in determining whether the unauthorized use of a trademark is actionable under the Lanham Act, courts should focus on whether the use was in connection with a sale of goods and services rather than “in commerce.”

Therefore, the court concluded, because Best Western did “not contend that Defendants’ alleged unauthorized use of Plaintiff’s trademarks was in connection with goods or services” or “that Defendants have earned revenue from their Internet activities or that the Internet site directs visitors to any of Plaintiff’s competitors,” Best Western had failed to state a claim for dilution under the TDRA. Again, the court reached the right result in the wrong way. The court was correct that the TDRA itself does not say that the defendant’s use must be “in connection with goods or services,” but the definition of “use in commerce” does. So the result is right—requiring a trademark use—but the reasoning is suspect.

This is not to suggest that past case law on tarnishment has no role in analyzing tarnishment cases under the TDRA. In giving content to the elements laid out in the TDRA, it may be helpful to look at old cases. For example, it may be helpful for courts to look to older tarnishment cases to determine what “harms the reputation” of a mark. However, courts should look to the TDRA, not old cases, for the elements of a TDRA tarnishment claim. Simply using old tests or elements without considering new statutory text will lead to inconsistency and results that may be

260. Id. at *3.
261. Id. at *6-7.
262. Id. at *7 (citing 15 U.S.C. § 1125(c)(1)).
263. Id. (citing Bosley Med. Inst., Inc. v. Kremer, 403 F.3d 672, 677 (9th Cir. 2005) (internal quotation marks omitted).
264. Id. at *8 (citations omitted).
266. See id. at § 1125(c)(2)(C) (defining “dilution by tarnishment”).
contrary to the text of the statute. In the two cases discussed above, the courts reached the correct results under the TDRA, but the ways in which they do so are troubling. By simply citing to pre-TDRA case law, instead of analyzing and interpreting the new statute, the courts risk running afoul of the new statutory language. Perhaps more importantly, decisions like these lay the foundation for a future body of TDRA case law that is every bit as inconsistent as the pre-TDRA case law.

**C. Substantial Similarity Requirement**

A critical part of the TDRA’s definition of “dilution by tarnishment” is that there must be an “association arising from the similarity between a mark or trade name and a famous mark.”267 As one court explained, “the new law does not eliminate the requirement that the mark used by the alleged diluter be ‘identical,’ ‘nearly identical,’ or ‘substantially similar,’ to the protected mark.”268 If the marks are not substantially similar, a claim for dilution under the TDRA must fail.269 This requirement also reinforces the trademark use requirement, as it clearly anticipates two “marks”—that of the plaintiff and that of the defendant.

**D. Mental Association Requirement**

The TDRA defines “dilution by tarnishment” as “association arising from the similarity between a mark or trade name and a famous mark that harms the reputation of the famous mark.”270 Therefore, consumers must somehow mentally associate the marks in order for there to be dilution by tarnishment. Professor McCarthy explains the concept of association as follows:

> [I]f a reasonable buyer is not at all likely to think of the senior user’s trademark in his or her own mind, even subtly or subliminally, then there can be no dilution. That is, how can there be any “whittling away” [of the famous mark’s distinctiveness] if the buyer, upon seeing defendant’s mark, would never, even unconsciously, think of the plaintiff’s mark? So the dilution theory presumes some kind of mental

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269. Id. at *7-8.
association in the reasonable buyer’s mind between the two parties and the mark.271

E. Likely Harm to the Famous Mark’s Reputation Required

1. Likely, Not Actual, Tarnishment Required

It has been asserted that the TDRA’s “definition of tarnishment . . . does not make it clear that likely rather than actual tarnishment is the correct standard.”272 Professor Simon argues,

Unlike the [dilution by] blurring definition, there is no clear statement here that likely dilution by tarnishment is sufficient for a cause of action under Section 43(c). Instead, the definition talks of an association which harms the earlier mark’s reputation. This phraseology tracks the actual dilution requirement of the former Section 43(c), specifically that the later mark causes dilution of the earlier mark. This inconsistency between the tarnishment definition and the new subsection 43(c)(1) and the fact that no such inconsistency is present with respect to the blurring definition could be used by a determined court to scupper a likelihood of tarnishment standard.273

However, a close look at the language in the TDRA clearly rules out Professor Simon’s reading. The TDRA’s definition of “dilution by blurring” reads, in its entirety:

For purposes of paragraph (1), “dilution by blurring” is association arising from the similarity between a mark or trade name and a famous mark that impairs the distinctiveness of the famous mark. In determining whether a mark or trade name is likely to cause dilution by blurring, the court may consider all relevant factors, including the following: (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

271. 4 McCarthy, supra note 26, § 24:70. Professor McCarthy was not discussing the TDRA specifically, but dilution in the more general theoretical sense. Nonetheless, his treatise has been and promises to continue to be influential in dilution cases.


273. Id. at 291-92 (citing 15 U.S.C. § 1125(c)).
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.274

In addition to defining “dilution by blurring,” this section also provides some guidance for courts “[i]n determining whether a mark or trade name is likely to cause dilution by blurring.”275 The section defining “dilution by tarnishment” does not provide any similar guidance, nor does it use the word “likely.”276 However, this difference simply cannot carry the weight Professor Simon would like to give it. Even if the definition of “dilution by tarnishment” in Section 1125(c)(2)(C) “does not make it clear that likely rather than actual tarnishment is the correct standard,”277 the plain text of Section 1125(c)(1) does make it clear. The statute explicitly states that an eligible trademark owner “shall be entitled to an injunction against another person who . . . 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. . . .”278 A plaintiff need only show likelihood of dilution by tarnishment to state a cause of action; the definition of “dilution by tarnishment” is a separate matter.

