

# **Recent Developments in Federal Dilution Law**

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# **TRADEMARK DILUTION REVISION ACT OF 2006 (“TDRA”)**

15 U.S.C. § 1125, Lanham Act § 43(c)  
effective October 6, 2006

# TDRA Highlights

## Relief:

- Injunctive relief is available if junior use of a mark or trade name in commerce is likely to cause dilution by blurring or by tarnishment of a famous mark.
- Money damages are available only for willfully trading on the owner's reputation or causing dilution of the famous mark.

# **TDRA Highlights**

## **What is Fame?**

The mark must be famous to the general consuming population in order to qualify for dilution protection.

# TDRA Highlights

## Two types of dilution:

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

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

# TDRA Highlights

## Exceptions:

Fair Use: including comparative ads, parody & criticism

News reporting and news commentary

Noncommercial use: including generic use of a mark

# **SECOND CIRCUIT**

# *Tiffany (NJ) Inc. v. eBay Inc.,*

600 F.3d 93 (2d Cir. 2010), *cert. denied* 131 S. Ct. 647 (U.S. 2010)

## **Facts:**

Tiffany sued eBay for trademark dilution, alleging that eBay facilitated and advertised the sale of TIFFANY marked goods that were actually counterfeit goods, but Tiffany did not allege that eBay itself was selling counterfeit goods.





# *Tiffany (NJ) Inc. v. eBay Inc.,*

600 F.3d 93 (2d Cir. 2010), *cert. denied* 131 S. Ct. 647 (U.S. 2010)

## **Holding:**

The District Court found no cause of action under the TDRA because eBay's activities fell within the fair use exception of the TDRA.

The Second Circuit affirmed: "There is no second mark or product at issue here to blur with or tarnish 'Tiffany.'"



*Fendi Adele S.R.L. v. Filene's Basement, Inc.*,  
696 F. Supp. 2d 368, 390 (S.D.N.Y. 2010)

**Facts:**

The suit was initially brought under the Federal Trademark Dilution Act of 1995 (“FTDA”).

The District Court considered whether the TDRA should be applied retroactively.

Because Filene’s began using the FENDI marks prior to October 6, 2006, the more stringent test of actual dilution from the FTDA should be applied.



# **THIRD CIRCUIT**

# *MarbleLife, Inc. v. Stone Resources, Inc.,*

No. 10-2480, 2010 U.S. Dist. LEXIS 136041 (E.D. Pa. Dec. 23, 2010)

## **Facts:**

Stone Resources used the MARBLELIFE name and mark after its MARBLELIFE franchisee agreement expired. Plaintiff sought a preliminary injunction on several grounds including federal trademark infringement and dilution.



(return home)

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# *MarbleLife, Inc. v. Stone Resources, Inc.*,

No. 10-2480, 2010 U.S. Dist. LEXIS 136041 (E.D. Pa. Dec. 23, 2010)

## **Holding:**

In granting the injunction, the District Court found for MarbleLife on all counts, including dilution.

## Author's note:

1. The Court found that more than 20 years of use of the mark (alone) is sufficient to prove “fame” and “distinctiveness”; and
2. The Court apparently believed proof of actual dilution was necessary, citing to *Moseley v. V. Secret Catalogue, Inc.*, 537 U.S. 418 (2003).

# **FOURTH CIRCUIT**

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

**Facts:**

On cross motions for summary judgment, the District Court found that the CHEWY VUITON marks fell within the parody exception to the TDRA and that parody required association with the senior user's mark:

“Instead of blurring Plaintiff's mark, the success of the parodic use depends upon the continued association with LOUIS VUITTON.”



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

## **Holding:**

Parody was not an absolute defense to dilution where the Defendant uses the parody as its own trademark. Instead, the Court must still take into account all relevant factors, including the six factors set out in the TDRA.





