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Evolution or Mutation?: The Elimination of High Mark Similarity Standards in Federal Dilution Law

Matthew A. Karmel
Fordham University School of Law

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Cover Page Footnote

J.D. Candidate 2013, Fordham University School of Law. B.A. 2009, Rutgers College, Rutgers, The State University of New Jersey. I would like to thank Professor George Conk for his help and guidance. I would also like to thank my wife, Katie Beers. I owe you my success, my happiness, and my sanity.

Evolution or Mutation?: The Elimination of High Mark Similarity Standards in Federal Dilution Law

Matthew A. Karmel*

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INTRODUCTION

Today, trademarks infiltrate every aspect of our lives; companies spend huge sums of money developing and maintaining their trademarks.¹ Every day we look for particular trademarks to tell us what coffee to drink, what clothes to buy, and what food to eat without giving thought to the trademarks' origins. However, trademarks as we know them today are the product of millennia of evolution. The first trademarks, used over seven thousand years ago, were merely simple markings placed on pottery and animals to signify ownership.² As the marketplace became more sophisticated, trademarks did too. Word and image marks, which we take for granted today, first appeared in the Roman Empire.³ In the Middle Ages, the burgeoning use of trademarks in the marketplace finally led to the development of legislative regulation of trademarks.⁴ Trademark regulation was soon followed by the first instances of litigation over ownership and infringement of trademarks,⁵ heralding the beginning of trademark law as we know it today.

Trademark law has continued evolving to meet the changing needs of society and the marketplace. Even over the past hundred years, trademark law has experienced a dramatic transformation with the advent of trademark dilution law.⁶ Trademark dilution is distinct from traditional trademark infringement because it is not predicated on a likelihood of consumer confusion.⁷ Instead, dilution protects the power of trademarks to create and maintain

¹ Cf. *Intermatic Inc. v. Toepfen*, 947 F. Supp. 1227, 1233 (N.D. Ill. 1996) (recognizing that companies spend millions of dollars on developing their trademarks).

² FRANK H. FOSTER & ROBERT L. SHOOK, *PATENTS, COPYRIGHTS & TRADEMARKS* 19 (2d ed. 1993).

³ *Id.* at 20.

⁴ Benjamin G. Paster, *Trademarks—Their Early History: Part I*, 69 TRADEMARK REP. 551, 555 (1969).

⁵ FOSTER & SHOOK, *supra* note 2, at 21.

⁶ See *Moseley v. V Secret Catalogue, Inc.* 537 U.S. 418, 429–31 (2003).

⁷ See *id.* at 429.

associations in consumers' minds.⁸ Dilution comes in two types, blurring and tarnishment. Blurring protects the associative power of a trademark from being weakened or blurred, and tarnishment protects the associative power of a trademark from being tainted by negative associations.⁹

Although dilution started out as a "creature of state law,"¹⁰ Congress later passed the Federal Trademark Dilution Act of 1995 ("FTDA") adding dilution to the Lanham Act.¹¹ The FTDA provided dilution protection to a limited group of highly famous and distinctive marks.¹² However, as with any development, the FTDA experienced growing pains. These growing pains took the form of unfavorable and often inconsistent judicial interpretations.¹³

In the meantime, under the FTDA, federal courts almost unanimously required the plaintiff to show that the defendant's mark and plaintiff's mark met a mark similarity standard before a claim for dilution could proceed.¹⁴ Despite this unanimity, each circuit employed its own mark similarity standard, ranging from requirements that marks be "identical or near identical" to "substantially or very similar."¹⁵

Then, in response to the hostile and inconsistent judicial interpretations, Congress ushered in the next era of federal dilution law by enacting the Trademark Dilution Revision Act of 2006 ("TDRA").¹⁶ The TDRA represented an ambitious and extensive overhaul of federal dilution law.¹⁷ And, in its wake, courts have grappled with whether pre-TDRA mark similarity standards should continue to be applicable under the TDRA.¹⁸ On the one hand, the owners of famous marks, backed by the International Trademark

⁸ See *infra* notes 28–37, 41–44 and accompanying text.

⁹ See *infra* notes 41–44 and accompanying text.

¹⁰ *Mattel, Inc. v. MCA Records, Inc.*, 296 F.3d 894, 903 (9th Cir. 2002).

¹¹ Pub. L. No. 104-98, 109 Stat. 985 (1996) (amended 2006).

¹² See *infra* note 51 and accompanying text.

¹³ See *infra* notes 52–68, 71–84 and accompanying text.

¹⁴ See *infra* notes 69–70 and accompanying text.

¹⁵ See *infra* notes 71–77 and accompanying text.

¹⁶ Pub. L. No. 109-312, 120 Stat. 1730 (2006).

¹⁷ See *infra* Part I.C.

¹⁸ See *infra* Part II.A.

Association, convinced some courts to discard pre-TDRA mark similarity standards.¹⁹ On the other hand, small businesses, backed by prominent trademark scholars, have argued against abandoning pre-TDRA mark similarity standards.²⁰ Is disposing of pre-TDRA mark similarity standards the next evolutionary step in federal dilution law? Or is this recent development an aberrant mutation?

This question is further complicated because courts that have discarded pre-TDRA mark similarity standards have reached different conclusions regarding the role of mark similarity in their absence.²¹ The Second Circuit, for example, refuses to allow mark similarity to be judged by any standard and refuses to allow mark similarity to be dispositive.²² The Ninth Circuit also refuses to allow mark similarity to be judged by any standard but, unlike the Second Circuit, the Ninth Circuit allows an abundance of mark similarity to be dispositive.²³ The Trademark Trial and Appeal Board, using a vastly different approach, judges mark similarity by a new, lower mark similarity standard and allows a lack of mark similarity to be dispositive.²⁴ Accordingly, in addition to the uncertainty regarding whether pre-TDRA mark similarity standards apply to the TDRA, it is also unclear what role mark similarity should have if pre-TDRA mark similarity standards do not apply.

In deciding these two issues, courts are faced with the difficult task of adhering to the language of the TDRA and allowing valid claims of dilution by blurring to proceed, while being pressured to maintain the balance between free and fair competition inherent in trademark law.

This Note will begin, in Part I, by highlighting the important formative events in the development of dilution law leading to the current state of the law. Part I will then briefly discuss some of the policy concerns implicated by dilution and unfair competition law. In Part II, this Note will describe the split in opinion over whether

¹⁹ See *infra* Part II.A.1.

²⁰ See *infra* Part II.A.2.

²¹ See *infra* Part II.B.

²² See *infra* Part II.B.1.a.

²³ See *infra* Part II.B.1.b.

²⁴ See *infra* Part II.B.2.

pre-TDRA mark similarity standards survived the passage of the TDRA. Part II will also highlight the divergent interpretations of the role of mark similarity in the absence of pre-TDRA mark similarity standards. In Part III, this Note will ultimately argue that courts should abandon pre-TDRA mark similarity standards. In their stead, this Note contends that mark similarity should be judged by the new, lower mark similarity standard enunciated by the Trademark Trial and Appeal Board.

I. THE EVOLUTION OF DILUTION: FROM *THE RATIONAL BASIS* TO THE TRADEMARK DILUTION REVISION ACT

A. *The Dawn of Dilution*

Trademark law protects any word, name, symbol, or device used to identify and distinguish goods or services from those of another manufacturer or service provider.²⁵ Traditionally, a trademark has been protected from uses of a junior mark²⁶ on competing goods that were likely to cause consumer confusion regarding the source of the goods or services. However, over the last century, trademark protection has expanded to include protection of certain marks against a junior mark on different grounds.²⁷

This protection, which has come to be labeled “dilution,” was initially described and advocated for by Frank Schechter in his seminal 1927 law review article.²⁸ In the article, Schechter defined

²⁵ 15 U.S.C. § 1127 (2006). The items protected by trademark law will be referred to collectively as “trademarks” or “marks” for the purposes of this Note.

²⁶ For purposes of this Note, “junior mark” refers to the subsequent use of an established or senior mark. A junior user is a subsequent user of a senior mark. *See, e.g.*, *Tally-Ho, Inc. v. Coast Cmty. Coll. Dist.*, 889 F.2d 1018, 1023 (11th Cir. 1989) (“The first to use a mark on a product or service in a particular geographic market, the senior user, acquires rights in the mark in that market. Junior users [are those] who subsequently use the same or similar mark on similar products or services” (citation omitted)).

²⁷ 2-5A ANNE GILSON LALONDE, *GILSON ON TRADEMARKS* § 5A.03 (2011) (discussing the history of dilution statutes and the scope of trademark protection with respect to dilution).

²⁸ Frank I. Schechter, *The Rational Basis of Trademark Protection*, 40 HARV. L. REV. 813 (1927).

dilution as, “the gradual whittling away or dispersion of the identity and hold upon the public mind of the mark or name by its use upon non-competing goods.”²⁹ In formulating this definition, Schechter observed cases, such as *Wall v. Rolls-Royce*,³⁰ in which strict application of traditional trademark law would not have provided trademark owners with a remedy because the junior mark was being used on non-competing goods.³¹ However, the court allowed these trademark owners to recover under traditional trademark law despite its inapplicability.³²

Schechter posited that courts were protecting the value of a trademark, which he claimed derived from its selling power.³³ Selling power, according to Schechter, depended not only on the quality of the goods in question, but also on the power of a trademark to create and maintain associations in the minds of consumers.³⁴ Schechter posited that this power was derived from the uniqueness or distinctiveness of the trademark.³⁵ Schechter believed traditional trademark infringement did not adequately protect this alternative—but highly valuable—aspect of trademarks.³⁶ Consequently, Schechter asserted that protecting trademarks from dilution was a necessary development in the law of trademarks and unfair competition.³⁷

Although courts continued to hand down decisions that could only be rationalized by Schechter’s article,³⁸ twenty years passed before dilution was formally recognized as a ground for trademark protection by a Massachusetts statute.³⁹ The Massachusetts enactment marked the beginning of statutory recognition of

²⁹ *Id.* at 825.

³⁰ 4 F.2d 333 (3d Cir. 1925).

³¹ Schechter, *supra* note 28, at 821–22.

³² *See id.* at 820–21.

³³ *See id.* at 831.

³⁴ *See id.*

³⁵ *See id.*

³⁶ *See id.*

³⁷ *See id.* at 830–31.

³⁸ *See, e.g.,* L.E. Waterman Co. v. Gordon, 72 F.2d 272 (2d Cir. 1934) (Hand, J.).

³⁹ *See* 1947 Mass. Acts, p. 300, ch. 307.

dilution, and at least twenty-five states have enacted statutes that protect against trademark dilution.⁴⁰

In addition, as dilution has evolved, it has expanded beyond Schechter's initial definition into two distinct species of dilution: "dilution by tarnishment" and "dilution by blurring." Dilution by blurring, which is the focus of this Note, is defined by many as "the whittling away" of a mark's selling power through use of similar, unauthorized marks.⁴¹ Common examples of dilution by blurring are "Kodak Pianos" and "Buick Aspirin."⁴² Dilution by tarnishment provides a different type of protection and is generally defined as an association between a junior and senior mark that portrays the senior mark in a negative context.⁴³ A famous example of dilution by tarnishment is a magazine's portrayal of the Pillsbury Dough Boy in a pornographic manner.⁴⁴

B. Dilution Climbs from the State Law Ooze: The Federal Trademark Dilution Act

For many years, dilution protection varied on a state-by-state basis.⁴⁵ Many saw this patchwork protection as inadequate due to the lack of standardization and the reluctance of courts to grant nationwide injunctions under state law.⁴⁶ Then, in 1995, these concerns compelled Congress to pass the Federal Trademark Dilution Act of 1995 ("FTDA").⁴⁷ The FTDA defined dilution as the "lessening of the capacity of a famous mark to identify and distinguish goods or services."⁴⁸ The FTDA also made clear that, unlike traditional trademark infringement, protection against dilution was available regardless of whether the marks were used

⁴⁰ Ringling-Bros. Barnum & Bailey Combined Shows, Inc. v. Utah Div. of Travel Dev., 170 F.3d 449, 454 (4th Cir. 1999).

⁴¹ See, e.g., Deere & Co. v. MTD Prods., 41 F.3d 39, 43 (2d Cir. 1994).