Professor Simon seems to view the second sentence of 15 U.S.C. § 1125(c)(2)(B) as part of the definition of “dilution by blurring,” defining the action itself as having an element of likelihood of blurring. Professor Simon’s reading would create a sort of “likelihood of likelihood” standard for blurring; that is, a use would be actionable if there were a likelihood (Section 1125(c)(1)) and that use would be likely to cause blurring (her reading of Section 1125(c)(2)(B)). A better interpretation of that Section is to read the first sentence as the definition and the second sentence as mere guidance for applying the definition.

These Sections are probably structured as they are because Congress wanted to provide extra guidance on dilution by blurring, even though Congress clearly intended that the “likelihood” standard would apply to both. Historically, courts have found the concept of tarnishment easier to apply than the concept of

275. Id.
276. See id. at § 1125(c)(2)(C).
blurring.279 So it would be perfectly logical for Congress to decide that more explanation was needed for the new cause of action of dilution by blurring. Therefore, there can be no real contention that TDRA tarnishment is actionable only upon a showing of actual tarnishment. The text is unambiguous—only a likelihood of dilution by tarnishment must be shown.

2. How the Famous Mark’s Reputation Might Be Tarnished

The TDRA requires that the junior use be likely to “harm[] the reputation of the famous mark.”280 One thing that is clear from the statute is that the harm to the reputation of the famous mark must be likely, not just possible. The first case to be decided on its merits under the TDRA281 illustrates this point well. In Louis Vuitton Malletier S.A. v. Haute Diggity Dog LLC,282 the luxury-goods maker sued “a company that markets plush stuffed toys and beds for dogs under names that parody the products of other companies,” including the name “Chewy Vuiton.”283 Louis Vuitton alleged a number of causes of action, including trademark dilution under the Lanham Act.284 Louis Vuitton alleged blurring by both dilution and tarnishment.285 In considering the tarnishment claim, the court did not quote from or cite to—in fact, the court did not even mention—the TDRA definition of “dilution by tarnishment.” Instead, the court cited the Second Circuit’s formulation and stated, “Tarnishment occurs when the plaintiff’s trademark is likened to products of low quality, or is portrayed in a negative context.”286

279. See Oswald, supra note 203, at 274-75 (citing Julie Arthur Garcia, Trademark Dilution: Eliminating Confusion, 85 TMR 489, 514 (1995); 3 McCarthy, supra note 26, § 24.100 and § 24.104 at 24-188).
281. See J. Alison Grabell, Comments on the Trademark Dilution Revision Act of 2006, 890 PLI/Pat 213, 224 (Feb. 22-23, 2007) (“the first case to be decided under the amended Federal Trademark Dilution Act (FTDA)” was Louis Vuitton Malletier S.A. v. Haute Diggity Dog, LLC, 464 F. Supp. 2d 495 (E.D. Va. 2006), aff’d, 507 F.3d 252, 269 (4th Cir. 2007)).
282. Louis Vuitton Malletier S.A. v. Haute Diggity Dog, LLC, 464 F. Supp. 2d 495 (E.D. Va. 2006), aff’d, 507 F.3d 252, 269 (4th Cir. 2007). Although the suit was filed before the TDRA was passed, the court decided it was proper to apply the new statute because Vuitton sought an injunction against the alleged dilution of its mark. Id. at 504.
283. Id. at 497-98 (E.D. Va. 2006).
284. Id. at 504.
285. Id. at 504-06.
286. Id. at 505 (citing Deere & Co. v. MTD Prods., Inc., 41 F.3d 39, 43 (2d Cir.1994)). Deere was a pre-FTDA case decided under New York’s anti-dilution statute. See id. at 40 (citing N.Y. Gen. Bus. Law § 368-d (McKinney 1984)).
Louis Vuitton alleged that the name “Chewy Vuiton” was tarnishing because it “associate[d] ‘inferior products’ with the Louis Vuitton name,” but the court found this argument to be “baseless, and without merit.” Furthermore, “At oral argument, Plaintiff provided only a flimsy theory that a pet may some day choke on a Chewy Vuiton squeak toy and incite the wrath of a confused consumer against Louis Vuitton,” which the court found to be an insufficient allegation of harmful association. The district court concluded, “When the association is made through harmless or clean puns and parodies . . . tarnishment is unlikely.” For this proposition, the court cited a pre-FTDA case decided under New Mexico dilution law. Because the court found no harmful association, the court granted the defendant summary judgment on all claims, including tarnishment.

On appeal, the Fourth Circuit affirmed the district court’s conclusion on tarnishment. The court noted that Louis Vuitton “provided no record support for its assertion” that a dog could choke on a “Chewy Vuiton” toy. The fact that a $10 chew toy was logically of “inferior quality” to a $1190 luxury handbag was not enough to show tarnishment, either. Because Louis Vuitton had failed to show any likelihood of dilution, the Fourth Circuit agreed that it had “failed to demonstrate a claim for dilution by tarnishment.” The Louis Vuitton case makes it clear that one must show likely, not just possible, dilution.

