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Dilution Back From the Dead? *V Secret v. Moseley*, *Visa International v. JSL Corp.*, and *National Pork Board v. Supreme Lobster and Seafood Co.*



By MATTHEW D. MARCOTTE

After the Supreme Court's decision in *Moseley v. V Secret Catalogue Inc.*, 537 U.S. 418, 65 USPQ2d 1801 (65 PTCJ 400, 3/7/03)(2003) (65 PTCJ 400, 3/7/03), requiring plaintiffs seeking relief for trademark dilution under the Lanham Act to prove actual dilution in order to prevail, it seemed as though federal dilution claims were, in essence, a dead letter. Then, by enacting the Trademark Dilution Revision Act, expressly stating that "likelihood of dilution" was all that needed to be proven, Congress appeared to resurrect the claim.

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However, even under the looser standards of the TDRA, courts still regularly rejected claims of dilution. *See, e.g., Louis Vuitton Malletier S.A. v. Haute Diggity Dog LLC*, 507 F.3d 252, 268-69, 84 USPQ2d 1969(4th Cir. 2007) (75 PTCJ 112, 11/30/07) (use of "Chewy Vuitton" not likely to dilute "Louis Vuitton" and related marks); *Century 21 Real Estate LLC v. Century Surety Co.*, 2007 WL 433579 (D. Ariz. 2007) (use of "Century Surety" not likely to dilute "Century21"); *Anheuser-Busch Inc. v. VIP Products LLC*, 666 F. Supp. 2d 974, 987-88 (E.D. Mo. 2008) (use of "Buttwiper" not likely to dilute "Budweiser"); *Levi Strauss & Co. v. Abercrombie & Fitch Trading Co.*, No. C 07-03752 JSW, 2009 WL 1082175, at *8 (N.D. Cal. 2009) (no likelihood of blurring of distinctive back pocket stitching on jeans).

It seemed as though, despite Congress' efforts, dilution would remain a non-viable claim. However, in recent months, three decisions from the Sixth Circuit, the Ninth Circuit, and the Trademark Trial and Appeal Board have raised a new glimmer of hope for dilution plaintiffs. In each of these cases, courts held that dilu-

tion was likely. This article discusses how these recent decisions can serve as a roadmap for pleading and proving federal dilution claims in the future.

Elements of a Dilution Claim

In order to successfully prosecute a trademark dilution claim either before the TTAB or in federal court, a trademark owner must prove two elements. First, the mark which is allegedly being diluted must be famous and have been famous at the time the second-comer began using or applied for registration of its mark. A famous mark is one that is widely recognized by the general public as a designation of source of goods of the mark's owner, for example, Kodak, DuPont, Coca-Cola, Budweiser, or Buick. Second, the second-comer's mark must be likely to dilute the distinctive quality of the trademark owner's mark.

The statute recognizes two separate types of dilution. The first, and easier to prove, is tarnishment, where the famous mark or a mark resembling the famous mark is used on goods or services that might be found unsavory—such as pornography—leading to the trademark owner's reputation potentially being diminished. *See, e.g., Kraft Foods Holdings Inc. v. Helm*, 205 F. Supp. 2d 942, 949-50, 63 USPQ2d 1353 (N.D. Ill. 2002) (use of "Velveeda" for pornographic website tarnishes "Velveeta" mark), *Dallas Cowboys Cheerleaders Inc. v. Pussycat Cinema Inc.*, 467 F. Supp. 366, 377 (S.D.N.Y. 1979) (use of Dallas Cowboy-style cheerleader uniform in adult film tarnished Cowboy Cheerleader marks).

The second species of dilution is blurring, which occurs when a famous mark previously associated with a single source of a product also becomes associated with a second source, even though consumers remain aware that there are multiple sources. *Visa International Service Association v. JSL Corp.*, No. 08-15206, 2010 WL 2559003, at *1 (9th Cir. Jun. 28, 2010) (80 PTCJ 337, 7/16/10). This weakens the senior user's right to have a trademark signal a single source. *Id.*

The TDRA sets forth six factors which courts can consider in determining whether dilution by blurring is likely: (i) the degree of similarity between the mark or trade name and the famous mark; (ii) the degree of inherent or acquired distinctiveness of the famous mark; (iii) the extent to which the owner of the famous mark is engaging in substantially exclusive use of the mark; (iv) the degree of recognition of the famous mark; (v) whether the user of the mark or trade name intended to create an association with the famous mark; and (vi) any actual association between the mark or trade name and the famous mark. 15 U.S.C. § 1125(c)(2)(B).