⁴² See H.R. Rep. No. 104-374, at 3 (1995), reprinted in 1995 U.S.C.C.A.N. 1029, 1030.

⁴³ See, e.g., Deer & Co., 41 F.3d at 43.

⁴⁴ See Pillsbury Co. v. Milky Way Prods., Inc., 215 U.S.P.Q. (BNA) 124 (N.D. Ga. 1981).

⁴⁵ See H.R. Rep. No. 104-374, at 3-4.

⁴⁶ See *id.*

⁴⁷ See *id.*

⁴⁸ 15 U.S.C. § 1127 (2000) (amended 2006).

on competing products or whether the junior mark created a likelihood of consumer confusion.⁴⁹

The FTDA also provided:

The owner of a famous mark shall be entitled, subject to the principles of equity and upon such terms as the court deems reasonable, to an injunction against another person's commercial use in commerce of 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, and to obtain such other relief as is provided in this subsection.⁵⁰

This language was interpreted to require a plaintiff to establish the following five elements in order to receive injunctive relief: (1) the senior mark must be famous; (2) the senior mark must be distinctive; (3) the junior mark must be used commercially; (4) the junior mark must have begun to be used after the senior mark became famous; and (5) the junior mark's use must "cause dilution of the distinctive quality of the senior mark."⁵¹

Although the FTDA provided a list of factors for courts to use when determining whether marks were "famous," no other guidance was provided to aid courts in determining whether the elements were met.⁵² This led to substantial disagreement over the interpretation and application of these elements. For example, the FTDA simply required distinctiveness and did not explicitly indicate whether inherent or acquired distinctiveness could satisfy the distinctiveness requirement.⁵³ Consequently, some courts limited dilution protection to inherently distinctive marks,⁵⁴ while other courts allowed marks that had inherent or acquired

⁴⁹ *Id.*

⁵⁰ 15 U.S.C. § 1125(c)(1) (2000) (amended 2006).

⁵¹ *See, e.g.,* Nabisco, Inc. v. PF Brands, Inc., 191 F.3d 208, 215 (2d Cir. 1999) (Leval, J.). Alternatively, some courts only employed four factors by considering the fame and distinctiveness elements as one element. *See, e.g.,* Panavision Int'l, L.P. v. Toeppen, 141 F.3d 1316, 1324 (9th Cir. 1998).

⁵² *See* 15 U.S.C. § 1125(c).

⁵³ *See id.* § 1125(c)(1).

⁵⁴ *See, e.g.,* TCPIP Holding Co. v. Haar Comms., Inc., 244 F.3d 88, 95 (2d Cir. 2001).

distinctiveness to qualify for dilution protection.⁵⁵ Despite the guidance on how to determine whether fame existed, the fame element was also the subject of disagreement because the FTDA did not explicitly define what constituted sufficient fame to justify dilution protection.⁵⁶ Accordingly, some courts allowed the fame element to be satisfied by proof of fame in a specialized or niche market,⁵⁷ while other courts rejected the niche market theory and required proof of fame among the general public.⁵⁸

The fifth element, which required that the junior mark “cause dilution of the distinctive quality of the mark,” was similarly subject to inconsistent interpretations. For one, although all courts agreed that this language allowed for claims of dilution by blurring, courts questioned whether this language allowed for claims of dilution by tarnishment.⁵⁹ Courts also disagreed over whether the “cause dilution” element required proof of “actual dilution” or “a likelihood of dilution.” On the one hand, the Fourth and Fifth Circuit interpreted “cause dilution” to require proof of “actual dilution.”⁶⁰ In these circuits, plaintiffs were required to show proof that they had suffered *actual* harm. On the other hand, the First, Second, Third, Sixth and Seventh Circuits interpreted “cause dilution” to require proof of a “likelihood of dilution.”⁶¹ In these circuits, the *possibility* of harm was sufficient to support a claim of dilution.

⁵⁵ See, e.g., *Times Mirror Magazines, Inc. v. Las Vegas Sports News, LLC*, 212 F.3d 157, 163 (3d Cir. 2000).

⁵⁶ See 15 U.S.C. § 1125(c)(1).

⁵⁷ See, e.g., *Times Mirror Magazines*, 212 F.3d at 164; *Thane Int’l, Inc. v. Trek Bicycle Corp.*, 305 F.3d 894 (9th Cir. 2002); *Advantage Rent-A-Car, Inc. v. Enterprise Rent-A-Car*, 238 F.3d 378, 380 (5th Cir. 2001).

⁵⁸ See, e.g., *TCPIP Holding*, 244 F.3d at 99.

⁵⁹ *Ringling Bros.-Barnum & Bailey Combined Shows, Inc. v. Utah Div. of Travel Dev.*, 170 F.3d 449, 452 n.1 (4th Cir. 1999).

⁶⁰ See *Westchester Media v. PRL USA Holdings, Inc.*, 214 F.3d 658, 670–71 (5th Cir. 2000); *Ringling Bros.*, 170 F.3d 449 at 461.

⁶¹ See *V Secret Catalogue, Inc. v. Moseley*, 259 F.3d 464, 474–76 (6th Cir. 2001), *rev’d*, 537 U.S. 418 (2003); *Eli Lilly & Co. v. Natural Answers, Inc.*, 233 F.3d 456, 466–68 (7th Cir. 2000); *Times Mirror Magazines, Inc.*, 212 F.3d 157, 168–69 (3d Cir. 2000); *Nabisco, Inc. v. PF Brands, Inc.*, 191 F.3d 208, 220, 224–25 (2d Cir. 1999); *I.P. Lund Trading ApS v. Kohler Co.*, 163 F.3d 27, 47–50 (1st Cir. 1998).

The FTDA also failed to provide courts with any guidance on how to prove whether a junior mark “caused dilution.”⁶² For this reason, some courts relied on their prior experience crafting the likelihood of confusion standard to create non-exhaustive lists of relevant factors for courts to consider when making this determination.⁶³ The Second Circuit, the champion of this approach, developed a list of ten relevant factors.⁶⁴

Although some circuits adopted the Second Circuit’s list of factors,⁶⁵ other circuits later criticized the Second Circuit’s list for including irrelevant factors and adopted different lists of factors.⁶⁶ In particular, the Seventh Circuit significantly truncated the Second Circuit’s list of factors.⁶⁷ In fact, the Seventh Circuit only considered two factors—the fame of the senior mark and the similarity between the marks—when determining whether dilution existed.⁶⁸

Despite disagreement over which factors were relevant and whether to use factors at all, similarity between marks was part of the dilution analysis in every circuit.⁶⁹ And, in most circuits, the marks at issue were required to reach a minimum standard before a

⁶² See 15 U.S.C. § 1125(c)(1) (2000) (amended 2006).

⁶³ See, e.g., *Nabisco*, 191 F.3d at 216–17.

⁶⁴ *Id.* at 217–223. The Second Circuit determined that the following ten factors were relevant:

- (a) Distinctiveness.
- (b) Similarity of the marks.
- (c) Proximity of the products and likelihood of bridging the gap.
- (d) Interrelationship among the distinctiveness of the senior mark, the similarity of the junior mark, and the proximity of the products.
- (e) Shared consumers and geographic limitations.
- (f) Sophistication of consumers.
- (g) Actual confusion.
- (h) Adjectival or referential quality of the junior use.
- (i) Harm to the junior user and delay by the senior user.
- (j) Effect of the senior’s prior laxity in protecting the mark.

Id.

⁶⁵ See, e.g., *Times Mirror Magazines, Inc.*, 212 F.3d at 168–69.

⁶⁶ See, e.g., *AutoZone, Inc. v. Tandy Corp.*, 373 F.3d 786, 803–05 (6th Cir. 2004).

⁶⁷ See *Eli Lilly & Co. v. Natural Answers, Inc.*, 233 F.3d 456, 468–69 (7th Cir. 2000).

⁶⁸ See *id.* at 469.

⁶⁹ 2-5A LALONDE, *supra* note 27, § 5A.01(5)(c)(i) (2011).

claim for dilution could proceed.⁷⁰ For the purposes of this Note, these standards are referred to as mark similarity standards.

Courts formulated their mark similarity standards in substantially different ways. In particular, the Fourth Circuit required “sufficient similarity between the junior and senior marks to invoke an ‘instinctive mental association’ of the two [marks] by a relevant universe of consumers.”⁷¹ The Second Circuit seemed to adopt the Fourth Circuit’s standard when it required “sufficient similarity so that, in the mind of the consumer, the junior mark will conjure an association with the senior.”⁷² However, the Second Circuit’s mark similarity standard was repeatedly restated as requiring marks to be “very” or “substantially” similar.⁷³

The First and Eighth Circuits required marks to be “similar enough that a significant segment of . . . customers sees the two marks as essentially the same.”⁷⁴ The Ninth Circuit, following the Eighth Circuit, required marks to be “identical or nearly identical.”⁷⁵ Additionally, the Trademark Trial and Appeal Board, seemingly conflating the above standards, required marks to be “identical or ‘very or substantially similar.’”⁷⁶ The Board continued by holding the mark similarity standard for dilution was the Eighth Circuit’s standard: whether consumers would see the two marks as “essentially the same.”⁷⁷

In addition to formulating their mark similarity standards differently, courts justified their mark similarity standards in different ways. Some courts applied mark similarity standards as

⁷⁰ See *infra* notes 71–77 and accompanying text.

⁷¹ Ringling Bros.-Barnum & Bailey Combined Shows, Inc. v. Utah Div. of Travel Dev., 170 F.3d 449, 458 (4th Cir. 1999).

⁷² Nabisco, Inc. v. PF Brands, Inc., 191 F.3d 208, 215 (2d Cir. 1999).

⁷³ See, e.g., Playtex Prods. v. Georgia-Pacific Corp. 390 F.3d 158, 167 (2d Cir. 2004) (Sotomayor, J.) (citing Fed. Express Corp. v. Fed. Espresso, Inc., 201 F.3d 168, 176 (2d Cir. 2000)) (restating “sufficient similarity” as “very or substantially similar”).

⁷⁴ Luigino’s Inc. v. Stouffer Corp., 170 F.3d 827, 832 (8th Cir. 1999); see also I.P. Lund Trading ApS v. Kohler Co., 163 F.3d 27, 33 (1st Cir. 1998).

⁷⁵ Playboy Enters., Inc. v. Welles, 279 F.3d 796, 806 (9th Cir. 2002) (citing *Luigino’s Inc.*, 170 F.3d at 832).

⁷⁶ Toro Co. v. ToroHead, Inc., 61 U.S.P.Q.2d (BNA) 1164, 1183 (T.T.A.B. 2001).

⁷⁷ *Id.*

part of their dilution analysis.⁷⁸ These courts generally relied on dilution theory and prior interpretations of state dilution law.⁷⁹ On the other hand, the Ninth Circuit justified its mark similarity standard by looking at the language, legislative history, and purpose of the FTDA.⁸⁰

Recognizing the disagreement among many of the circuit courts, in *Moseley v. V Secret Catalogue, Inc.*, the United States Supreme Court attempted to settle one of the conflicts discussed above.⁸¹ In particular, the Court decided to resolve the conflict over whether the “causes dilution” language in the FTDA required proof of “actual dilution” or “likelihood of dilution” in order to bring some clarity to the FTDA.⁸² The Court determined the “cause dilution” language required proof of “actual dilution.”⁸³ Along the way, the Court questioned whether dilution could occur when the marks at issue were not identical, seemingly providing support for the mark similarity standards discussed above.⁸⁴ However, the Court’s decision was not long-lived.⁸⁵

C. *Bringing Dilution Back from the Brink: The Trademark Dilution Revision Act*

According to some, the Court’s “actual dilution” requirement in *Moseley* effectively eradicated federal dilution law as an effective tool.⁸⁶ In their opinion, the “actual dilution” requirement meant prospective plaintiffs would have to wait until dilution had already significantly and irreparably harmed the famous mark.⁸⁷ Congress was persuaded by this reasoning and quickly overruled the Court’s holding in *Moseley* through the Trademark Dilution

⁷⁸ See, e.g., *Nabisco, Inc. v. PF Brands, Inc.*, 191 F.3d 208, 218 (2d Cir. 1999).