On the other hand, it appears that the evidentiary burden to show dilution by tarnishment may not be difficult to meet where the association is less benign. A good example is the most recent

287. Id.
288. Id.
291. Id.
293. Id. at 268.
294. See id.
295. Id. at 269.
decision in *V Secret Catalogue, Inc. v. Moseley.* On May 21, 2008, Victoria’s Secret finally got its permanent injunction against the Victor’s Little Secret store name; the court granted Victoria’s Secret’s motion for summary judgment based on the court’s finding of a likelihood of tarnishment under the TDRA. The court first stated that its previous factual findings in the case “under the FTDA are so much flotsam and jetsam, having been jettisoned from the ship of the FTDA now sunk in the sea of new dilution law.” Because Victoria’s Secret sought prospective injunctive relief, the court noted that “we have a dilution claim under the TDRA which must be analyzed without regard to the former findings.” The court rejected “the suggestion that since the elements under the TDRA are *nearly identical* to those of the FTDA, we should render the same findings as on the first summary judgment.” Therefore, the court endeavored to “apply a rigorous analysis from the ground up, applying the standard for dilution as it is set forth in the TDRA.”

Unlike the first time around, the court found that there was no likelihood of dilution by blurring. The court, however, did find that “[t]he evidence in this case supports a finding of a likelihood of dilution by tarnishment.” First, there was the reaction of the army colonel who initially reported the Moseley’s store to Victoria’s Secret. According to the court, “[t]he army colonel’s offended reaction to the use of ‘Victor’s Secret,’ what he clearly believed to be a bastardization of the VICTORIA’S SECRET mark, for the promotion of ‘unwholesome, tawdry merchandise.’” This reaction, according to the court, “suggests the likelihood that the reputation and standing of the VICTORIA’S SECRET mark would

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297. *Id.* at *15.
298. *Id.* at *6.
299. *Id.*
300. *Id.*
301. *Id.*
302. *See id.* at *13-14. The court’s analysis on this point was highly suspect, as the court seemed to conflate the test for blurring with the test for likelihood of confusion. *See id.* at *13 (noting that the complaining colonel “was not actually misled as to the ownership of the Moseleys’ store” and “wrote to V Secret not to say ‘stop selling sex toys,’ but rather to alert them that their mark was being associated with an establishment selling such items in derogation of their name. Thus we have evidence not of blurring, but of tarnishment”). However, the court’s blurring analysis is beyond the scope of this paper.
303. *Id.*
304. *See id.* at *1 (“An army colonel . . . saw the ad for the [Moseleys’] store opening was offended by what he perceived as an attempt to use Victoria’s Secret’s trademark to promote ‘unwholesome, tawdry merchandise.’ He sent a copy of the ad to the plaintiffs. . . .”).
305. *Id.*
be tarnished. In the words of the Deere & Co. case, the reputation of the famous mark would be ‘reduced’ in the eyes of consumers as ‘a wholesome identifier’ of the Victoria’s Secret brand.”306 Second, the court accepted Victoria’s Secret’s statement that “it scrupulously avoids sexually explicit goods while cultivating a sexy and playful image” and that Victoria’s Secret seeks to maintain “[t]he line between sexy and playful and sexually explicit in the world of women’s lingerie purveyors . . . in order to preserve its image as a well-respected retailer of high-quality women’s lingerie.”307 The court thus concluded that “[t]he use of the remarkably similar ‘Victor’s Secret’ or ‘Victor’s Little Secret’ in connection with the sale of intimate lingerie along with sex toys and adult videos tarnishes the reputation of the VICTORIA’S SECRET mark.”308 Therefore, based on these two pieces of evidence, the court found “a likelihood of dilution of the mark, entitling V Secret to injunctive relief.”309

At first glance, that seems to be an extremely low evidentiary standard. Presumably in every case of alleged tarnishment, one of the plaintiff’s employees will be willing to testify that the defendant’s trademark use is contrary to the image of the mark. It would also not be hard for the plaintiff to find at least one customer who was put off by the defendant’s use. On the other hand, this case involved a “classic” tarnishment situation—the use of a very similar trade name for an adult-oriented business310—so it does seem likely that Moseley’s use would injure the reputation of Victoria’s Secret in violation of the TDRA.

However, courts are not finding tarnishment only in “classic” tarnishing scenarios, such as those dealing with sex, drugs and illegal activities. In Diane Von Furstenberg Studio v. Snyder,311 the defendant made and sold counterfeit Diane Von Furstenberg (DVF) dresses bearing counterfeit Diane Von Furstenberg marks. The fashion designer sued, alleging various causes of action, including trademark infringement, violation of Section 43(a) and

306. Id. (citing Deere & Co. v. MTD Prods., Inc., 41 F.3d 39, 43 (2d Cir. 1994)).

307. Id. (citing the affidavit of the Vice President of Victoria’s Secret Stores Brand Management, Inc.) (internal quotation marks omitted).

308. Id.

309. Id.


federal trademark dilution. 312 The court first found that the counterfeit dresses created a strong likelihood of confusion, and granted the plaintiff’s motion for summary judgment on its trademark infringement and Section 43(a) claims. 313 The court went on to rule that the defendant’s use of “the identical DVF on the inferior-quality dresses they sold” was likely to tarnish the DVF mark. 314 In that case, there was evidence that customers had returned dresses to the defendant due to “shoddy workmanship.”315 Therefore, the court also granted the plaintiff’s motion for summary judgment on its claim for tarnishment under the TDRA. 316

The court’s ruling on the infringement claims is clearly correct; it is hard to imagine a more straightforward type of counterfeiting case. However, the dilution ruling is somewhat troubling. With little analysis and no reference to the statute, the court simply states that because the fake DVF dresses were of poor quality, tarnishment is present. 317 However, if that is all tarnishment is, then the TDRA is nothing but an enhanced-damages (or injunction, as the case may be) provision for bad counterfeits of famous brands. The logic of this opinion seems to suggest that if the fakes had been of high quality, there would be no dilution problem—an absurd result. The theory of dilution by tarnishment should not apply to similar marks on copied products—if it did, it would simply repeat the anti-counterfeiting provisions of the Lanham Act. The cause of action for dilution by tarnishment was created to, and should, address a separate harm. The only case the court cited on the issue of tarnishment was Deere & Co. v. MTD Products, Inc., which did not discuss or involve counterfeiting in any respect. 318

While making poor-quality counterfeit dresses might technically “harm[] the reputation of the famous mark,”319 it is a type of harm already addressed by the Lanham Act.