Dilution by blurring claims have historically been much harder to prove than those of dilution by tarnishment. *See, e.g., AutoZone Inc. v. Tandy Corp.*, 373 F.3d 786, 806-07, 71 USPQ2d 1385 (6th Cir. 2004) (68 PTCJ 321, 7/16/04) (finding no dilution by blurring due to absence of similarity between "Autozone" and "Powerzone" marks); *Century 21 Real Estate LLC v. Century Sur. Co.*, 2007 WL 433579 (D. Ariz. 2007) (finding no dilution by blurring because "Century 21" and "Century Surety" were not sufficiently similar); *Louis Vuitton*, 507 F.3d at 268-69 (finding no dilution by blurring because the "Chewy Vuitton" parody of "Louis Vuitton" caused no loss of distinctiveness).

Moseley—Dilution Dies and Is Revived

In *Moseley*, the owners of the mark "Victoria's Secret" for lingerie stores challenged the use of the marks

"Victor's Secret" and "Victor's Little Secret" for a store that sold a variety of adult products, claiming that this use constituted both infringement and dilution of the Victoria's Secret mark. The district court dismissed the infringement claim, but granted Victoria's Secret summary judgment on its dilution claim, finding dilution by tarnishment. The Sixth Circuit affirmed.

The Supreme Court reversed, holding that Victoria's Secret had to prove "actual harm" rather than a mere "likelihood of harm" in order to prevail on a trademark dilution claim under the then-existing dilution statute, and remanded the case to the district court. In response to the Supreme Court's decision, Congress enacted the TDRA, expressly providing that proof of a "likelihood of harm" rather than "actual harm" suffices to support a claim of trademark dilution.

On remand, applying the TDRA, the district court again granted summary judgment for Victoria's Secret, finding that the mark Victor's Secret was likely to cause dilution by tarnishment, but not dilution by blurring. The Moseleys appealed to the Sixth Circuit, which reasoned that because "Congress was dissatisfied with the [Supreme Court's] result . . . in the eyes of the Legislative branch . . . [Victoria's Secret had] show[n] a likelihood of tarnishment." *V Secret Catalogue Inc. v. Moseley*, 605 F.3d 382, 389, 95 USPQ2d 1050 (6th Cir. 2010) (80 PTCJ 121, 5/28/10). Accordingly, the grant of summary judgment was upheld, along with the injunction preventing the Moseleys from operating their store under the name Victoria's Secret.

What is most striking about the *Moseley* opinion is how it glosses over many substantial issues. For instance, there is no discussion of whether Victoria's Secret is a sufficiently famous mark to warrant protection under the dilution standards, nor is there any detailed discussion of how to prove dilution. Indeed, the court even, at one point, seemed to shift the burden to the Moseleys to show that dilution was not likely, because Congress had enacted the TDRA partially in response to the Supreme Court's prior decision in the case.

In dissent, Judge Kimberly A. Moore pointed this out, noting that the plaintiff's evidence of dilution was solely two affidavits—one from a customer saying that it found the defendants' mark offensive, and one from Victoria's Secret explaining its branding. No survey or other detailed evidence was presented in support of the dilution claim.

Unfortunately, this means that while *Moseley* will be often cited to support dilution claims, it provides decidedly limited substantive guidance for how to actually prove a dilution claim.

Visa—Dilution in the Ninth Circuit

In *Visa*, the defendant operated eVisa.com, a "multilingual education and information business that exists and operates exclusively on the internet." The plaintiff, owner of the mark "Visa" for payment and credit cards, challenged JSL's use of "eVisa" on the basis of dilution. To prove fame, the plaintiff presented evidence that the "Visa" mark had been used in each of the 50 states, more than 300 countries and territories, and on the internet, and that Visa brand payment cards were used in \$1.3 trillion of U.S. sales.

In surveying for recognition of the Visa brand, 99 percent of respondents were aware of Visa brand payment cards, and 85 percent of respondents identified Visa when asked, "Now, please tell me which brands of pay-

ment cards can be used to buy goods and services at more than one type of merchant.” *Visa*, 590 F. Supp. 2d 1306, 1315 (D. Nev. 2008).

Once the plaintiff proved fame, the district court found dilution by blurring, giving credence to a consumer survey in which 73 percent of respondents shown the eVisa.com website and asked whether eVisa reminded them of another brand name mentioned Visa. The court found that the defendant’s arguments that the survey did not replicate the process by which a person would actually come into contact with its mark in the marketplace to be without merit, stating that the plaintiff need only demonstrate that consumers were shown the mark in the context in which it appears in the marketplace.

The defendant appealed, arguing that it could not be prevented from using “visa” in its generic sense. However, the Ninth Circuit held that the defendant was not using the word visa for its literal definition, and upheld summary judgment for the plaintiff on the dilution claim.

Because neither the Ninth Circuit’s nor the district court’s opinions are particularly thorough in explaining how to prove dilution, they, too, will not be terribly useful to those attempting to figure out how to prove a claim.

National Pork Board

On the other hand, the TTAB’s surprisingly lengthy opinion in *National Pork Board and National Pork Producers Council v. Supreme Lobster and Seafood Company*, Opposition No. 91166701 (June 11, 2010), offers considerably more substantial guidance to potential dilution plaintiffs. While the TTAB’s ruling will not serve as binding precedent in federal district courts, it will serve as persuasive authority and provides much more concrete guidance for potential dilution plaintiffs on meeting their burden. It was all the more surprising since it was the first time in seven years that the TTAB had sustained a dilution claim on final judgment, and an even rarer successful dilution case before the TTAB that did not involve identical marks.