⁷⁹ See, e.g., *id.*

⁸⁰ See *Thane Int’l, Inc. v. Trek Bicycle Corp.*, 305 F.3d 894, 905 (9th Cir. 2002).

⁸¹ 537 U.S. 418 (2003).

⁸² *Id.* at 421–22.

⁸³ *Id.* at 433.

⁸⁴ See *id.* at 432.

⁸⁵ See *infra* notes 88–89 and accompanying text.

⁸⁶ See, e.g., *Trademark Dilution Revision Act of 2005: Hearing on H.R. 683 Before the Subcomm. on Courts, the Internet, and Intellectual Property of the H. Comm. on the Judiciary*, 109th Cong. 9 (2005) (statement of Anne Gundelfinger, President, International Trademark Association).

⁸⁷ *Id.*

Revision Act of 2006.⁸⁸ In the TDRA, Congress clarified that federal dilution law only requires proof of “likelihood of dilution.”⁸⁹

Although the TDRA still requires proof of five elements, Congress substantially altered these elements to clarify dilution law and settle many of the circuit splits that emerged under the FTDA.⁹⁰ Under the TDRA, a plaintiff bringing a dilution claim needs to prove: (1) its mark is famous among the general consuming public; (2) its mark is distinctive, inherently or through acquired distinctiveness; (3) the junior mark began to be used after the famous mark became famous; (4) the junior mark is being used in commerce; (5) the junior mark is likely to cause dilution of the famous mark.⁹¹

In addition to clarifying that “actual dilution” is not required, these new elements make clear that niche fame is insufficient to support a claim for dilution.⁹² It also provides that marks with acquired distinctiveness can qualify for dilution protection, and that federal dilution law protects against both blurring and tarnishment.⁹³ Moreover, in an effort to better assist courts in determining whether a mark is sufficiently famous, the TDRA amended the list of factors contained in the FTDA for courts to consider when analyzing whether a mark is sufficiently famous.⁹⁴

The TDRA also provides guidance to courts applying the fifth element by explicitly defining dilution by blurring and providing a list of factors courts can consider when determining whether this definition has been met.⁹⁵ Specifically, the TDRA defines dilution by blurring as an “association arising from the similarity between a mark or trade name and a famous mark that impairs the

⁸⁸ Pub. L. No. 109-312, 120 Stat. 1730 (2006).

⁸⁹ See 15 U.S.C. § 1125(c)(1) (2006).

⁹⁰ Compare 15 U.S.C. § 1125(c) (2000), with 15 U.S.C. § 1125(c) (2006).

⁹¹ See 15 U.S.C. § 1125(c) (2006).

⁹² See Barton Beebe, *Symposium: A Defense of the New Federal Trademark Antidilution Law*, 16 FORDHAM INTELL. PROP. MEDIA & ENT. L.J. 1143, 1157–58 (2006).

⁹³ See *id.* at 1159–61, 1172–74.

⁹⁴ See *id.* at 1158–59.

⁹⁵ See 15 U.S.C. § 1125(c)(2)(B).

distinctiveness of the famous mark.”⁹⁶ And, the non-exhaustive list of factors a court can consider to determine whether there is a likelihood of dilution by blurring is as follows:

- (i) The degree of similarity between the mark or trade name and the famous mark.
- (ii) The degree of inherent or acquired distinctiveness of the famous mark.
- (iii) The extent to which the owner of the famous mark is engaging in substantially exclusive use of the mark.
- (iv) The degree of recognition of the famous mark.
- (v) Whether the user of the mark or trade name intended to create an association with the famous mark.
- (vi) Any actual association between the mark or trade name and the famous mark.⁹⁷

D. Is Dilution an Invasive Species? Concerns About Dilution’s Justification and Anti-Competitive Effects

During the course of dilution’s evolution, courts and scholars have remained skeptical of dilution protection. In particular, courts and commentators have characterized dilution as a “limited remedy” and have warned about the dangers of expansive dilution protection.⁹⁸ At its core, this skepticism can be traced to concerns about the policy groundings of federal dilution law.⁹⁹ For instance, traditional trademark protection focuses on protecting consumers and protecting trademark owners from unfair practices.¹⁰⁰ In

⁹⁶ See *id.* The TDRA also defines dilution by tarnishment as an “association arising from the similarity between a mark or trade name and a famous mark that harms the reputation of the famous mark.” See *id.* § 1125(c)(2)(C).

⁹⁷ *Id.* at § 1125(c)(2)(B)(i)–(vi).

⁹⁸ See, e.g., 2-5A LALONDE, *supra* note 27, § 5A.01(1).

⁹⁹ See, e.g., Paul Alan Levy, *Symposium: The Trademark Dilution Revision Act—A Consumer Perspective*, 16 FORDHAM INTELL. PROP. MEDIA & ENT. L.J. 1189, 1192–94 (2006).

¹⁰⁰ *Moseley v. V Secret Catalogue*, 537 U.S. 418, 428 (2003) (citing *Qualitex Co. v. Jacobson Prods. Co.*, 514 U.S. 159, 163–64 (1995)).

contrast, dilution protection is not justified by protecting consumers.¹⁰¹

However, although some scholars tout consumer protection as the sole function of trademark law,¹⁰² trademark law is also aimed at protecting the trademark owner and prohibiting unfair competition.¹⁰³ In fact, trademark law is doctrinally located within the broader law of unfair competition.¹⁰⁴ Unfair competition is premised on the balancing of free competition and fair competition.¹⁰⁵ The doctrine of free competition logically provides businesses with a right to attract customers from other businesses.¹⁰⁶ On the other hand, fair competition recognizes there are certain business practices a business could use to attract customers which, nevertheless, should be prohibited for the benefit of the public and for the sake of fairness.¹⁰⁷

Regardless, courts and scholars remain worried about the dangers of expansive dilution.¹⁰⁸ According to some scholars and courts, expansive dilution protection is tantamount to granting rights “in gross” to trademark owners.¹⁰⁹ A trademark right “in gross” is defined as a right that does not grow out of the commercial use of the trademark.¹¹⁰ Trademark law is generally regarded as having a presumption against granting trademark rights “in gross” in part because they impair free competition.¹¹¹ This presumption has been used to justify limiting dilution protection.¹¹²

¹⁰¹ *Id.* at 429.

¹⁰² *See, e.g.,* Levy, *supra* note 99, at 1192–93.

¹⁰³ *See Moseley*, 537 U.S. at 428 (citing *Qualitex Co.*, 514 U.S. at 163–64).

¹⁰⁴ *See id.*

¹⁰⁵ *See* RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 25.

¹⁰⁶ *See id.* § 25 cmt. a.

¹⁰⁷ *See id.* § 25 cmt. g.

¹⁰⁸ *See, e.g.,* *Avery Dennison Corp. v. Sumpton*, 189 F.3d 868, 876 (9th Cir. 1999).

¹⁰⁹ *See, e.g., id.* at 875 (citing 3 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS & UNFAIR COMPETITION § 24:108 (Supp. 1998)).

¹¹⁰ *See United Drug Co. v. Rectanus*, 248 U.S. 90, 97 (1918).

¹¹¹ *See id.*

¹¹² *See, e.g., Avery Dennison*, 189 F.3d at 875.

II. EVOLVING IN DIFFERENT DIRECTIONS: ARE PRE-TDRA MARK SIMILARITY STANDARDS STILL APPLICABLE UNDER THE TDRA AND, IF NOT, WHAT IS THE PROPER ROLE OF MARK SIMILARITY?

Prior to the enactment of the TDRA, courts required famous marks to meet high mark similarity standards before a claim for dilution by blurring could proceed.¹¹³ However, after enactment of the TDRA, the owners of famous marks and the International Trademark Association persuaded the Second and Ninth Circuits to discard their pre-TDRA mark similarity standards.¹¹⁴ While no other circuit court has addressed the issue, some district courts have determined that pre-TDRA mark similarity standards are still applicable.¹¹⁵ Additionally, small businesses and prominent trademark scholars argue for the continued use of pre-TDRA mark similarity standards.¹¹⁶ Accordingly, there is significant uncertainty regarding whether courts should continue to use pre-TDRA mark similarity standards as part of the dilution by blurring analysis.

Adding to the uncertainty, in the absence of pre-TDRA mark similarity standards, courts have reached inconsistent results regarding the role of mark similarity in the dilution by blurring analysis. On the one hand, the Second and Ninth Circuits employ mildly different approaches that minimize the role of mark similarity.¹¹⁷ On the other hand, the Trademark Trial and Appeal Board employs a vastly different approach to the role of mark

¹¹³ See *supra* notes 69–77 and accompanying text.

¹¹⁴ See *infra* Part II.A.1.a–b.

¹¹⁵ See 2-5A LALONDE, *supra* note 27 § 5A.01(5)(c)(i) (2011) (noting no other circuit courts have addressed this issue); see also Council on American-Islamic Rels. Action Network, Inc. v. Schlüssel, No. 11-10061, 2011 U.S. Dist. LEXIS 89199, at *16–17 (E.D. Mich. Aug. 11, 2011) (applying pre-TDRA mark similarity standard); V Secret Catalogue, Inc. v. Moseley, 558 F. Supp. 2d 734, 744–45 (W.D. Ky. 2008) (applying pre-TDRA mark similarity standard). Other lower courts have interpreted the TDRA consistently with the Second and Ninth Circuits. See, e.g., Facebook, Inc. v. Teachbook.Com LLC, 819 F. Supp. 2d 764, 780–81 (N.D. Ill. 2011) (questioning the continued use of mark similarity standards); Cottonwood Fin. Ltd. v. Cash Stores Fin. Servs., 778 F. Supp. 2d 726, 750 (N.D. Tex. 2011) (interpreting Texas dilution law, which is the same as federal dilution law, to abandon the use of mark similarity standards).

¹¹⁶ See *infra* Part II.A.2.

¹¹⁷ See *infra* Part II.B.1.

similarity that gives mark similarity a central role in the blurring analysis.¹¹⁸ Consequently, not only is the applicability of pre-TDRA mark similarity standards in question, but, more generally, the proper role of mark similarity is also unsettled.

This section details the preceding conflict regarding pre-TDRA mark similarity standards and the proper role of mark similarity. It first presents the reasons given by the Second and Ninth Circuits for abandoning pre-TDRA mark similarity standards and then discusses other arguments made by owners of famous marks and the International Trademark Association advocating for abandoning pre-TDRA mark similarity standards. Next, it sets forth the arguments made by small businesses and prominent trademark scholars supporting continuing to use pre-TDRA mark similarity standards in the dilution by blurring analysis.

Subsequently, this section analyzes the inconsistent treatment of mark similarity among courts that have abandoned pre-TDRA mark similarity standards. It begins by outlining the approach of the Second and Ninth Circuits, which, while similar, have substantial differences. It concludes by exploring the vastly different approach used by the Trademark Trial and Appeal Board.

A. Are Pre-TDRA Mark Similarity Standards Appropriately Employed After the Revisions Made by the TDRA?

In the wake of the revisions made by the TDRA, courts and commentators have disagreed over the continued applicability of pre-TDRA mark similarity standards. On the one hand, the Second Circuit, the Ninth Circuit, and the International Trademark Association support discarding pre-TDRA mark similarity standards. On the other hand, prominent trademark scholars and small businesses support continuing to apply pre-TDRA mark similarity standards. This section details the arguments made by these groups in turn.

¹¹⁸ See *infra* Part II.B.2.