The DVF case is not the only one to use the TDRA as an enhanced-damages provision. In Dan-Foam A/S et al. v. Brand Named Beds, LLC, the makers of TEMPUR-PEDIC brand

312. See id. at *2.
313. Id. at *3.
314. Id. at *4 (granting summary judgment on plaintiff’s TDRA claim).
315. See id.
316. Id.
317. Id.
318. Id. (citing Deere & Co. v. MTD Prods., Inc., 41 F.3d 39, 43 (2d Cir.1994) (decided under New York’s Type-I dilution statute).
mattresses and its U.S. subsidiary, Tempur-Pedic, sued an unauthorized dealer, Brand Named Beds (BNB), for trademark infringement and tarnishment under both federal and New York law, among other claims. BNB bought the beds from authorized retailers, but “[a]s a means of reducing shipping costs, BNB ships TEMPUR-PEDIC mattresses in shipping crates on cardboard boxes that are smaller than the boxes in which Tempur-Pedic ships its mattresses.” According to Tempur-Pedic, when the mattresses are ‘squeezed and folded’ for shipping in this way, ‘the TEMPUR material is improperly stretched for prolonged periods . . . causing stress on the cells.’ By contrast, Tempur-Pedic claimed its authorized retailers were held to strict shipping standards to maintain the quality of the product. Also, Tempur-Pedic claimed that its warranty was void as to mattresses sold by BNB. BNB moved for summary judgment on all of the claims. The court first decided that “[a] reasonable juror could find that there are material differences between the TEMPUR-PEDIC mattresses sold by Tempur-Pedic and its authorized dealers and those sold by BNB that present a likelihood of consumer confusion” because of the potential shipping damage and the lack of warranty. So the court denied BNB’s summary judgment motion on the trademark infringement count. In discussing the applicable legal standards, the court imported the “material differences standard” from gray goods case law into its tarnishment analysis. The court stated that “[m]uch of the body of trademark law that has developed around ‘gray goods’ cases can be applied by analogy to sales by unauthorized United States retailers of goods bearing genuine trademarks that have been created by a trademark owner for the United States

321. Id. at 303.
322. Id.
323. See id.
324. Id. at 299-300.
325. Id. at 297.
326. Id. at 320.
327. See id. at 322.
328. Id. at 312. “Gray market” cases are ones in which “someone other than the designated United States importer buys genuine trademark goods outside the U.S. and imports them for sale in the United States in competition with the exclusive U.S. importer.” Id. at 308.
market."329 Therefore, according to the court, “dilution by tarnishment can be shown within the rubric of the material differences standard.”330 The court denied BNB’s motion for summary judgment on the dilution claim, stating:

A trier of fact could reasonably find that BNB’s non-conforming sales of TEMPUR-PEDIC® mattresses diminish the value of the TEMPUR-PEDIC® mark, thereby causing harm to Tempur-Pedic’s reputation resulting in dilution by tarnishment.331

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Consumers who purchase TEMPUR-PEDIC® mattresses from BNB expecting that they are buying the product that they have come to associate with the TEMPUR-PEDIC® trademark might well form negative opinions of the TEMPUR-PEDIC® mark when the product they receive is of considerably lesser quality than those sold by Tempur-Pedic and its authorized dealers.332

Mistaking an inferior product for the real one, according to the court, “is exactly the sort of injurious use of a trademark that harms the reputation of the famous mark against which federal dilution law was meant to protect.”333 On this point, the court is mistaken. This is the type of harm against which trademark infringement law was meant to protect because the root of the injury is consumer confusion about the authenticity of the damaged products.

Although this is not a straightforward counterfeiting case like the DVF case discussed above, it is another case where traditional trademark theories and remedies adequately address the harm. A number of courts have held that the resale of trademarked products that have not been held to the mark owner’s quality-control standards constitutes trademark infringement.334 By shoehorning these facts into the claim for dilution by tarnishment, the court is, in effect, treating the TDRA as an enhanced-damages provision for the improper alteration of trademarked goods.

329. Id. at 308.
330. Id. at 312.
331. Id. at 324 (internal quotation marks omitted).
332. Id. at 326.
333. Id. (internal quotation marks omitted).
334. See, e.g., Warner-Lambert Co. v. Northside Dev. Corp., 86 F.3d 3, 6 (2d Cir.1996) (“Distribution of a product that does not meet the trademark holder’s quality control standards may result in the devaluation of the mark by tarnishing its image. If so, the non-conforming product is deemed for Lanham Act purposes not to be the genuine product of the holder, and its distribution constitutes trademark infringement.”).
F. TDRA Exemptions

There are a number of uses that are exempt under the TDRA, even if they satisfy the elements listed above. Specifically:

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.335

The FTDA included only three statutory exemptions: fair use in comparative advertising, news reporting and commentary and noncommercial use.336 The TDRA retains the last two exemptions, but expands the first.