# *Super Duper, Inc. v. Mattel,*

No. 09-1397, 2010 U.S. App. LEXIS 11853 (4th Cir. 2010) (unpublished),  
*cert. denied* 2011 U.S. LEXIS 720 (U.S. Jan. 18, 2011)

## **Facts:**

A jury found that Super Duper's use of seven trademarks:

SEE IT! SAY IT!, SAY AND SING, FISH AND SAY, FISH & SAY, SORT AND SAY, SORT & SAY, and SAY AND SORT

infringed upon and/or diluted four of Mattel's preexisting marks:

SEE 'N SAY, SEE 'N SAY JUNIOR, SEE 'N SAY BABY, and THE FARMER SAYS.



# *Super Duper, Inc. v. Mattel,*

No. 09-1397, 2010 U.S. App. LEXIS 11853 (4th Cir. 2010) (unpublished),  
*cert. denied* 2011 U.S. LEXIS 720 (U.S. Jan. 18, 2011)

## **Holding:**

The Court noted that its precedent did not require Plaintiffs to produce survey evidence or expert testimony to prevail on a trademark dilution claim.



# **SIXTH CIRCUIT**

*V Secret Catalogue, Inc. v. Moseley*,  
605 F.3d 382 (6th Cir. 2010), *cert. denied* 2011 U.S. LEXIS 893 (Jan. 18, 2011)

## Facts:

Plaintiff brought suit alleging trademark infringement and dilution under the 1995 FTDA. The District Court enjoined the use of “Victor’s Secret” and “Victor’s Little Secret,” and the Sixth Circuit affirmed.

The Supreme Court reversed and remanded, holding that Plaintiff needed to show *actual* dilution in order to prevail.

Meanwhile, Congress enacted TDRA, explicitly stating that a Plaintiff need show only a *likelihood* of dilution to prevail.



*V Secret Catalogue, Inc. v. Moseley*,  
605 F.3d 382 (6th Cir. 2010), *cert. denied* 2011 U.S. LEXIS 893 (Jan. 18, 2011)

**Holding:**

The District Court found dilution and granted summary judgment to V Secret Catalogue. The Sixth Circuit affirmed.

The Court noted that there is “a kind of rebuttable presumption, or at least a very strong inference, that a new mark used to sell sex related products is likely to tarnish a famous mark if there is a clear semantic association between the two.”



# **EIGHTH CIRCUIT**

*Anheuser-Busch, Inc. v. VIP Products, LLC,*  
666 F. Supp. 2d 974 (E.D. Mo. 2008)

**Facts:**

VIP manufactured and sold a bottle-shaped BUTTWIPER squeeze toy that featured a beer bottle label that looked like the BUDWEISER label.



*Anheuser-Busch, Inc. v. VIP Products, LLC*,  
666 F. Supp. 2d 974 (E.D. Mo. 2008)

**Holding:**

The District Court held that a dilution claim required proof of *actual* dilution. (Despite acknowledging testimony that the dog on the BUTTWIPER toy was suffering from some “unsavory condition affecting its anal glands,” the court determined that there was no evidence that BUTTWIPER harmed the reputation of BUDWEISER.)

Author’s note: Since there is nothing in the case to indicate that any part of the activity was pre-TDRA, it looks like the Court was using the wrong standard.





# **NINTH CIRCUIT**

*Visa International Service Association v. JSL Corporation*,  
610 F.3d 1088 (9th Cir. 2010)

**Facts:**

Joseph Orr/JSL operated an online “multilingual education and information business” under the eVISA mark. The District Court granted summary judgment to Visa based on its suit for dilution.



*Visa International Service Association v. JSL Corporation*,  
610 F.3d 1088 (9th Cir. 2010).

**Holding:**

Ninth Circuit affirmed, finding that:

- When the trademark in question is a word in the dictionary, demonstrating sufficient distinctiveness worthy of anti-dilution protection may be challenging because the word is “likely . . . descriptive or suggestive of an essential attribute of the trademarked good.”
- The court also noted, in dicta, that expert testimony and survey evidence showing dilution/likelihood of dilution is not required. Instead Plaintiff may rely entirely on “the characteristics of the marks in issue.”