1. The Case for Discarding Pre-TDRA Mark Similarity Standards

There are a variety of arguments for discarding pre-TDRA mark similarity standards in light of the revisions made by the TDRA. Some of these arguments have been articulated and adopted by the Second and Ninth Circuits when these circuits discarded their respective pre-TDRA mark similarity standards. Still the International Trademark Association has made other arguments in favor of discarding pre-TDRA mark similarity standards.

a) The Second Circuit's Reasons for Discarding Pre-TDRA Mark Similarity Standards

In *Starbucks Corp. v. Wolfe's Borough Coffee, Inc.*, the Second Circuit surprisingly held that its pre-TDRA mark similarity standard requiring marks to be “very” or “substantially similar” should not be employed under the TDRA.¹¹⁹ In *Starbucks Corp.*, Starbucks, a ubiquitous company known for coffee products, brought suit in the Southern District of New York against Black Bear, a small company also in the business of selling coffee products, for using CHARBUCKS BLEND and MISTER CHARBUCKS.¹²⁰ Starbucks alleged Black Bear's use of these marks constituted trademark dilution of the “Starbucks Marks” under the FTDA.¹²¹ After a two-day bench trial, the district court dismissed Starbucks' dilution claim under the FTDA because Starbucks had not proven actual dilution.¹²²

Starbucks appealed, but before the appeal was heard Congress passed the TDRA, which replaced the “actual dilution” requirement with a “likelihood of dilution” requirement.¹²³ Accordingly, the case was remanded to the district court for further proceedings.¹²⁴ Again, the district court ruled in favor of Black

¹¹⁹ 588 F.3d 97, 107 (2d Cir. 2009) (“We conclude that the District Court erred to the extent it required ‘substantial’ similarity between the marks. . .”).

¹²⁰ *See id.* at 103.

¹²¹ *See id.* at 102–03.

¹²² *See id.* at 104.

¹²³ *Id.*

¹²⁴ *Id.*

Bear.¹²⁵ In its analysis, the district court applied the Second Circuit's pre-TDRA mark similarity standard and determined the marks were not "substantially" similar.¹²⁶ As a result, the district court found "[t]his dissimilarity alone is sufficient to defeat [Starbucks'] blurring claim, and in any event, this factor at a minimum weighs strongly against [Starbucks] in the dilution analysis."¹²⁷ On appeal, the Second Circuit concluded the district court had improperly required the marks to be "substantially similar" as part of its dilution by blurring analysis.¹²⁸

Before turning to the language of the TDRA, the Second Circuit analyzed its reasons, or lack thereof, for adopting its "substantial similarity" standard under the FTDA.¹²⁹ The court found it had not based its pre-TDRA mark similarity on the FTDA, which did not provide courts with a definition of dilution and, also, did not provide courts with guidance on how to weigh similarity when analyzing dilution.¹³⁰ Instead, the Second Circuit reasoned its "substantial similarity" standard was attributable to reliance on prior interpretations of state dilution statutes because the state statutes were better defined.¹³¹ For this reason, the Second Circuit found its pre-TDRA mark similarity standard not properly justified under the FTDA.¹³²

Then, turning to the language of the TDRA, the Second Circuit noted the language of the TDRA compelled abandonment of its "substantial similarity" standard.¹³³ In particular, the Second Circuit focused on the following statutory language¹³⁴:

"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

¹²⁵ *Id.* at 104–05.

¹²⁶ Starbucks Corp. v. Wolfe's Borough Coffee, Inc., 559 F. Supp. 2d 472, 477 (S.D.N.Y. 2008).

¹²⁷ *Id.*

¹²⁸ Starbucks, 588 F.3d at 109.

¹²⁹ *See id.* at 107–08.

¹³⁰ *Id.*

¹³¹ *Id.* at 108.

¹³² *Id.*

¹³³ *Id.*

¹³⁴ *See id.*

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 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.¹³⁵

According to the Second Circuit, the absence of the terms “very” or “substantial” from this statutory language meant the “substantially similar” standard should be abandoned.¹³⁶ Moreover, the Second Circuit noted the TDRA specifically instructs courts to weigh the “degree of similarity.”¹³⁷ The Second Circuit stated this mandate was inconsistent with requiring “substantial” similarity to support a successful dilution claim.¹³⁸

The Second Circuit further supported its position by pointing out that employing pre-TDRA mark similarity standards would improperly minimize the importance of the other factors.¹³⁹ To enumerate, “degree of similarity” is one of six non-exhaustive factors.¹⁴⁰ And, according to the court, embracing the “substantial similarity” standard would marginalize the other five factors unless

¹³⁵ 15 U.S.C. § 1125(c)(2)(B) (2006).

¹³⁶ *Starbucks*, 588 F.3d at 108.

¹³⁷ *Id.*

¹³⁸ *Id.*

¹³⁹ *Id.*

¹⁴⁰ *Id.*

there were substantial similarity.¹⁴¹ The court found this to be improper because it violated a bedrock principle of statutory interpretation, that every piece of a statute should have meaning.¹⁴² Accordingly, the court reasoned that the statutory text provided strong evidence that courts should not employ the “substantial similarity” standard.¹⁴³

b) The Ninth Circuit’s Reasons for Discarding its Pre-TDRA Mark Similarity Standard

In *Levi Strauss & Co. v. Abercrombie & Fitch Trading Co.*, the Ninth Circuit followed the Second Circuit’s lead when it held its pre-TDRA mark similarity standard, which required marks to be “identical” or “nearly identical,” should no longer be employed.¹⁴⁴ In *Levi Strauss & Co.*, Levi Strauss, a clothing manufacturer and retailer, sued Abercrombie, another clothing manufacturer and retailer, for trademark dilution in violation of the TDRA.¹⁴⁵ The marks at issue in this case were patterns located on the back pocket of each company’s blue jeans.¹⁴⁶ Levi Strauss’s mark, named “Arcuate” consisted of “two connecting arches that meet in the center of the [back] pocket.”¹⁴⁷ Abercrombie’s mark, named “Ruehl . . . consist[ed] of two less-pronounced arches that are connected by a ‘dipsy doodle,’ which resembles the mathematical sign for infinity.”¹⁴⁸

During a bench trial with advisory rulings from the jury, the jury was asked: “Is Abercrombie’s Ruehl design identical or nearly identical to the Arcuate trademark?”¹⁴⁹ The advisory jury responded that the marks were not identical or nearly identical.¹⁵⁰

¹⁴¹ *Id.*

¹⁴² *Id.* (citing *United States v. Kozeny*, 541 F.3d 166, 171 (2d Cir. 2008)).

¹⁴³ *See id.* at 109.

¹⁴⁴ 633 F.3d 1158, 1159 (9th Cir. 2011).

¹⁴⁵ *Id.*

¹⁴⁶ *Id.*

¹⁴⁷ *Id.* *See infra* Figure A.

¹⁴⁸ *Id.* *See infra* Figure B.

¹⁴⁹ *Id.* at 1160 (internal quotation marks omitted).

¹⁵⁰ *Id.*

The advisory jury also found Abercrombie's design was not likely to dilute Levi Strauss's mark.¹⁵¹

After trial, the district court ruled in favor of Abercrombie on Levi Strauss's federal dilution claim.¹⁵² The district court noted that Levi Strauss did not prove Abercrombie was "making commercial use of a mark that is *identical or nearly identical* to the Arcuate mark."¹⁵³ The district court also found that, since the marks were not identical or nearly identical and Levi Strauss did not produce "persuasive evidence of actual association," both the similarity and actual association factors weighed in favor of Abercrombie.¹⁵⁴ In addition, the district court reasoned, "even if the degree of inherent or acquired distinctiveness of the Arcuate mark and the degree of recognition of the mark weigh in [Levi Strauss]'s favor, the Court finds that those factors do not outweigh the factors that weigh in [Abercrombie]'s favor."¹⁵⁵ Consequently, the district court agreed with the advisory jury's determination that Abercrombie's "Ruehl" mark was not likely to cause dilution by blurring of Levi Strauss's "Arcuate" mark.¹⁵⁶ On appeal, the Ninth Circuit held requiring marks to be "identical, nearly identical or substantially similar" was improper.¹⁵⁷

The Ninth Circuit began its discussion, like the Second Circuit, by tracing the origin of its pre-TDRA mark similarity standard.¹⁵⁸ The Ninth Circuit traced the support for its initial adoption of the "identical or nearly identical" standard to a case interpreting the New York dilution statute.¹⁵⁹ The Ninth Circuit also found it had later determined the "identical or nearly identical" standard was supported by the language, legislative history, and purpose of the

¹⁵¹ *Id.*

¹⁵² *Id.*

¹⁵³ *Levi Strauss & Co. v. Abercrombie & Fitch Trading Co.*, No. C 07-03752 (JSW), 2009 WL 1082175, at *9 (N.D. Cal. Apr. 22, 2009) (emphasis added).

¹⁵⁴ *Id.*

¹⁵⁵ *Id.*

¹⁵⁶ *Id.*

¹⁵⁷ *Levi Strauss*, 633 F.3d at 1172.

¹⁵⁸ *See id.* at 1162–65.

¹⁵⁹ *See id.* at 1163–64 ("[T]he requirement of identity, or substantial similarity, pre-dates the adoption of the FTDA in 1996, and has its origins in state dilution law, specifically that of the State of New York.").

FTDA in *Thane International, Inc. v. Trek Bicycle Corp.*¹⁶⁰ Particularly, *Thane* focused on the language in the FTDA stating a junior user “must use ‘a mark or trade name . . . after *the* mark has become famous.’”¹⁶¹ This language, according to *Thane*, necessitated use of “essentially the same mark, not just a similar one” to satisfy a federal dilution claim.¹⁶² *Thane* found this reasoning was supported because the only examples of dilution from the legislative history involved use of the identical mark.¹⁶³ *Thane* also supported its reading of the FTDA’s text by describing dilution as a form of appropriation that “implied [dilution requires] the adoption of the mark itself.”¹⁶⁴ Therefore, unlike the Second Circuit, the Ninth Circuit justified its pre-TDRA mark similarity standard in the text of the FTDA.

Regardless, reaching the issue before the court, the Ninth Circuit held that the “identical” or “nearly identical” standard was no longer applicable under the TDRA.¹⁶⁵ The Ninth Circuit’s reasoning was similar to the Second Circuit’s reasoning. However, the Ninth Circuit also reasoned that its holding was supported by Congress’s extensive overhaul of the FTDA.¹⁶⁶ According to the court, this extensive overhaul showed Congress did not intend to be bound by prior interpretations of the FTDA, including the interpretations that led to the use of pre-TDRA mark similarity standards.¹⁶⁷

c) Other Arguments for Discarding Pre-TDRA Mark Similarity Standards

The owners of famous trademarks and the International Trademark Association have advanced other arguments for discarding pre-TDRA mark similarity standards. One argument is that pre-TDRA mark similarity standards lacked justification and,

¹⁶⁰ *Id.* at 1164 (discussing *Thane Int’l, Inc. v. Trek Bicycle Corp.*, 305 F.3d 894 (9th Cir. 2002)).

¹⁶¹ *Id.* at 1164 (quoting *Thane Int’l, Inc.*, 305 F.3d at 905).

¹⁶² *Id.* (quoting *Thane Int’l, Inc.*, 305 F.3d at 905) (internal quotation marks omitted).

¹⁶³ *See id.* at 1164–65 (citing *Thane Int’l, Inc.*, 305 F.3d at 906).

¹⁶⁴ *See id.* at 1165 (quoting *Thane Int’l, Inc.*, 305 F.3d at 906).

¹⁶⁵ *Id.* at 1172.

¹⁶⁶ *See id.*

¹⁶⁷ *See id.*

as a result, should not continue to be employed.¹⁶⁸ The Second Circuit admitted its pre-TDRA mark similarity standard was improperly justified because it relied solely on interpretation of a state law.¹⁶⁹ Most pre-TDRA mark similarity standards were justified in the same way the Second Circuit justified its standard.¹⁷⁰ Accordingly, pre-TDRA standards are criticized because they relied on interpretation of a state dilution statute with no justification for extending the rule to federal dilution law.¹⁷¹

Although neither the Second nor the Ninth Circuit considered the legislative history of the TDRA (each circuit held its text was unambiguous),¹⁷² the owners of famous marks and the International Trademark Association have argued the legislative history supports discarding pre-TDRA mark similarity standards.¹⁷³ In fact, during a hearing on the TDRA, then-President of the INTA, Anne Gundelfinger, testified that under the TDRA, “[t]he less similar the marks, the less likely a consumer association between the marks, the more similar the marks, or if they are identical, the more likely it is that the junior mark will impair the association of the senior mark with its source and/or its particular brand attributes.”¹⁷⁴ Consequently, it is argued that this statement, in connection with other references to merely similar marks qualifying for dilution protection, shows that the legislative history supports eliminating pre-TDRA mark similarity standards.¹⁷⁵

¹⁶⁸ See, e.g., Brief of Appellant at 18–19, *Levi Strauss & Co. v. Abercrombie & Fitch Trading Co.*, 633 F.3d 1158 (9th Cir. 2011) (No. 09-16322).