1. Any Fair Use, Including Nominative Fair Use and Parody

On its face, the TDRA significantly broadens the fair use exemption as compared to the FTDA. Whereas the FTDA exempted any “[f]air 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,”337 the TDRA explicitly exempts a broad range of fair uses, from nominative fair uses to parodies.338 However, the fair use exemption states that uses are only fair if the defendant uses “a famous mark . . . other than as a designation of source for the [defendant’s] own goods or services.”339 The term “designation of source” is not defined in the TDRA, but the only court to discuss

337. Id.
339. See id.
the exemption has equated the term “designation of source” with “use as a trademark.”340 As discussed above, a use is not actionable under the TDRA unless it is a trademark use. So actually, any use that would be covered by this exemption (i.e., that does not function as a designation of source) should not be actionable in the first place.

The leading treatise and other commentators have speculated that this defense reflects an “overabundance of caution to statutorily provide for free speech concerns. . . .”341 It does appear that this language may just be a safety net to make sure that the TDRA does not ensnare non-trademark uses. When applied properly, the TDRA should exclude non-trademark uses of the sort that would be covered by the new fair use exemption. However, the fair use exemptions may also be helpful in clarifying what uses are not actionable trademark uses, so they are worth considering briefly. Two of the new statutory exemptions deserve mention in the context of dilution by tarnishment—nominative fair use and parody.

a. Nominative Fair Use and TDRA Tarnishment

Prior to the enactment of the TDRA, some courts recognized nominative fair use as a defense to trademark dilution.342 Now, for the first time, nominative fair use is a statutory defense under the Lanham Act. The Ninth Circuit pioneered the concept of nominative fair use. According to the Ninth Circuit, “a defendant’s use is nominative where he or she used the plaintiff’s dress to describe or identify the plaintiff’s product, even if the defendant’s ultimate goal is to describe or identify his or her own product.”343 For example, a nominative use may be “for the purposes of comparison, criticism or point of reference.”344 So, “[w]here use of


341. 4 McCarthy, supra note 9, § 24:128; see also Dogan & Lemley, supra note 9, at 554 (“Congress in the 2006 revisions appeared to take a “belt and suspenders” approach, throwing in a variety of language in an effort to define a universe of conduct the new law did not reach”).

342. See, e.g., Playboy Enters., Inc. v. Welles, 279 F.3d 796, 805 (9th Cir. 2002) (“We hold that nominative uses, by definition, do not dilute the trademarks”); Clark v. Am. Online Inc., No. CV-98-5650 CAS (CWX), 2000 WL 33535712, at *6 (C.D. Cal. Nov. 30, 2000) (granting defendant’s motion for summary judgment on plaintiff’s trademark infringement and FTDA claims because defendant’s use of Dick Clark’s name in an advertisement stating, “If you danced to the Beatles, cruised in a Thunderbird, or tuned into Dick Clark, you have earned . . . 100 hours free [Internet service on AOL],” was a nominative fair use).

343. Mattel, Inc. v. Walking Mountain Prods., 353 F.3d 792, 809-10 (9th Cir. 2003) (internal quotation marks omitted).

344. Id. at 809 (internal quotation marks omitted).
the trade dress or mark is grounded in the defendant’s desire to refer to the plaintiff’s product as a point of reference for defendant’s own work, a use is nominative.” 345 The court created a three-part test for nominative fair use:

[I]n the trademark context, nominative use becomes nominative fair use when a defendant proves three elements: First, the plaintiff’s product or service in question must be one not readily identifiable without use of the trademark; second, only so much of the mark or marks may be used as is reasonably necessary to identify the plaintiff’s product or service; and third, the user must do nothing that would, in conjunction with the mark, suggest sponsorship or endorsement by the trademark holder. 346

While the Ninth Circuit’s formulation has had influence on rulings in other circuits, the Ninth Circuit’s test is not universally accepted. As the Third Circuit has observed, “Few other courts have spoken on the precise issue of how nominative fair use is successfully invoked” and “it seems that only the Second, Fifth, and Sixth Circuits have referenced the nominative fair use defense by name and . . . have done so only to refer to what district courts had done with the issue or to decline to adopt the Ninth Circuit’s test as a whole.” 347

The Third Circuit has adopted its own two-step approach for dealing with questions of nominative fair use, inspired by, but not strictly following, the Ninth Circuit. 348 As of 2005, the Seventh Circuit “has not ruled on the applicability of the nominative fair use defense, nor the standards by which a claim of nominative fair use should be evaluated.” 349 As of February 2007, the First Circuit had not yet “decided whether to endorse the Ninth Circuit’s test for nominative fair uses,” but noted that it had previously “recognized the underlying principle.” 350 So while the TDRA now officially recognizes a defense of nominative fair use, it is not clear how

345. Id. at 810.
346. Id. (footnote omitted).
348. Id. at 222. This test differs from the Ninth Circuit’s formulation by, for example, eliminating the “need” element of the second prong and broadening the inquiry of the third prong to look at whether “the defendant’s conduct or language reflect[s] the true and accurate relationship” between the parties and their products. See id. at 230.
350. See Universal Commc’n Sys., Inc. v. Lycos, Inc., 478 F.3d 413, 424 (1st Cir. 2007) (citing WCVB-TV v. Boston Athletic Ass’n, 926 F.2d 42, 44 (1st Cir.1991)) (endorsing descriptive use of a mark to describe the trademarked product).
courts will analyze and apply the defense in TDRA tarnishment cases.

