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PANEL III: Trademark Dilution and Its Effects on the Marks of Big and Small Business

Moderator: Hugh C. Hansen^{*}

Panelists: Barton Beebe[†]

Dennis McCooe[‡]

Eric A. Prager[§]

MR. RIZZO: Good afternoon, ladies and gentlemen. My name is Anthony Rizzo. I'm the Symposium Editor for the journal this year.

I hope you have enjoyed the Symposium and all the panels so far. If this is your first one today, welcome. It will be a good one.

This is our final panel. It deals with trademark dilution and its effects on businesses, both large and small.

It's my pleasure and honor to introduce the panel moderator today, Professor Hugh Hansen. He is a professor of IP here at Fordham, teaching copyright, trademark, European IP law, and advanced copyright. He is also the director and driving force behind the Fordham International IP Conference, which this year is going on its seventeenth year and, for the first time, will be taking place in Cambridge, England. I welcome you all to look into that.

With that, I give you Professor Hansen.

PROF. HANSEN: Thank you, Anthony. You've done a great job as Symposium Editor putting this together. It has been

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excellent up to now. Hopefully, we can maintain those standards here.

By the way, it's Fordham's Seventeenth Annual Intellectual Property Law and Policy Conference we are putting on in Cambridge. My motto is, "Be there or be square." Now we wouldn't want anyone to be square.

We have a great panel. Their biographies are in the materials. I'll just briefly give identifying information.

To my immediate left is Barton Beebe. Even though he has only been in the teaching profession a little while, he has already become a star. He's teaching at NYU, visiting, and I think second semester, he is visiting at Stanford.

He has done empirical work both in copyright and trademark law. This type of work is rare but it's very valuable and interesting.

Dennis McCooe is with Blank Rome in Philadelphia. He is an IP lawyer. He litigates in federal and state courts. He does licensing prosecution and represents a number of clients, big and small. We are happy to have him here.

Finally, but not least, is Eric Prager. He is now a partner at K&L Gates. Eric when he was at Fordham Law School was the Editor-in-Chief of the *IPLJ*, which was then called the *Intellectual Property Law Forum*. He also worked on a couple of WIPO treaties, helping out the Finnish director of those diplomatic conferences. He was with Darby & Darby for many years, until he recently moved to K&L Gates.

I think we were going to start out with Dennis.

MR. MCCOOE: Before we start, Barton is going to give a five-minute or so overview of where we are right now. We have a newly enacted statute the Trademark Dilution Revision Act, which we are going to call today the TDRA.¹ That came into place approximately a year and a half ago—I guess it's coming up on

¹ Trademark Dilution Revision Act of 2006, Pub. L. No. 109-312, 120 Stat. 1730 (codified as amended at 15 U.S.C. § 1125 (West Supp. 2008)).

two years.² So we have an opportunity, especially with Barton's empirical evidence, to examine a little where we are right now, two years after. It's still quite early, but the results are in. They don't look too good.

PROF. BEEBE: Thanks.

Dennis is absolutely correct. The effective date of the new TDRA was October 6, 2006,³ so the autumn is always a poignant time for trademark scholars, because it marks the new year for the TDRA and also for looking back over the past year of TDRA case law.

I'm going to try, in five minutes—which is impossible—to give you a quick overview of the antidilution cause of action itself, in case some of you are unfamiliar with it. Those of you who are familiar with it will probably find mistakes in what I'm saying. But hopefully it will just be a quick version of events, based on the initial theory of Frank Schechter from 1927. Then I will very briefly tell you about the old FTDA, Federal Trademark Dilution Act of 1995,⁴ which was then revised by the Trademark Dilution Revision Act of 2006.⁵

The dilution concept itself was sort of founded by a fellow named Frank Schechter, a New Yorker, a lawyer for BVD Underwear Company, in the 1920s.⁶ He wrote an incredibly influential article in *Harvard Law Review* called "The Rational Basis for Trademark Protection," published in 1927.⁷ There he recognized what was absolutely correct for the time, at least as far as we can tell, looking back. It was that the anti-confusion cause

² *Id.*; see 4 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 24:96 (4th ed. 2009).

³ See MCCARTHY, *supra* note 2.

⁴ Federal Trademark Dilution Act of 1995, Pub. L. No. 104-98, 109 Stat. 985 (1996) (current version at 15 U.S.C. § 1125).

⁵ Trademark Dilution Revision Act of 2006, Pub. L. No. 109-312, 120 Stat. 1730 (codified as amended at 15 U.S.C. § 1125).

⁶ M.J. Alexander, T.H. Davis Jr., & L.T. Estrin, *The Historic Foundation of the Dilution Doctrine in Trademark Law*, WORLDEXTRA: INTA SUPPLEMENT, May 2008, at 10, http://static.informaprofessional.com/ipwo/images/supplements/INTA_May08.pdf.