¹⁶⁹ See *supra* notes 129–32 and accompanying text.

¹⁷⁰ See *supra* notes 78–79 and accompanying text.

¹⁷¹ See Brief of Appellant at 25, *Levi Strauss*, 633 F.3d 1158 (No. 09-16322).

¹⁷² See *Levi Strauss*, 633 F.3d at 1172 n.10; *Starbucks Corp v. Wolfe’s Borough Coffee, Inc.* 588 F.3d 97, 108–09 (2d Cir. 2009).

¹⁷³ Brief of Amicus Curiae International Trademark Association In Support of Vacatur and Remand at 21–22, *Levi Strauss & Co. v. Abercrombie & Fitch Trading Co.*, 633 F.3d 1158 (9th Cir. 2011) (No. 09-16322).

¹⁷⁴ *Id.* at 22 (quoting *Trademark Dilution Revision Act of 2005: Hearing on H.R. 683 Before the Subcomm. on Courts, the Internet, and Intellectual Prop. of the H. Comm. on the Judiciary*, 109th Cong. 14 (2005) (statement of Anne Gundelfinger, President, International Trademark Association)).

¹⁷⁵ See *id.*

2. The Case for Continuing to Employ Pre-TDRA Mark Similarity Standards

Although district courts have upheld the continued use of pre-TDRA mark similarity standards in the dilution by blurring analysis,¹⁷⁶ the Second and Ninth Circuits are the only circuit courts to address the continued applicability of pre-TDRA mark similarity standards.¹⁷⁷ Additionally, some district courts that have continued to apply pre-TDRA mark similarity standards did not thoroughly analyze the issue.¹⁷⁸ Regardless, the case for continued use of pre-TDRA mark similarity standards has developed through the decisions of district courts and the Trademark Trial and Appeal Board.¹⁷⁹ Furthermore, small business and prominent trademark scholars have argued for continued use of pre-TDRA mark similarity standards.¹⁸⁰ In general, these arguments can be organized into arguments based on the statutory text of the TDRA, arguments based on the legislative history of the TDRA, arguments based on generalizations of dilution as a theory of harm, and arguments based on concern for the anti-competitive effects of expansive dilution protection.

a) The Textual Argument for Continued Use of Pre-TDRA Mark Similarity Standards

The argument based on the statutory text focuses on the TDRA's definition of dilution by blurring as "association arising from the *similarity* between a mark or trade name and the famous mark"¹⁸¹ According to one district court, this language

¹⁷⁶ See *Council on Am.-Islamic Relations Action Network, Inc. v. Schlüssel*, No. 11-10061, 2011 U.S. Dist. LEXIS 89199, at *16–17 (E.D. Mich. Aug. 11, 2011); *V Secret Catalogue, Inc. v. Moseley*, 558 F. Supp. 2d 734, 744–45 (W.D. Ky. 2008), *aff'd* 605 F.3d 382 (6th Cir 2010); *Century 21 Real Estate LLC v. Century Ins. Grp.*, No. CIV 03-0053-PHX-SMM, 2007 U.S. Dist. LEXIS 9720, at *43 (D. Ariz. Feb. 9, 2007).

¹⁷⁷ See 2-5A LALONDE, *supra* note 27, § 5A.01(5)(c)(i).

¹⁷⁸ See *Schlüssel*, 2011 U.S. Dist. LEXIS 89199, at *16–17; *V Secret Catalogue*, 558 F. Supp. 2d at 744–45. *But see Century 21 Real Estate*, 2007 U.S. Dist. LEXIS 9720, at *43–44 (providing explicit discussion of the issue and its reasons for adhering to pre-TDRA mark similarity standards).

¹⁷⁹ See *infra* Part II.A.2.a–d.

¹⁸⁰ See *infra* Part II.A.2.a–d.

¹⁸¹ *Century 21 Real Estate LLC*, 2007 U.S. Dist. LEXIS 9720, at *43 (quoting 15 U.S.C. § 1125(c)(2)(B) (2006)).

indicates Congress' intent to allow for the continued use of pre-TDRA mark similarity standards.¹⁸² In his prominent treatise, Professor J. Thomas McCarthy expands on this argument.¹⁸³ Professor McCarthy reasons that this language presupposes that a mark must meet a given level of similarity before dilution can occur.¹⁸⁴ As a result, it is contended that the text of the blurring definition supports continuing to employ pre-TDRA mark similarity standards.

Although the statute also contains a list of relevant factors—which includes “degree of similarity”—some parties still assert that the text of the TDRA supports continuing to apply pre-TDRA mark similarity standards. For example, since courts are charged with interpreting a statute's sections consistently, some argue that courts must interpret “degree of similarity” and the list of relevant factors in light of the dilution by blurring definition.¹⁸⁵ It is insisted that reading “degree of similarity” and the list of relevant factors to prohibit pre-TDRA mark similarity standards violates this principle of statutory interpretation.¹⁸⁶ For these reasons, small businesses and prominent trademark scholars argue that proper interpretation of the TDRA allows for the continued use of pre-TDRA mark similarity standards.

b) Arguments Relying on Legislative History to Show Pre-TDRA Mark Similarity Standards Are Still Appropriate

Although the legislative history is relatively sparse, small business and prominent trademark scholars find support for their position in the legislative history. For instance, despite the lengthy discussion of the intended changes made by the TDRA, the legislative history contains no discussion of an intention to alter the

¹⁸² *See id.*

¹⁸³ 4 THOMAS J. MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 24:117 (4th ed. 2011).

¹⁸⁴ *See id.*

¹⁸⁵ *See, e.g.*, Response Brief of Defendant-Appellee at 19–20, *Levi Strauss & Co. v. Abercrombie & Fitch Trading Co.*, 633 F.3d 1158 (9th Cir. 2011) (No. 09-16322).

¹⁸⁶ *See id.*

mark similarity standards used by almost all circuits.¹⁸⁷ Furthermore, the legislative history reveals that, during consideration of the TDRA, a Republican congressman stated federal dilution law “should be narrowly crafted . . . to protect only the most famous trademarks *from subsequent uses* that blur the distinctiveness of the mark.”¹⁸⁸ This language arguably implies that dilution protection is limited to uses of *the famous mark*, not merely similar marks.¹⁸⁹ Accordingly, because the legislative history did not indicate whether congress intended to eliminate the widespread use of pre-TDRA mark similarity standards, and because the legislative history characterized dilution as applying to identical marks, some insist that pre-TDRA mark similarity standards are appropriately employed under the TDRA.¹⁹⁰

c) Arguments that Dilution as a Theory of Harm Supports Continuing to Apply Pre-TDRA Mark Similarity Standards

Another argument is that dilution, as a theory of harm, requires use of pre-TDRA mark similarity standards. For support, this argument points to Schechter’s initial articulation of dilution.¹⁹¹ In particular, since Schechter characterized dilution as the “gradual whittling away . . . of the identity and hold upon the public mind *of the mark*,” it is argued that dilution only applies to highly similar or identical marks.¹⁹² Consistent with this proposition, Professor McCarthy has similarly characterized dilution under federal law as “*one mark* seen by customers as now identifying two sources.”¹⁹³ According to Professor McCarthy, this concept of the harm caused by dilution requires marks to be at least nearly identical.¹⁹⁴

¹⁸⁷ See *id.* at 28; see also *Century 21 Real Estate LLC v. Century Ins. Grp.*, No. CIV 03-0053-PHX-SMM, 2007 U.S. Dist. LEXIS 9720, at *43 (D. Ariz. Feb. 9, 2007) (citing H.R. REP. NO. 109-23 at 8, 25 (2005)).

¹⁸⁸ Response Brief of Defendant-Appellee at 27, *Levi Strauss*, 633 F.3d 1158 (No. 09-16322) (quoting H.R. REP. NO. 109-23, at 25).

¹⁸⁹ See *id.* at 28.

¹⁹⁰ See *id.* at 29.

¹⁹¹ See *id.* at 30.

¹⁹² See *id.* (quoting Schechter, *supra* note 28, at 825).

¹⁹³ 4 MCCARTHY, *supra* note 183.

¹⁹⁴ See *id.*

Small businesses and prominent trademark scholars further contend that federal courts have similarly characterized dilution in this manner. The Ninth Circuit, for instance, characterized dilution under the FTDA as a form of appropriation.¹⁹⁵ And, according to the Ninth Circuit, this meant the FTDA required use of identical or nearly identical marks.¹⁹⁶ Moreover, courts have described federal dilution law as a limited remedy.¹⁹⁷ For these reasons, some contend that dilution as a theory of harm requires courts to employ pre-TDRA mark similarity standards.

d) Arguments that Pre-TDRA Mark Similarity Standards Are Required to Prevent Federal Dilution Law from Having Anti-Competitive Effects

The final category of argument supporting the continued use of pre-TDRA mark similarity standard contends that these standards are required to protect free and fair competition. Within this category, the primary argument is that failing to use pre-TDRA mark similarity standards would grant famous marks trademark rights in gross. Professor McCarthy has aptly summarized this argument by stating:

[N]o antidilution law should be so interpreted and applied as to result in granting the owner of a famous mark the automatic right to exclude any and all uses of similar marks in all product or service lines. Such a radical expansion of trademark exclusionary rights would upset the delicate balance between free competition and fair competition. Rejection of such an expansion is consistent with the fundamental principles and purposes of trademark protection. The balance between fair competition and free competition must always be maintained and kept fine-tuned for the economy to

¹⁹⁵ *Thane Int'l, Inc. v. Trek Bicycle Corp.*, 305 F.3d 894, 906 (9th Cir. 2002).

¹⁹⁶ *See id.*

¹⁹⁷ *See, e.g., AutoZone v. Tandy Corp.*, 373 F.3d 786, 805–06 (citing *Jet, Inc. v. Sewage Aeration Sys.*, 165 F.3d 419, 425 (6th Cir. 1999)).

work at a reasonable rate of efficiency and competitiveness.¹⁹⁸

This concern has been embraced by courts that recognize “the implications of a broad application of the federal antidilution statute are troubling, as dilution causes of action, much more so than infringement and unfair competition laws, tread very close to granting rights in gross in a trademark.”¹⁹⁹ A recent student Note provides concrete examples of the consequences of failing to use pre-TDRA mark similarity standards.²⁰⁰ Specifically, the Note asserts that without pre-TDRA mark similarity standards, “Federal Express” becomes a prohibition against the use of “Federal Press,” “Federal Impress” and “Federal Empress,” along with many other variations of “Federal Express.”²⁰¹

Another student Note has recently provided a different concern regarding the anti-competitive effects of failing to employ pre-TDRA mark similarity standards.²⁰² In particular, the Note focused on the special problem posed by dilution protection of marks used on products in competition.²⁰³ For instance, consider a creative industry where marks serve more than just a source designation purpose, like the fashion industry. Creative industries such as this are built on a culture of borrowing.²⁰⁴ In these industries, the Note argues, expansive dilution protection will have tremendous anti-competitive effects.²⁰⁵ The Note enumerates that

¹⁹⁸ 4 MCCARTHY, *supra* note 183, § 24:67 (4th ed. 2011); *see also* RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 25, cmt. b (1995) (noting that “courts continue to confine the cause of action for dilution to cases in which the protectable interest is clear and the threat of interference is substantial”).

¹⁹⁹ *Thane Int’l, Inc. v. Trek Bicycle Corp.*, 305 F.3d 894, 905 (9th Cir. 2002) (quoting *Avery Dennison Corp. v. Sumpton*, 189 F.3d 868, 875 (9th Cir. 1999)) (internal quotation marks omitted).

²⁰⁰ Chris Brown, Note, *A Dilution Delusion: The Unjustifiable Protection of Similar Marks*, 72 U. CIN. L. REV. 1023, 1039–40 (2004).

²⁰¹ *See id.*

²⁰² *See* Brandy G. Barrett, Recent Development, *Contrasting Levi v. Abercrombie with Louboutin v. Yves St. Laurent: Revealing Appropriate Trademark Boundaries in the Fashion World*, 13 N.C.J.L. & TECH. ON. 1, 20–21 (2011), available at http://www.ncjolt.org/sites/default/files/Barrett_1_34.pdf.