In this case, Supreme Lobster and Seafood Co. sought to register the mark “The Other Red Meat” for “fresh and frozen salmon.” National Pork Board and National Pork Producers Council opposed registration on the grounds, inter alia, that it was likely to dilute the mark, “The Other White Meat” for “association services, namely, promoting the interests of members of the pork industry.”

To prove fame of its The Other White Meat mark, NPB relied on tracking studies, consumer surveys, evidence of advertising expenditures, and media references to their mark. One survey, conducted by Northwestern University in 2000, consisted of: (1) compiling a list of 114 commercial slogans; (2) winnowing the list down to the 25 most recognized slogans; and (3) conducting a telephone survey with more than 1,000 respondents to determine the degree of recognition of each slogan.

This survey ranked The Other White Meat as the fifth most recognized advertising slogan in the United States. In addition to the survey evidence, NPB presented evidence of advertising expenditures of \$25 million per year connected to the The Other White Meat mark. NPB also presented references to the mark in late night television shows, comic strips, movies, as well as

third party publications, college textbooks on advertising and marketing, and a Harvard Business School case study.

This evidence caused the board to find that NPB’s slogan The Other White Meat was famous, finding that the slogan was “part of the fabric of popular culture in the United States.” This substantial external evidence of fame may prove instructive in future determinations as to whether a mark is famous, and demonstrates that parties may not wish to press forward with a dilution claim absent substantial survey and other evidence to support a claim of fame.

Having overcome the fame hurdle, NPB successfully proved a likelihood of dilution through, among other things, a telephone survey. After hearing a recording of Supreme Lobster’s slogan, survey respondents were asked the following questions: (1) “Thinking about the slogan you just heard, THE OTHER RED MEAT, do any other advertising slogans or phrases come to mind?” and (2) “What other advertising slogan or phrase comes to mind?”

Thirty-five percent of survey respondents referenced NPB’s slogan in response to these questions. Supreme Lobster objected to the control slogan, “The Tasty Main Dish,” but the board rejected this criticism because Supreme Lobster failed to set forth a convincing explanation of what was wrong with the control. The board held that “[i]f the proof is in the pudding, opposers’ survey results demonstrate that this control did exactly what it was designed to do, namely to assess the level of any guessing (or ‘noise’) on the part of the respondents”

The board also overruled Supreme Lobster’s objections that the survey’s use of the word “Other” in the questions rendered the questions leading, and found the survey to be reliable, persuasive, and probative on the issue of dilution. It held that the survey demonstrated that a “sizeable segment of the target population” associated The Other Red Meat with the The Other White Meat mark.

The statute requires more than proof of association alone: The association must “impair[] the distinctiveness” of the senior mark. 15 U.S.C. § 1125(c)(2)(B); *Louis Vuitton*, 507 F.3d at 265. Courts generally evaluate all six of the TDRA factors when evaluating dilution.

In *National Pork Board*, however, the board seemed to base its decision primarily on the strong proof of association offered with the survey, although it paid at least lip service to the other factors, finding a high degree of similarity between the two marks, noting that they had the same structure and cadence, and three of the same words, and finding that The Other White Meat was famous, inherently distinctive, and used exclusively in commerce.

In *National Pork Board*, the TTAB provides concrete and detailed examples of how trademark holders can take steps to establish the fame of their marks through the use of surveys, studies, and advertising efforts. Its opinion also provides trademark opposers with the details of a successful dilution survey.

Accordingly, *National Pork Board* is likely to be highly significant in future dilution cases because it provides a relatively detailed framework for how to prove both fame and dilution, including one of the first times a survey showing likely dilution has been credited by a court or other tribunal.

Conclusion

Moseley, *Visa*, and *National Pork Board* represent a recent willingness by courts to accept dilution claims. *Moseley* demonstrates a real (and perhaps blind) acceptance of the more lenient “likelihood of dilution” standard established by the TDRA, and will provide ammunition for future plaintiffs in arguing that dilution should be found based on nothing more than the strength and similarity of the marks alone.

Visa indicates a willingness of courts to find dilution even where the marks are not identical, based on the strength of the mark and a dilution survey. *National Pork Board*, conversely, will provide guidance in prov-

ing fame and conducting dilution surveys at least in the TTAB arena, and perhaps even in federal court.

All in all, these cases demonstrate that it may be worthwhile for trademark holders to invest in surveys and studies supporting the famousness of their marks even when litigation is not imminent or ongoing. *National Pork Board* is particularly useful because not only does it provide guidance on proving fame—it also provides a roadmap on designing dilution surveys and proving dilution, and seems to indicate that proof of association is an important factor in analyzing whether dilution by blurring is likely.