⁷ Frank I. Schechter, *A Rational Basis of Trademark Protection*, 40 HARV. L. REV. 813 (1927).

of action was fairly limited.⁸ It did not reach certain conduct that would nevertheless harm a company's trademark.⁹ A classic example might be the Rolls-Royce brand name, Rolls-Royce for automobiles, and then suddenly Rolls-Royce, let's say, begins to appear on chewing gum or on shoes or chairs or doorknobs or something else along those lines.¹⁰

Under the anti-confusion doctrine of the 1920s, that conduct—Rolls-Royce on doorknobs—could not be reached by an anti-confusion cause of action, because the courts would assume that consumers were not confused as to the true source of those doorknobs or that chewing gum or something else.¹¹ So there was no consumer confusion, and therefore no action would lie on the basis of consumer confusion.¹²

Another version of events is to say that there is no diversion of trade caused by Rolls-Royce doorknobs. Rolls-Royce was still selling its automobiles. They weren't selling doorknobs. So it's not as though some other company was coming along and stealing their sales in doorknobs.

Schecter said, still, there is a harm to the Rolls-Royce trademark.¹³ It's not consumer confusion; it's something else. The harm is damage to the mark's "selling power."¹⁴ That was one of Schecter's terms. The other was "damage to the distinctiveness"

⁸ *Id.* at 821–25.

⁹ *Id.* at 825–31.

[T]he law, even in its most liberal interpretation at the present time, will prevent the misuse of that mark only where there is an actual confusion created by such misuse, resulting in either diversion of trade or other concrete financial liability or injury to trade repute. However, we have intimated the possibility that the use of trademarks on entirely non-related goods may of itself concretely injure the owner of the mark even in the absence of those elements of damage noted above.

Id. at 825.

¹⁰ *See id.* at 829–30.

¹¹ *See id.* at 830.

¹² *Id.* at 824 (“[T]he rule [is] that a trademark or trade-name is only coextensive with its use and may be used by different firms in different localities.”).

¹³ *Id.* at 825, 830.

¹⁴ Schecter, *supra* note 7, at 830 (“This entirely arbitrary symbol would soon lose its arresting uniqueness and hence its selling power . . .”). Schecter also stated that the value of the modern trademark lies in its selling power. *See id.* at 831.

of the mark.¹⁵ The mark was no longer unique in the marketplace. It no longer referred uniquely to one category of goods. Instead, it started referring to all sorts of other goods. Imagine a mark like “Acme” or “Merit” or “Broadway.” When you hear those marks, you don’t necessarily know to which goods they refer. They are very sort of bland trademarks. They have no selling power, no advertising value. It was this that Schecter wanted to protect with an antidilution cause of action.¹⁶

So he started advocating for this antidilution cause of action, with more or less success, at least at the state level. Through the course of the postwar period, various states began to adopt antidilution statutory sections at the state level.¹⁷ Then in 1995, we had the first federal antidilution cause of action provided to us by the new section 43(c) of the Lanham Act—43(c), which we otherwise used to call the FTDA, Federal Trademark Dilution Act.¹⁸

The FTDA was, to quote the poet Ezra Pound in commenting on European civilization, “wrong from the start.”¹⁹ It was a

¹⁵ See Schecter, *supra* note 7, at 831.

[S]elling power depends . . . upon its own uniqueness and singularity . . . [and] such uniqueness or singularity is vitiated or impaired by its use upon either related or non-related goods [and] . . . the degree of its protection depends in turn upon the extent to which, through the efforts or ingenuity of its owner, it is actually unique and different from other marks.

Id. Although he does not specifically mention an antidilution cause of action, Schecter’s argument was that dilution of a mark damages the selling power of a particular product, which entitles the mark owner to damages. See *generally id.*

¹⁶ *Id.* at 831 (“[T]he preservation of the uniqueness of a trademark should constitute the only rational basis for its protection . . .”).

¹⁷ U.S. State Dilution Law Subcommittee, INTERNATIONAL TRADEMARK ASSOCIATION, U.S. State Dilution Laws 2 (2004), http://www.inta.org/membersonly/downloads/ref_state.pdf (“Of the fifty states in the United States, over two-thirds of them have some form of dilution statute. The first state to pass a dilution statute was Massachusetts in 1947, followed by Illinois in 1953. . . .” (citations omitted)). See, e.g., Trademark Registration and Protection Act, 765 ILL. COMP. STAT. 1036/65 (2009).

¹⁸ Federal Trademark Dilution Act of 1995, Pub. L. No. 104-98, 109 Stat. 985 (1996) (current version at 15 U.S.C. § 1125 (West Supp. 2008)).