# **TENTH CIRCUIT**

*General Motors Company v. Urban Gorilla, LLC,*  
No. 2:06-CV-00133, 2010 U.S. Dist. LEXIS 136711 (D. Utah Dec. 27, 2010)

**Facts:**

Urban Gorilla sold steel and fiberglass “body kits” that customers installed on truck chassis from any manufacturer. Assembled, some of the kits resembled GMC HUMMER vehicles.

The suit was brought before the TDRA went into effect.



*General Motors Company v. Urban Gorilla, LLC*,  
No. 2:06-CV-00133, 2010 U.S. Dist. LEXIS 136711 (D. Utah Dec. 27, 2010)

**Holding – Retroactivity:**

The Court ruled that because the Plaintiff sought only injunctive relief, and injunctive relief operates *in futuro*, no retroactivity problem existed.

Author's note: Note the opposite result where damages were sought in the Second Circuit *Fendi case, supra*.



*General Motors Company v. Urban Gorilla, LLC*,  
No. 2:06-CV-00133, 2010 U.S. Dist. LEXIS 136711 (D. Utah Dec. 27, 2010)

**Holding:**

Dilution by blurring was likely based on:

- Urban Gorilla’s use of a tagline “When Nothing Else Will Do,” which was similar to the tag line used by GMC for the HUMMER vehicle, “Like Nothing Else.”
- Urban Gorilla’s use of the HUMMER mark. However, the Court noted that use of the mark HUMMER for comparison purposes would constitute a fair use within the exceptions to the TDRA. [[Author’s note: Should this fall within the nominative use exception to the TDRA?](#)]; and
- Urban Gorilla’s use of the GMC HUMMER registered trade dress.

# **ELEVENTH CIRCUIT**



*Smith v. Wal-Mart Stores, Inc.*, 537 F. Supp. 2d 1302 ( N.D. Ga. 2008)

## Facts:

Charles Smith, an avid and vocal critic of Wal-Mart, created various designs and slogans that incorporated the words WALOCAUST and WAL-QAEDA.

He had his designs printed on t-shirts and other items, including mugs, underwear, camisoles, teddy bears, bumper stickers, and bibs.



*Smith v. Wal-Mart Stores, Inc.*, 537 F. Supp. 2d 1302 ( N.D. Ga. 2008)

**Holding:**

Smith's uses were parodies within the exception to the TDRA, despite the fact that Smith was selling his products:

“A social advocate selling t-shirts and other products that carry the group's social message engages in non-commercial speech, despite selling goods to the public for profit.”



# **FEDERAL CIRCUIT**

*National Pork Board and National Pork Producers Council v. Supreme Lobster and Seafood Co.,*  
96 U.S.P.Q.2d 1479 (TTAB 2010)

**Facts:**

Applicant applied to register the mark THE OTHER RED MEAT for fresh and frozen salmon. Opposers claimed infringement and dilution on the basis of incontestable registrations for THE OTHER WHITE MEAT for “*association services, namely promoting the interests of members of the pork industry*” and various related goods and services, but not for pork products.



*National Pork Board and National Pork Producers  
Council v. Supreme Lobster and Seafood Co.,*  
96 U.S.P.Q.2d 1479 (TTAB 2010)

**Holding:**

The TTAB found overwhelming evidence of fame. The mark THE OTHER WHITE MEAT was recognized by 85% of the American public and that it was the fifth most recognized slogan in the country.

Author's note: The dilution analysis is meticulous, and provides a roadmap for how to construct pre-litigation evidence of fame and persuasive likelihood of dilution surveys.



# TAKEAWAYS

1. The question of “what is famous” appears to be settled (except in the Eastern District of Pennsylvania).
2. Take the time to educate your court as to the relationship between the Supreme Court decision in *Moseley* and the TDRA.
3. It is not yet clear whether the “safe harbor” exceptions to dilution are absolute or relative.
4. While the TTAB has given us a rejection based on dilution, do not count on dilution as an opposition ground without strong evidentiary support.
5. If you anticipate dilution enforcement actions, consider pre-litigation surveys to monitor the strength of your mark.

# TAKEAWAYS

6. Dog chew toys appear to be dilution proof!



**QUESTIONS?**