²⁰³ *See id.*

²⁰⁴ *See id.*

²⁰⁵ *See id.*

dilution protection of dissimilar or minimally similar marks would grant companies with household names monopolies on the creative output of the industry and, therefore, would allow them to halt the progress of the industry.²⁰⁶ Accordingly, it is argued that courts should continue to employ pre-TDRA mark similarity standards because of the potential anti-competitive effects.

B. Evolutionary Uncertainty: Examining the Inconsistent Treatment of Mark Similarity in the Absence of Pre-TDRA Mark Similarity Standards

Even though many courts agree pre-TDRA mark similarity standards should be discarded, these courts treat mark similarity differently in the absence of pre-TDRA mark similarity standards. The Second and Ninth Circuits have employed similar, yet different approaches minimizing the role of mark similarity under the TDRA and refusing to employ any mark similarity standard. In contrast, the Trademark Trial and Appeal Board's approach employs a relaxed mark similarity standard. This section details the approaches of these courts in turn.

1. The Similar Approaches of the Second and Ninth Circuit

The Second and Ninth Circuits have employed similar treatments of mark similarity since discarding their pre-TDRA mark similarity standards. However, there are small differences. The Second circuit minimized the importance of mark similarity and refused to employ a mark similarity standard. The Ninth Circuit differs from this approach slightly because it recognizes mark similarity as a special, possibly necessary, but not dispositive factor. Nevertheless, the Second and Ninth Circuit treat mark similarity in much the same way.

a) The Second Circuit

As discussed above, in *Starbucks*, the Second Circuit held its pre-TDRA mark similarity standard should no longer be employed.²⁰⁷ Instead, the court noted “the existence of some—but

²⁰⁶ *See id.*

²⁰⁷ *See supra* Part II.A.1.a.

not substantial—similarity between the marks may be sufficient in some cases to demonstrate a likelihood of dilution by blurring.”²⁰⁸ Then, the court recognized “similarity is an integral element in the definition of blurring.”²⁰⁹ However, the court instructed “degree of similarity” should be weighed without reference to a mark similarity standard and should not be treated differently than the other relevant factors listed in the TDRA.²¹⁰ According to the court, the proper approach to determining whether dilution by blurring exists is to equally weigh “degree of similarity” with the remaining factors, focusing on “whether an association, arising from the similarity between the subject marks, ‘impairs the distinctiveness of the famous mark.’”²¹¹

On remand, the district court’s application of the Second Circuit’s methodology may give insight into its future impact. After discussing the relevant factors, the district court stated mark similarity factor was an “obviously important factor[.]”²¹² In reaching this conclusion, the district court relied on the presence of similarity in the dilution by blurring definition.²¹³ Furthermore, the “ultimate” question, according to the district court, was “whether there is an association, arising from the similarity of the relevant marks, that impairs the distinctiveness of the famous mark.”²¹⁴

However, before answering this question, the district court indicated it would be “mindful of the purposes and core principles

²⁰⁸ *Starbucks Corp. v. Wolfe’s Borough Coffee, Inc.*, 588 F.3d 97, 107 n.3, 108 (2d Cir. 2009).

²⁰⁹ *Id.* at 108.

²¹⁰ *See id.* (“[W]ere we to adhere to a substantial similarity requirement for all dilution by blurring claims, the significance of the remaining five factors would be materially diminished.”); *see also* *Citigroup Inc. v. Capital City Bank Grp., Inc.*, 94 U.P.S.Q.2d (BNA) 1645, 1667 (T.T.A.B. 2010), *aff’d on other grounds*, 637 F.3d 1344 (Fed. Cir. 2011) (interpreting *Starbucks* as requiring all factors to be treated equally).

²¹¹ *Starbucks Corp.*, 588 F.3d at 109 (quoting 15 U.S.C. § 1125(c)(2)(B) (2006)).

²¹² *Starbucks Corp. v. Wolfe’s Borough Coffee, Inc.*, 101 U.S.P.Q.2d (BNA) 1212, 1215–17 (S.D.N.Y. 2011).

²¹³ *Id.* at 1217. The district court also found the actual association factor was an “obviously important factor” because the dilution by blurring definition indicates an association is required. *Id.*

²¹⁴ *Id.* at 1216. (citing *Starbucks*, 588 F.3d at 109).

of trademark law.”²¹⁵ In particular, the district court focused on the idea that trademark law does not create a right in gross.²¹⁶ Then, focusing on inadequacies in the mark similarity and association factors, the court determined a likelihood of dilution by blurring was not present.²¹⁷

On its face, the district court’s analysis seems at odds with the Second Circuit’s proposed analysis. Specifically, the district court seemed to indicate mark similarity was more important than other factors.²¹⁸ In addition, the district court added to the Second Circuit’s proposed analysis by referring to trademark policies, which it indicated, justified carefully analyzing a claim of dilution by blurring.²¹⁹ The district court’s decision creates uncertainty in the Second Circuit regarding the appropriate role of similarity in relation to the other factors.

b) The Ninth Circuit

As discussed above, in *Levi Strauss & Co.*, the Ninth Circuit held its pre-TDRA mark similarity standard was not applicable to the TDRA.²²⁰ Then, turning to the role of mark similarity, the court stated: “similarity has a special role to play in the implementation of the [TDRA’s] multifactor approach.”²²¹ The court reached this result because similarity is singled out in the dilution by blurring definition and is “the *first* factor listed in the multifactor approach.”²²² However, the court continued by recognizing that similarity should not “be the necessarily controlling factor.” The court instructed the relevant factors should be considered to determine whether dilution by blurring is likely.²²³

²¹⁵ *Id.*

²¹⁶ *Id.*

²¹⁷ *Id.* at 1217.

²¹⁸ *See id.*

²¹⁹ *See id.*

²²⁰ *See supra* Part II.A.1.b.

²²¹ *Levi Strauss & Co. v. Abercrombie & Fitch Trading Co.*, 633 F.3d 1158, 1171 (9th Cir. 2011).

²²² *Id.* at 1171–72.

²²³ *See id.* at 1173 (“[W]e took the degree of similarity into account with the other . . . factors in determining whether dilution [by blurring] was likely to occur.”).

Regardless, the court also found the factors “are not necessarily entitled to the same weight.”²²⁴ In particular, “[a] sufficiently strong showing of similarity can overcome all other relevant factors.”²²⁵ This language indicates the Ninth Circuit will allow a wealth of mark similarity to be dispositive.²²⁶ The Ninth Circuit also asserted, “[a]lthough we hold that a particular degree of similarity is not a threshold, similarity is a necessary predicate for the dilution by blurring analysis.”²²⁷ While this language has not been subsequently interpreted, it seems to show the Ninth Circuit will not allow a lack of similarity to be dispositive.²²⁸

2. The Trademark Trial and Appeal Board’s Vastly Different Approach

Although the Trademark Trial and Appeal Board initially held its pre-TDRA mark similarity standards survived the passage of the TDRA,²²⁹ the Board later joined the Second and Ninth Circuits in holding pre-TDRA mark similarity standards were no longer applicable.²³⁰ Unlike the Second and Ninth Circuits, the Board employs a vastly different approach concerning the proper role of mark similarity in the blurring analysis. In particular, the Board judges mark similarity by a standard that requires less similarity than pre-TDRA mark similarity standards.²³¹ The Board’s mark similarity standard asks “whether the two involved marks are sufficiently similar to trigger consumers to conjure up a famous mark when confronted with the second mark.”²³²

The Board further detailed different enunciations of the standard. Explaining the standard, the Board has indicated the

²²⁴ *Id.* at 1173 n.11.

²²⁵ *Id.* (citing *Visa Int’l Serv. Ass’n v. JSL Corp.*, 610 F.3d 1088, 1090 (9th Cir. 2010)).

²²⁶ *See id.* at 1173 n.11.

²²⁷ *Id.* at 1173 n.12.

²²⁸ *See id.*

²²⁹ *See Citigroup Inc. v. Capital City Bank Grp., Inc.*, 94 U.S.P.Q.2d (BNA) 1645, 1666–67 (T.T.A.B. 2010), *aff’d on other grounds*, 637 F.3d 1344 (Fed. Cir. 2011).

²³⁰ *See Nike, Inc. v. Maher*, 100 U.S.P.Q.2d (BNA) 1018, 1028–30 (T.T.A.B. 2011).

²³¹ *See id.* at 1129; *Research in Motion Ltd. v. Defining Presence Mktg. Grp., Inc.*, 2012 TTAB LEXIS 45, at *35 (T.T.A.B. Feb. 27, 2012).

²³² *Research in Motion*, 2012 TTAB LEXIS 45, at *35.

marks do not need to be “substantially identical.”²³³ Rather, “it is sufficient that the [marks] be highly similar.”²³⁴ The Board has also enunciated the standard in different ways. For instance, the Board has asked whether “a substantial percentage of consumers” are “immediately reminded of the famous mark” by the junior mark and associate the two marks.²³⁵ The Board’s explanation of the standard and its alternate formulations of the standard give insight into the meaning of its new, lower mark similarity standard.

Another source of insight into the standard’s meaning is its application. The Board has applied its new mark similarity standard to several pairs of marks. Specifically, the Board found “Crackberry” and “Blackberry,”²³⁶ “Motown” and “Motown Metal,”²³⁷ “Just Do It” and “Just Jesu It,”²³⁸ and “The Other White Meat” and “The Other Red Meat”²³⁹ met the standard. Conversely, the Board found the marks “Rolex” and “Roll-X” did not meet the standard.²⁴⁰ Although application of the standard provides insight into its meaning, it is difficult to distinguish between the marks that did and the marks that did not meet the standard.

It is also unclear whether the Board’s mark similarity standard is a threshold requirement in the dilution analysis. The Board has repeatedly described its standard as a prerequisite to a finding of likelihood of dilution by blurring.²⁴¹ The Board also previously indicated lack of similarity could be potentially dispositive.²⁴²

²³³ *Id.*

²³⁴ *Id.*

²³⁵ *UMG Recordings, Inc. v. Mattel, Inc.*, 100 U.S.P.Q.2d (BNA) 1868, 1888 (T.T.A.B. 2011); *see also Nike*, 100 U.S.P.Q.2d (BNA) at 1028–30.

²³⁶ *Research in Motion*, 2012 TTAB LEXIS 45, at *36.

²³⁷ *UMG Recordings*, 100 U.S.P.Q.2d (BNA) at 1888.

²³⁸ *Nike*, 100 U.S.P.Q.2d (BNA) at 1028–30.

²³⁹ *Nat’l Pork Bd. v. Supreme Lobster & Seafood Co.*, 96 U.S.P.Q.2d (BNA) 1479, 1497 (T.T.A.B. 2010).

²⁴⁰ *Rolex Watch U.S.A. Inc. v. AFP Imaging Corp.*, 101 U.S.P.Q.2d (BNA) 1188, 1194–95 (T.T.A.B. 2011).

²⁴¹ *See, e.g., Research in Motion*, 2012 TTAB LEXIS 45, at *35 (discussing “sufficient similarity” standard requires marks to be highly similar).

²⁴² *See Citigroup Inc. v. Capital City Bank Grp., Inc.* 94 U.S.P.Q.2d (BNA) 1645, 1667 (T.T.A.B. 2010) *aff’d on other grounds*, 637 F.3d 1344 (Fed. Cir. 2011). To reach this conclusion, the Board applied the Federal Circuit’s reasoning that, in the likelihood of confusion analysis from traditional trademark infringement, “in a particular case even a single [likelihood of confusion] factor may be dispositive.” *Id.* Consequently, the Board

Conversely, in the only case where the standard was not satisfied, the Board continued to analyze the remaining factors and, instead of relying only on the lack of similarity, determined that, on the balance, the factors justified finding there was no likelihood of dilution by blurring.²⁴³ Accordingly, while it appears the Board treats similarity as a potentially dispositive factor, the precise role of similarity—whether as a threshold element or especially important factor—is unclear.