If courts recognize and apply the trademark use requirement of the TDRA, all nominative fair uses should be excluded from the outset because nominative uses are not, by definition, trademark uses. However, the nominative fair use exemption may be a reminder to courts that nominative fair uses are not “designations of source” in the first place. The concept of nominative fair use has great potential for protecting critical uses of famous word marks, such as negative commentary on “gripe sites.” The text on those sites is clearly nominative because the grippers are using the marks to identify the mark holders or their goods or services. Likewise, consumer opinions about companies or services written on Internet message boards should likewise be protected by the doctrine of nominative fair use. So, while the nominative fair use exemption will probably prove to be superfluous, it may still serve as a clarification of the scope of the TDRA.

b. The TDRA Parody Exemption

The parody exemption is also entirely new. As discussed above, there was not really a parody exemption per se before the TDRA, even though parodists often argued for, and won, protection under various theories. However, under the TDRA, certain parodies are exempted from dilution liability. Under the plain text of the fair use exemption, a parody would be an exempt fair use if:

1) The parody targets the famous mark owner or the mark owner’s goods or services; and

2) the parody does not serve “as a designation of source” for the parodist’s “own goods or services.”

The text is clear. In order for the exemption to apply, the parodist must be actually targeting the famous mark that is the subject of the parody. This was not always the case in the pre-TDRA cases, as discussed above. This exemption therefore, on its face, creates a bright-line exemption for the easiest cases. After all, First Amendment concerns are the strongest in cases where a parody targets the mark owner for criticism or critique.

Of course, this exemption suffers from one of the same problems as the nominative fair use exemption—the uses covered by the exemption should not be subject to the TDRA at all because


they are not trademark uses and are thus out of the reach of the TDRA.

So far, a number of cases decided under the TDRA have involved tarnishment claims when the aimed uses are, at least arguably, parodies. However, only one of them has even discussed the parody exemption. The Fourth Circuit discussed the exemption briefly in Louis Vuitton Malletier S.A. v. Haute Diggity Dog, LLC. The court interpreted the TDRA to mean:

[Parody] is not automatically a complete defense to a claim of dilution... where the defendant uses the parody as its own designation of source, i.e., as a trademark. Although the TDRA does provide that fair use is a complete defense and allows that a parody can be considered fair use, it does not extend the fair use defense to parodies used as a trademark.

However, in Louis Vuitton, the court did not have to decide whether the fair use exemption applied to the plaintiff’s claim of dilution by tarnishment because it found that any association between the plaintiff’s products and the defendant’s dog toys was not harmful in the first place. Other cases involving parodies have also been decided based on a finding of no harmful association as well, not reaching the question of whether the TDRA parody exemption would even apply.

In other cases involving parodies under the TDRA, the courts have decided the cases based on principles from or by analogy to pre-TDRA tarnishment cases. For example, in Burnett v. Twentieth Century Fox Film Corp., Carol Burnett sued Fox because of an episode of the animated comedy “The Family Guy.” The court noted that the show “routinely puts cartoon versions of celebrities in awkward, ridiculous, and absurd situations in order to lampoon...”


354. 507 F.3d 252 (4th Cir. 2007).

355. Id. at 266.

356. See id. at 269.

357. See, e.g., Starbucks Corp., No. 01 Civ. 5981(LTS)(THK), 2008 WL 2329269, at *6 (finding there was no likely or actual tarnishment caused by defendant’s use of the names “Mister Charbucks” and “Mr. Charbucks” for coffee).

and parody those public figures and to poke fun at society’s general fascination with celebrity and pop culture.”359 The scene at issue featured the show’s main character, Peter Griffin, visiting “a porn shop with his friends.”360

Upon entering, Peter remarks that the porn shop is cleaner than he expected. One of Peter’s friends explains that “Carol Burnett works part time as a janitor.” The screen then switches for less than five seconds to an animated figure resembling the “Charwoman” from the Carol Burnett Show, mopping the floor next to seven “blow-up dolls,” a rack of “XXX” movies, and a curtained room with a sign above it reading “Video Booths.” As the “Charwoman” mops, a “slightly altered version of Carol’s Theme from The Carol Burnett Show is playing.” The scene switches back to Peter and his friends. One of the friends remarks: “You know, when she tugged her ear at the end of that show, she was really saying goodnight to her mom.” Another friend responds, “I wonder what she tugged to say goodnight to her dad,” finishing with a comic’s explanation, “Oh!”361

Burnett sued, alleging several theories, including copyright infringement, trademark infringement and dilution under the Lanham Act based on the use of the “Charwoman” character.362 The court first decided, in the context of Burnett’s copyright claim, that the Family Guy’s use was indeed a parody.363 Then the court moved on to Burnett’s Lanham Act claims. The court first stated that “the cry of ‘parody!’ does not magically fend off otherwise legitimate claims of trademark infringement or dilution.”364 In discussing Burnett’s claim for tarnishment under the TDRA, the court did not mention the parody exemption at all.365 Instead, the court relied on the FTDA case of Mattel, Inc. v. MCA Records, Inc. for the propositions that “[a] dilution action only applies to purely commercial speech” and “[p]arody is a form of noncommercial expression if it does more than propose a commercial transaction.”366 Therefore, the court concluded that

359. Id. at 965-66.
360. Id. at 966.
361. Id. (internal citations omitted).
362. See id.
363. Id. at 969 (quoting Dr. Seuss Enters., L.P. v. Penguin Books USA, Inc., 109 F.3d 1394, 1401 (9th Cir.1997)).
364. Id. (quoting 4 McCarthy, supra note 26, § 31:153 (2007)).
365. See id. at 973-74.
366. Id. at 974 (citing Mattel, Inc. v. MCA Records, Inc., 296 F.3d 894, 904, 906 (9th Cir. 2002)).
“[u]nder MCA, Fox’s artistic and parodic work is considered noncommercial speech and, therefore, not subject to a trademark dilution claim.” The court dismissed Burnett’s tarnishment claim. The passage in Mattel v. MCA upon which the Burnett court relied was interpreting and applying the FTDA’s noncommercial use exemption. The TDRA contains the same exemption, but the court did not mention that exemption either. The court simply relied on the general statements made in Mattel v. MCA as the basis for making its decision on Burnett’s TDRA tarnishment claim.