III. THE PROPER EVOLUTIONARY COURSE: WHY PRE-TDRA MARK SIMILARITY STANDARDS SHOULD BE DISCARDED AND THE TRADEMARK TRIAL AND APPEAL BOARD'S APPROACH TO ANALYZING MARK SIMILARITY SHOULD BE ADOPTED

We here analyze the conflict regarding whether pre-TDRA mark similarity should continue to be used under the TDRA and, if not, what the proper role of mark similarity is in their absence. We begin by demonstrating why pre-TDRA mark similarity standards are no longer employable under the TDRA. We then show why courts should adopt the Trademark Trial and Appeal Board's approach to mark similarity in their stead.

A. *Why Pre-TDRA Mark Similarity Standards Should Be Discarded*

The Second and Ninth Circuits correctly determined that the text of the TDRA unambiguously compelled elimination of pre-TDRA mark similarity standards. And even if the TDRA does not unambiguously compel elimination of pre-TDRA mark similarity standards, the text of the TDRA does not support the continued use of pre-TDRA mark similarity standards. Pre-TDRA mark similarity standards should not be read into the TDRA because these standards were improperly justified at their adoption and extrinsic evidence is, at best, conflicting and problematic. Instead, pre-TDRA mark similarity standards, which were hostile

rejected the Second Circuit's requirement that each factor be given the same weight in the dilution by blurring analysis. *See id.*

²⁴³ *Rolex Watch*, 101 U.S.P.Q.2d at 1195–97.

interpretations of the prior law, should be left behind as dilution continues to evolve.

1. The Plain Language of the TDRA Does Not Support Pre-TDRA Mark Similarity Standards

The Second and Ninth Circuit correctly determined the text of the TDRA prohibits the continued application of pre-TDRA mark similarity standards. In fact, the text of the TDRA only refers to “similarity” and “degree of similarity.”²⁴⁴ Notably absent is any reference to “substantial similarity” or “identity.”²⁴⁵ Furthermore, although Professors Thomas J. McCarthy and Anne Gilson LaLonde have urged courts to continue employing pre-TDRA mark similarity standards, these same scholars admit that the text of the TDRA does not require use of pre-TDRA mark similarity standards.²⁴⁶ Accordingly, there is no mention of pre-TDRA mark similarity standards in the TDRA and, as a result, the plain language of the TDRA does not allow for their continued use.

Even if the text of the TDRA does not unambiguously require courts to cease using pre-TDRA mark similarity standards, pre-TDRA mark similarity standards are not justifiable by the text of the TDRA. Instead, the TDRA is completely silent regarding the continued use of pre-TDRA mark similarity standards.²⁴⁷ Whether a court determines that the plain language of the TDRA requires abandoning pre-TDRA mark similarity standards or the TDRA is merely silent on the matter, the text of the TDRA does not support the use of pre-TDRA mark similarity standards.

2. Pre-TDRA Mark Similarity Standards Should not Continue to Be Employed Because They Were Improperly Justified when Adopted Under the FTDA

When initially adopted, pre-TDRA mark similarity standards were either unjustified extensions of state law or erroneously justified interpretations of federal law. In many circuits, pre-TDRA mark similarity standards were not justified by reference to

²⁴⁴ See 15 U.S.C. § 1125(c)(2)(B) (2006).

²⁴⁵ See *id.*

²⁴⁶ See 4 MCCARTHY, *supra* note 183; 2-5A LALONDE, *supra* note 27, § 5A.01(5)(c)(i).

²⁴⁷ See 15 U.S.C. § 1125(c)(2)(B).

the statutory language.²⁴⁸ In these circuits, pre-TDRA mark similarity standards can be traced to a single decision of the Second Circuit interpreting New York's dissimilar dilution statute.²⁴⁹ Accordingly, in those circuits, pre-TDRA mark similarity standards were unjustified extensions of state law.

In other circuits, pre-TDRA mark similarity standards were erroneously justified by reference to the text of the FTDA. Most notably, the Ninth Circuit erroneously interpreted the following language to justify its pre-TDRA mark similarity standards: "The owner of *a famous mark* shall be entitled . . . to an injunction against another person's commercial use in commerce of *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."²⁵⁰ The Ninth Circuit determined placement of the definite article proved use of an identical mark was required.²⁵¹

However, the language does not lend itself to this interpretation. Instead, the definite article signifies that the mark that has become famous must be the plaintiff's mark and not some other mark. This reading is bolstered by the changes made by Congress in the TDRA. In particular, the TDRA now reads: "[T]he owner of a famous mark . . . 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."²⁵² The emphasized language makes clear that the definite article is not used in conjunction with the junior mark. Furthermore, this language has been correctly interpreted not to require the junior mark to be identical to the famous mark.²⁵³ Consequently, even in cases purporting to justify pre-TDRA mark similarity standards by the text of the TDRA, the standards were improperly justified. Courts should not read erroneously pre-TDRA mark similarity

²⁴⁸ See *supra* notes 79, 129–32, 159 and accompanying text.

²⁴⁹ See *supra* notes 129–32, 159 and accompanying text.

²⁵⁰ See *supra* notes 160–164.

²⁵¹ See *supra* note 162 and accompanying text.

²⁵² 15 U.S.C. § 1125(c)(1) (emphasis added).

²⁵³ See *supra* note 163 and accompanying text.

standards into the TDRA and, as a result, pre-TDRA mark similarity standards should no longer be employed.

3. Extrinsic Evidence Supports Interpreting the Text of the TDRA to Prohibit Use of Pre-TDRA Mark Similarity Standards

Extrinsic evidence supports the elimination of pre-TDRA mark similarity standards from the blurring analysis. For one, since many different pre-TDRA mark similarity standards were employed under the prior law, continuing to employ these standards defeats Congress's intent to provide uniformity in the application of federal dilution law. Additionally, legislative history supports abandoning pre-TDRA mark similarity standards. The legislative history is also sparse, problematic, and conflicted. At a minimum, it should not be used to read pre-TDRA mark similarity standards into the TDRA. Likewise, dilution as a theory of harm does not overcome the text of the TDRA because dilution is not reducible to a single theory and is still being defined. Alleged anti-competitive effects also do not overcome the text of the TDRA because they are unproven and improperly focus on hamstringing dilution through similarity when the TDRA is already crafted to limit the anti-competitive effects. In the end, the text of the TDRA must be allowed to control because extrinsic evidence supports abandoning pre-TDRA mark similarity standards and, regardless, potentially contradictory evidence is overstated and problematic.

a) Congress's Intent to Remedy Inconsistent Interpretations of the Prior Federal Law Compels Elimination of Pre-TDRA Mark Similarity Standards

Allowing pre-TDRA mark similarity standards to be employed defeats Congress's intent to remove inconsistent and hostile interpretations from federal dilution law. Congress enacted the TDRA to remedy courts' inconsistent and hostile interpretations of the prior federal statute.²⁵⁴ Under the prior federal law, many circuits applied their own widely different mark similarity

²⁵⁴ See H.R. REP. NO. 109-23, at 3 (2005), *reprinted in* 2006 U.S.C.C.A.N. 1091, 1092.

standards.²⁵⁵ Congress did not expressly incorporate a pre-TDRA mark similarity standard.²⁵⁶ Consequently, reading pre-TDRA mark similarity standards into the TDRA would defeat Congress's intent to remove the inconsistent and hostile interpretations that plagued the prior federal law.

b) The Legislative History Supports Eliminating Pre-TDRA Mark Similarity Standards

The legislative history contains explicit support for abandoning pre-TDRA mark similarity standards. For instance, in discussing dilution by blurring and mark similarity, the legislative history contains the following language: "The less similar the marks, the less likely a consumer association between the marks; the more similar the marks, or if they are identical, the more likely it is that the junior mark will impair the association of the senior mark with its source and/or its particular brand attributes."²⁵⁷ This language clearly supports eliminating pre-TDRA mark similarity standards because it indicates that while high mark similarity makes blurring more likely, it is not necessary.²⁵⁸ Accordingly, pre-TDRA mark similarity standards are inconsistent with legislative history and, as a result, should not be read into the text of the TDRA.

Regardless, small businesses and trademark scholars rely on legislative history to overcome the text of the TDRA.²⁵⁹ However, ignoring the legislative history's explicit support for eliminating pre-TDRA mark similarity standards, the legislative history is sparse and problematic. Notably, the legislative history does not mention mark similarity standards.²⁶⁰ Accordingly, the legislative history is not particularly helpful. And to resort to legislative history that "do[es] not squarely address the question presented" is

²⁵⁵ See *supra* notes 71–77 and accompanying text.

²⁵⁶ See 15 U.S.C. § 1125(c)(2)(B).

²⁵⁷ *Trademark Dilution Revision Act of 2005: Hearing on H.R. 683 Before the Subcomm. on Courts, the Internet, and Intellectual Property of the H. Comm. on the Judiciary*, 109th Cong. 14 (2005) (statement of Anne Gundelfinger, then-President, International Trademark Association).

²⁵⁸ See *supra* notes 174–75 and accompanying text.

²⁵⁹ *Supra* Part II.A.2.b.

²⁶⁰ See *Levi Strauss & Co. v. Abercrombie & Fitch Trading Co.*, 633 F.3d 1158, 1172 n.10 (9th Cir. 2011).

“particularly inappropriate.”²⁶¹ Accordingly, the text of the TDRA should control, and pre-TDRA mark similarity standards should not be inserted into the TDRA.

In response, small businesses and trademark scholars point to comments in the legislative history indicating dilution “should be narrowly crafted . . . to protect only the most famous trademark from subsequent uses that blur the distinctiveness of the mark or tarnish or disparage it.”²⁶² They argue that the “subsequent uses” language shows Congress intended pre-TDRA mark similarity standards to be part of the TDRA.²⁶³ However, this is an inappropriate interpretation because drawing the preceding inference from this language requires the assumption that the speaker was conveying information about mark similarity standards. For this reason, it is important to recognize that clarifying and limiting which marks were *famous enough* to receive dilution protection was an important part of the TDRA.²⁶⁴ In fact, after this comment the legislative history discussed the changes made through the TDRA including those with respect to fame.²⁶⁵ Accordingly, the comment’s emphasis on limiting fame by stating “only the most famous marks” deserve protection and the TDRA’s focus on limiting fame cast doubt on the proponents interpretation. As a result, comments like this in the legislative history should not be read to support the continued use of pre-TDRA mark similarity standards.

Small businesses and trademark scholars ultimately rely on the legislative history’s silence to prove the TDRA was not intended to bar use of pre-TDRA mark similarity standards.²⁶⁶ However, “not every silence is pregnant.”²⁶⁷ And silence is not sufficient to overcome the text of the TDRA and the extrinsic evidence’s

²⁶¹ *Id.* (quoting *Oregon v. Ashcroft*, 368 F.3d 1118, 1136 (9th Cir. 2004)).

²⁶² *E.g.*, Response Brief of Defendant-Appellee at 27, *Levi Strauss & Co. v. Abercrombie & Fitch Trading Co.*, 633 F.3d 1158 (9th Cir. 2011) (quoting H.R. REP. NO. 109-23, at 25 (2005), *reprinted in* 2006 U.S.C.C.A.N. 1091, 1093) (internal quotation marks and emphasis omitted).

²⁶³ *See id.*

²⁶⁴ *See* H.R. Rep. No. 109-23, at 5 (2005) *reprinted in* 2006 U.S.C.C.A.N. 1091, 1094.

²⁶⁵ *See id.* at 25.

²⁶⁶ *See supra* Part II.A.2.a.

²⁶⁷ *State of Ill., Dep’t of Pub. Aid v. Schweiker*, 707 F.2d 273, 277 (7th Cir. 1983).

support for abandoning pre-TDRA mark similarity standards. For these reasons, the text of the TDRA, which supports abandoning pre-TDRA mark similarity standards,²⁶⁸ must be allowed to control.

c) Dilution Theory Does not Require Use of Pre-TDRA Mark Similarity Standards Because Dilution Has Evolved into Multiple Species

Pre-TDRA mark similarity standards should be abandoned because arguments that dilution theory requires the use of pre-TDRA mark similarity standards in the blurring analysis are flawed and overstated. These arguments are flawed because they fail to take into account that dilution exists in several different forms and, as a result, generalizations about dilution are not persuasive. For instance, state dilution law does not require a mark to be famous before dilution protection is granted.²⁶⁹ Additionally, Schechter's initial articulation of dilution focused on protecting unique marks that added to the language.²⁷⁰ In contrast, federal dilution law requires a high level of fame and does not limit protection to unique marks.²⁷¹ Interpretation of federal dilution law is impacted only by Congress's conception of dilution as evidenced by the statutory language and legislative history.

Arguments that dilution theory requires the use of pre-TDRA mark similarity standards are also overstated for two reasons. First, the case law defining dilution theory was crafted over a period of time where courts were hostile to dilution and interpreted federal dilution law in ways to limit the new cause of action.²⁷² Second, courts and commentators have entertained a variety of theories to justify dilution protection.²⁷³ For these reasons, arguments about what dilution theory requires should not be given

²⁶⁸ See *supra* Part III.A.1.

²⁶⁹ 2-5A LALONDE, *supra* 27, § 5A.02(1) (2011).

²⁷⁰ See *supra* note 35 and accompanying text.

²⁷¹ See *supra* Part I.C.

²⁷² See *supra* Part I.B.

²⁷³ See generally Alexander Dworkowitz, *Ending Dilution Doublespeak: Reviving the Concept of Economic Harm in the Dilution Action*, 20 TEX. INTELL. PROP. L.J. 25, 31–42 (2011) (discussing the different theories of dilution courts and commentators have relied on).

much weight. Instead, the language of the TDRA should be the vehicle for defining Congress's intended definition of dilution theory and pre-TDRA mark similarity standards should no longer be employed.

d) Pre-TDRA Mark Similarity Standards Are not Necessary to Protect Against Unproven Anti-Competitive Effects

Arguments that the anti-competitive effects of failing to employ pre-TDRA mark similarity standards require their use improperly focus on pre-TDRA mark similarity standards as the proper solution to an unproven problem. On the one hand, although commentators may be correct that eliminating pre-TDRA mark similarity standards may turn "Federal Express" into a prohibition against use of similar marks, they fail to show any harm caused by this result.²⁷⁴ All that would occur is that a new business would have to pick a different name, of which the possibilities are limitless. Accordingly, the protection of famous marks against potentially harmful uses should not be curtailed by an unproven and harmless concern.

Additionally, these arguments improperly focus on similarity as the proper solution. For instance, in creative industries where the marks are in direct competition, it is argued that abandoning pre-TDRA mark similarity standards will allow for stifling of creativity because famous marks will own the creative work product of the industry.²⁷⁵ However, the TDRA already limits the extent of dilution protection in these areas by recognizing the extent of exclusive use of the mark as part of the blurring analysis.²⁷⁶ Accordingly, dilution by blurring analysis already provides a method for dealing with this concern and, therefore, this concern does not require use of pre-TDRA mark similarity standards.

Concern that dilution protection in the absence of pre-TDRA mark similarity standards will run afoul of the general presumption

²⁷⁴ See *supra* notes 199–200 and accompanying text.

²⁷⁵ See *supra* notes 201–05 and accompanying text.

²⁷⁶ 15 U.S.C. § 1125(c)(2)(B)(iii) (2006).

against trademark rights in gross are similarly misplaced. To enumerate, the general presumption against trademark rights precludes protection in instances where the right to protection does not grow out of the use of the mark.²⁷⁷ Under the TDRA, dilution by blurring protects those famous marks that have so pervaded the marketplace that they transcend traditional commercial boundaries, having become household names.²⁷⁸ Accordingly, this protection does grow out of use of the mark and is not simply a property right. Furthermore, even if this were not the case, Congress clearly has the power to make laws allowing for trademark rights in gross to be granted.²⁷⁹ Consequently, the general presumption against trademark rights in gross should not be used to cripple a valid act of Congress.

B. Why Courts Should Use the Trademark Trial and Appeal Board's Approach to Mark Similarity

As demonstrated in Part III.A, pre-TDRA mark similarity standards are no longer appropriately employed in the dilution by blurring analysis. However, this does not answer the question of what role mark similarity should have under the TDRA. Here I argue that the Trademark Trial and Appeal Board's standard should be used to judge mark similarity because it is closely tailored to the text of the TDRA. Although the Board is unclear as to the dispositive nature of its mark similarity standard, we show why its mark similarity standard should be regarded as a necessary, but not sufficient, condition for a finding of likely dilution by blurring. I also explain the Board's mark similarity standard should be used because, for practical reasons, it is necessary and appropriate.

1. The Trademark Trial and Appeal Board's Treatment of Mark Similarity Is Justified by the Plain Language of the TDRA

The Board's mark similarity standard is appropriately employed under the TDRA because the plain language of the

²⁷⁷ See *supra* note 110 and accompanying text.

²⁷⁸ See *supra* notes 91–92 and accompanying text.

²⁷⁹ See *United Drug Co. v. Rectanus*, 248 U.S. 90, 97–98 (1918).

TDRA requires its use. Parsing the language of the TDRA leads to a two-step analysis for determining whether a likelihood of dilution by blurring exists.²⁸⁰ First, there must be an “association arising from the similarity.”²⁸¹ Second, this “association” must “impair the distinctiveness of the famous mark.”²⁸² The Board’s mark similarity standard, which asks, “whether the two involved marks are sufficiently similar to trigger consumers to conjure up a famous mark when confronted with the second mark,”²⁸³ closely parallels the first step of the two-step analysis. Accordingly, the plain language of the TDRA requires the Board’s mark similarity standard.

The list of relevant factors and the “degree of similarity” standard do not overcome this interpretation of the dilution by blurring definition. Statutory provisions are interpreted so as not to contradict or render meaningless other provisions.²⁸⁴ This principle is strengthened in this case because the relevant factors, including “degree of similarity,” are intended to aid courts in applying the dilution by blurring definition. For these two reasons, the relevant factors, including “degree of similarity,” should not be interpreted to contradict the blurring definition. Instead, “degree of similarity” should be interpreted to indicate that once the standard shows that the requisite association exists, the “degree of similarity” will impact the analysis of whether the association “impairs the distinctiveness” of the famous mark. This interpretation is consistent with the dictionary definition of “degree” as a “measure”—and it does not preclude a floor or

²⁸⁰ Cf. *Nat’l Bus. Forms & Printing, Inc. v. Ford Motor Co.*, 671 F.3d 526, 536 (5th Cir. 2012) (“To state a dilution claim under the TDRA, [a plaintiff] must show . . . (iii) that the similarity [between the marks] gives rise to an association between the marks; and (iv) that the association is likely to impair the distinctiveness of the [famous mark]”) (citing *Louis Vuitton Malletier S.A. v. Haute Diggity Dog, LLC*, 507 F.3d 252, 264–65 (4th Cir. 2007)).

²⁸¹ *Id.*

²⁸² *Id.*

²⁸³ *Nat’l Pork Bd. v. Supreme Lobster and Seafood Co.*, 96 U.S.P.Q.2d (BNA) 1479, 1497 (T.T.A.B. 2010).

²⁸⁴ See, e.g., *Pa. Dep’t of Pub. Welfare v. Davenport*, 495 U.S. 552, 562 (1990) (“Our cases express a deep reluctance to interpret a statutory provision so as to render superfluous other provisions in the same enactment.”).

ceiling on those values.²⁸⁵ Consequently, the Trademark Trial and Appeal Board's standard is justified by the text of the TDRA.

2. The Trademark Trial and Appeal Board's Mark Similarity Standard Should Be Treated as a Necessary, but Not Sufficient Condition

Analyzing the plain language of the TDRA shows the new, lower mark similarity is a necessary, but not a sufficient, condition for a finding of likely dilution by blurring. To demonstrate, although "association arising from the similarity" is clearly a prerequisite for a finding of dilution by blurring, the ultimate question is whether this association "impair[s] the distinctiveness of the famous mark."²⁸⁶ Consequently, failing to meet the Board's mark similarity standard means no likelihood of dilution can exist. On the other hand, meeting the Board's mark similarity standard should not be regarded as dispositive because the association must also "impair the distinctiveness of the famous mark."²⁸⁷ Therefore, according to the plain language of the TDRA, the new mark similarity standard is a necessary, but not sufficient, condition for a finding of likely dilution by blurring.

Interpreting the TDRA to allow similarity to be dispositive is supported because similarity is allowed to be dispositive in traditional infringement actions where similarity does not have the same importance. In the likelihood of confusion context, similarity can be dispositive depending on the facts of the case.²⁸⁸ Although likelihood of dilution and likelihood of confusion are not the same, many courts' dilution analyses are informed by their vast experience with confusion.²⁸⁹ Allowing similarity to be treated in this manner is more appropriate in the blurring context because of its stronger emphasis in the definition on blurring.²⁹⁰ Accordingly, the treatment of similarity in the likelihood of confusion context

²⁸⁵ THE MERRIAM WEBSTER DICTIONARY 304 (10th ed. 1997).

²⁸⁶ See *supra* notes 210–13 and accompanying text.

²⁸⁷ See *supra* notes 210–13 and accompanying text.

²⁸⁸ See *supra* note 242 and accompanying text.

²⁸⁹ See *supra* note 63 and accompanying text.

²⁹⁰ Compare 15 U.S.C. § 1125(c)(2)(B) (2006), with 15 U.S.C. § 1125(a) (2006).

supports treating the new mark similarity standard as a necessary, but not a sufficient, condition in the blurring analysis.

3. Practical Considerations Support Employing the New Mark Similarity Standard

The Board's new mark similarity standard should be employed because practical considerations make it a necessary and appropriate element of the blurring analysis. Chiefly, requiring courts to use the mark similarity standard focuses the court's analysis of similarity on what is required by the blurring definition. In contrast, failing to employ the mark similarity standard means courts will analyze similarity in a vacuum. This consideration is important because it is more likely that courts will use mark similarity appropriately when they are guided in their analysis.

Additionally, the Board's mark similarity standard is appropriate because there is little risk that employing the standard will keep valid claims from being heard by a court. To explain, the mark similarity standard focuses on consumer association, a prerequisite to likely dilution by blurring. The standard does not ask the ultimate question of whether this association is significant enough to "impair the distinctiveness of the famous mark." Rather, the standard is a significantly lower burden than the ultimate determination. As a result, from a practical perspective, employing the Board's new mark similarity standard is appropriate because there is little downside.

On the other hand, employing the Trademark Trial and Appeal Board's mark similarity standard protects, in a minimally restrictive way, against the anti-competitive effects of excessive dilution by blurring litigation. For instance, if the owner of a famous mark brings a dilution by blurring claim against a small business, the standard provides the other company with the ability to quickly defeat frivolous dilution by blurring claims without bearing the expense of a whole trial. This standard also allows frivolous claims of dilution by blurring to be dismissed on inexpensive grounds because comparing similarity requires little expense. But, addressing all of the relevant factors, which includes

survey evidence, would be very expensive.²⁹¹ Accordingly, using the Board's mark similarity standard prevents dilution by blurring claims from being used as anti-competitive weapons without restricting valid claims.

CONCLUSION

Congress enacted the TDRA in response to hostile judicial interpretation of pre-TDRA federal dilution law. The TDRA should not be interpreted to include improperly justified pre-TDRA mark similarity standards without an express indication of Congress's desire to adopt them. The TDRA is silent on the issue of whether these pre-TDRA mark similarity standards were adopted and extrinsic evidence of Congress's intent is unclear at best. Therefore, pre-TDRA mark similarity standards should not be read into the TDRA. Instead, the TDRA should be interpreted based on the language therein to allow for the use of the new, lower mark similarity standards employed by the Trademark Trial and Appeal Board. This standard, which closely tracks the language of the TDRA, is a necessary, but not sufficient, condition for a finding of likelihood of dilution by blurring. Deciding otherwise will stunt the evolution of federal dilution law by abandoning the text of the TDRA in favor of previous hostile interpretations.

²⁹¹ See, e.g., David M. Kelly, Comment, *Trademarks: Protection of Merchandising Properties in Professional Sports*, 21 DUQ. L. REV. 927, 961 (1984) (noting that survey evidence is very expensive and that in the 1980s one survey cost in excess of one-half million dollars).

APPENDIX

Figure A – Levi Strauss & Co.’s Arcuate Mark



Figure B – Abercrombie & Fitch Trading Co.’s “Ruehl” mark