Similarly, in Smith v. Wal-Mart Stores, Inc., the court decided a TDRA parody case based on language that was interpreting the FTDA’s “noncommercial use” exemption. Charles Smith decided to express his distaste for the mass retailer in powerful terms:

To express his opinion of Wal-Mart, Smith first sought to compare the company to the Nazis. He came up with the word “Walocaust,” . . . He also created various designs and slogans that incorporated the word Walocaust and arranged for them to be printed on t-shirts and other items that could be purchased on his website, www.walocaust.com.

Wal-Mart sent Smith a cease-and-desist letter, including an objection to his domain name registration. In response, “Smith filed suit against Wal-Mart . . . seeking a declaratory judgment that his actions are lawful.” A few days later, Smith came up with a new Wal-Mart-inspired design. He “registered the domain name www.walqaeda.com,” and on that site “he offered for sale various items incorporating the word ‘Walqaeda’ as well as other anti-Wal-Mart slogans such as ‘Freedom-Haters Always’ and ‘Freedom-Hater-Mart.”’ In a preliminary opinion, the court noted that the case “involves a fascinating fact pattern that may raise important questions regarding the intersection between the federal trademark laws and the First Amendment.”

367. Id. at 973-74.
368. See id. at 974.
369. See Mattel, 296 F.3d at 904, 906.
371. See Burnett, 491 F. Supp. 2d at 973-74.
373. Id. at 1320.
374. Id.
375. Id.
376. Id.
377. Id. at 1321.
On March 20, 2008, the court granted Smith’s motion for summary judgment and issued a declaratory judgment that Smith’s activities did not violate Wal-Mart’s trademark rights.\textsuperscript{378} The court allowed Smith to continue selling novelty merchandise containing “his parodic WALOCAUST, WAL-QAEDA, FREEDOM HATER MART and BENTON*VILLEBULLIES ALWAYS concepts” provided Smith continued to include prominent disclaimers of affiliation with Wal-Mart.\textsuperscript{379}

In considering Wal-Mart’s trademark infringement claim, the court decided that Smith’s designs were successful parodies.\textsuperscript{380} First, the court decided that the designs were parodies, stating, “For the purposes of trademark analysis, ‘a parody is defined as a simple form of entertainment conveyed by juxtaposing the irreverent representation of the trademark with the idealized image created by the mark’s owner.’”\textsuperscript{381} Applying this test, the court concluded:

[I]t is clear that Smith’s concepts are parodies of the registered Wal-Mart marks. Smith successfully calls Wal-Mart to mind by using either “WAL” or “MART” as part of the concept; by mimicking its fonts and storefront design; by mentioning Bentonville, the location of Wal-Mart’s headquarters; or by including various other icons typically associated with Wal-Mart.\textsuperscript{382}

Once it determined that the designs were parodies, the court considered whether or not the parodies were successful, stating, “To be considered successful, the alleged parody must both call to mind and differentiate itself from the original, and it must ‘communicate some articulable element of satire, ridicule, joking or amusement.’”\textsuperscript{383} Under this test, the court concluded that Smith’s parodies were successful because “Smith’s concepts adequately evoke Wal-Mart while maintaining their differentiation, and they convey Smith’s satirical commentary; thus, they are successful parodies.”\textsuperscript{384}

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379. Id.
380. Id. at 1317.
381. Id. at 1316 (quoting Louis Vuitton Malletier S.A. v. Haute Diggity Dog, LLC, 507 F.3d 252, 260 (4th Cir. 2007)) (internal quotation marks omitted).
382. Id.
383. Id. (Louis Vuitton Malletier, 507 F.3d at 260).
\end{flushright}
In its analysis of Wal-Mart’s tarnishment claim, the court relied on pre-TDRA tarnishment case law. The court cited the FTDA case of Mattel, Inc. v. Walking Mountain Productions for the propositions that (1) “tarnishment caused merely by an editorial or artistic parody which satirizes [the complainant’s] product or its image is not actionable under an anti-dilution statute because of the free speech protections of the First Amendment;” (2) “[p]arody is a form of noncommercial expression if it does more than propose a commercial transaction;” and (3) “[a] claim of dilution applies only to purely commercial speech.”

The court noted that Smith’s sale of merchandise featuring his designs did not automatically make his speech commercial. “At least one court of appeals has specifically addressed whether a social advocate selling t-shirts that carried the group’s social message was engaging in noncommercial speech, despite the fact that the group sold the t-shirts to the public for profit” and found that the shirts were analogous to “the sandwich boards that union pickets sometimes wear.” Therefore, the shirts were “a medium of expression prima facie protected by the free-speech clause of the First Amendment, and they do not lose their protection by being sold rather than given away.”

Because “Smith primarily intended to express himself with his Walocaust and Wal-Qaeda concepts and that commercial success was a secondary motive at most” and because his designs were successful parodies, the court concluded that “Smith’s parodic work is considered noncommercial speech and therefore not subject to Wal-Mart’s trademark dilution claims, despite the fact that Smith sold the designs to the public on t-shirts and other novelty merchandise.” Therefore, the court granted Smith summary judgment on Wal-Mart’s dilution claims. So under Smith, the test appears to be that a parody will not be liable under the TDRA if:

1) It is indeed an actual parody;
2) The parody is “successful,” and

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385. See Wal-Mart Stores, 537 F. Supp. 2d at 1339.
386. See id. (quoting Mattel, Inc. v. Walking Mountain Prods., 353 F.3d 792, 812 (9th Cir. 2003)).
387. Wal-Mart Stores, 537 F. Supp. 2d at 1339 (quoting Ayres v. City of Chicago, 125 F.2d 1010, 1014 (7th Cir. 1996)).
388. Wal-Mart Stores, 537 F. Supp. 2d at 1339 (quoting Ayres, 125 F.2d at 1014).
389. Id. at 1340.
390. See id.
3) The parodist’s primary motivation was expressive, not commercial. As a test for “noncommercial use,” this one could actually be quite workable. However, the problem is that neither Smith nor Burnett should have reached the exemption stage of analysis. In Burnett, the makers of “The Family Guy” were clearly not making a trademark use of Carol Burnett’s “Charwoman” character. Therefore, the use should not have been actionable under the TDRA in the first place. The question of trademark use may be closer in the Smith case because Smith did sell merchandise featuring his scathing critiques of Wal-Mart. However, even here, the court found that Smith’s motivation was to express himself, not to brand a line of products, and therefore his use should have been deemed a non-trademark one. In both of these cases, it is unclear what arguments were actually before the court, but no matter what, these cases provide more examples of why both courts and litigators should give closer consideration to the new elements of dilution by tarnishment. In Smith, for example, the focus should have been on the question of trademark use, not about the commercial or noncommercial nature of Smith’s speech. Likewise, Burnett would have been a much easier case if the defendants had recognized and argued the trademark use requirement.

2. All Forms of News Reporting and News Commentary

This exemption seems to be fairly self-explanatory and non-controversial. The TDRA places no restrictions on the use of a trademark in the context of news reporting or commentary.

3. Any Noncommercial Use of a Mark

Exactly what Congress meant by “noncommercial use” was not clear under the FTDA, and courts were split on the exemption’s

391. See id.

 Nevertheless, Congress re-enacted the same language verbatim in the TDRA. Congress did, however, remove the “commercial use” requirement from the description of the cause of action. That requirement, as previously discussed, influenced how some courts interpreted the “noncommercial use” exemption under the FTDA.394

No cases so far appear to have addressed the TDRA’s noncommercial use exemption head-on. In the Burnett case discussed above, the court looked back to FTDA case law to conclude that “[a] dilution action only applies to purely commercial speech.”395 Therefore, the court concluded that a work was not subject to the federal dilution laws if it “does more than propose a commercial transaction.”396 The court did not discuss the TDRA or its noncommercial use exemption, but the propositions it cites are from cases interpreting the FTDA’s noncommercial use exemption.397 Similarly, in Wal-Mart, the court relied on case law interpreting the FTDA’s noncommercial use exemption for its decision on TDRA tarnishment.398 Given that the TDRA’s noncommercial use exemption is identical to the FTDA’s noncommercial use exemption, the courts could have noted that fact and explicitly decided the cases using the TDRA exemption.399 However, both courts simply cited pre-TDRA cases for these propositions without considering if they still applied under the new statutory language.

V. CONCLUSION

The Trademark Dilution Revision Act makes it clear that dilution by tarnishment is a valid cause of action under the Lanham Act. However, the TDRA does not, as some commentators seem to assume, simply codify any pre-TDRA tarnishment cause of

393. See generally Patrick D. Curran, Comment, Diluting the Commercial Speech Doctrine: “Noncommercial Use” and the Federal Trademark Dilution Act, 71 U. Chi. L. Rev. 1077, 1082-91 (2004) (describing examples of how, “when faced with concrete factual disputes requiring the application of the ‘noncommercial use’ exemption, courts are far less uniform in their interpretations of the FTDA”).

394. See, e.g., Mattel, 296 F.3d at 904.


397. See id. at 973-74.


The cause of action for tarnishment under the TDRA is significantly narrower. There is no cause of action under the Lanham Act for merely using a famous trademark in a distasteful way. Instead, the defendant must use the allegedly tarnishing trademark as a mark—that is, in connection with the defendant’s goods or services. Although some trademark owners may have wished for broader protections, the narrowing of the cause of action as compared to pre-TDRA tarnishment is a prudent change from a First Amendment perspective. Pre-TDRA tarnishment cases may be helpful to courts in giving content to the elements of TDRA tarnishments and thus they will continue to play an important role in fleshing out the new cause of action. But they should not be automatically held to be controlling because they represent interpretations of significantly different laws. The TDRA has created a new and distinct cause of action—and it should be recognized and applied as such.

400. Barber, supra note 3, at 1132; Panel II: Trademark Dilution Revision Act Implications, 16 Fordham Intell. Prop. Media & Ent. L.J. 1101 (2006) (statement of William G. Barber). For example, Mr. Barber noted, “Since we were invited by the last speaker to give an example of a case where you need a tarnishment claim as opposed to a blurring claim and it wouldn’t qualify for fair use, I think I have given examples of that this morning. ‘Enjoy Cocaine’—that was not a commentary on Coca-Cola. That was just an abuse of the Coca-Cola script logo. It had nothing to do with Coca-Cola. These obscene uses of the Pillsbury Doughboy have nothing to do with Pillsbury. It’s just an abusive use of a famous trademark... these... uses are not legitimate parodies. I think it’s what the tarnishment theory is all about. I think that’s why we need tarnishment to be specifically covered in the statute.” Id.