¹⁹ See Barton Beebe, *A Defense of the New Federal Trademark Antidilution Law*, 16 FORDHAM INTELL. PROP. MEDIA & ENT. L.J. 1143, 1152 (2006) [hereinafter Beebe, *A Defense*] (“An idiosyncratic draft hurriedly enacted into law, the FTDA was wrong from the start.”).

disaster. Clarisa Long, uptown, has done lots of interesting work about FTDA case law, showing the degree to which either courts were hostile to FTDA causes of action or otherwise they just weren't working.²⁰ You see over time a decreasing proportion of injunctions being issued in cases in which an FTDA antidilution cause of action was brought.²¹

I won't tell you too much about the FTDA's actual provisions, because now we have the TDRA. What I'll tell you instead is what is new about the Trademark Dilution Revision Act.

The TDRA was passed into law in 2006. October 6 was its effective date, as I mentioned. We have a bunch of very important innovations in the TDRA.

The first one, and I think probably the most important, would be the establishment of a likelihood-of-dilution standard.²² The FTDA was interpreted to establish an actual dilution standard by the Supreme Court opinion *Moseley v. V Secret*²³ in 2003. This was a very controversial outcome. The trademark bar, at least for big trademark owners, was horrified that there was read into the Act an actual dilution standard, very hard to meet. One of the main reasons we have the TDRA is to override the Supreme Court opinion in *Moseley*. That's the first and most important innovation of the new Act.

Secondly, going to the Second Circuit, in particular, the Act explicitly establishes that both inherently distinctive and non-

²⁰ See generally Clarisa Long, *Dilution*, 106 COLUM. L. REV. 1029 (2006) (analyzing the dilution cause of action and the effectiveness of the FTDA).

²¹ *Id.* at 1042 ("The results show that the rate at which trademark holders have been able to get injunctive relief on their dilution claims in district court has been dropping over time from an initial success rate of 54.17% in 1996 to 12.00% for the first half of 2005.").

²² Trademark Dilution Revision Act of 2006, Pub. L. No. 109-312, § 2, 120 Stat. 1730, 1730-32 (codified as amended at 15 U.S.C. § 1125(c)(2)); see Beebe, *A Defense*, *supra* note 19, at 1156 ("[M]ost importantly, the TDRA provides that the plaintiff need merely show a *likelihood* of dilution in order to gain relief under Section 43(c) . . .").

²³ *Moseley v. V Secret Catalogue, Inc.*, 537 U.S. 418, 432-33 (2003).

"[T]he owner of a famous mark" is entitled to injunctive relief against another person's commercial use of a mark or trade name if that use "*causes dilution* of the distinctive quality" of the famous mark.

Id. (quoting 15 U.S.C. § 1125(c)(1)).

inherently distinctive marks may receive antidilution protection at the federal level.²⁴ To make a long story very short, in the Second Circuit, primarily because of the intervention of some opinions by Judge Leval, there was a line of doctrine saying that a non-inherently distinctive mark, such as British Airways, United Van Lines, United Airlines, could not receive antidilution protection.²⁵

Furthermore, we interpret the TDRA to reject the doctrine of niche fame, which I think will come up later on. I will just say that there is language in the TDRA, which we can quote later on, that rejects the concept of niche fame.²⁶ In order to qualify for antidilution protection at the federal level, you have to show that your mark is widely recognized by the general consuming public of the United States.²⁷

Just a few more and then I'll conclude.

The TDRA also reconfigures the fame factors. If you are familiar with the FTDA, the old law, you will know that there are A-through-H factors for figuring out fame.²⁸ It's a crazy list. It was very mechanical. Now we have four factors, I suppose, for determining fame.²⁹

²⁴ Trademark Dilution Revision Act of 2006 § 2 (codified as amended at 15 U.S.C. § 1125(c)) (the Act gives protection for marks that are inherently distinctive and marks that have acquired distinctiveness); *Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4, 10 (2d Cir. 1976). The court stated that “§ 2(e) of the Lanham Act . . . [only] forbids the registration of a mark which, when applied to the goods of the applicant, is ‘merely descriptive,’” and that any other marks will be afforded trademark protection. *Id.*

²⁵ See *TCPIP Holding Co., Inc. v. Haar Commc'ns., Inc.*, 244 F.3d 88, 94 (2d Cir. 2001) (“[I]t is the policy of the Act to grant broader protection to those marks with a higher degree of inherent distinctiveness.”); *Nabisco, Inc. v. PF Brands, Inc.*, 191 F.3d 208, 227–28 (2d Cir. 1999) (“A mark can be famous without being at all distinctive, as in the [case] of . . . British Airways . . .”).

²⁶ Trademark Dilution Revision Act of 2006 § 2 (codified as amended at 15 U.S.C. § 1125(c)(2)(A)); see Beebe, *A Defense*, *supra* note 19, at 1156 (“It [the TDRA] rejects the doctrine of ‘niche fame.’”).

²⁷ 15 U.S.C. § 1125(c)(2)(A) (“[A] mark is famous if it is widely recognized by the general consuming public of the United States as a designation of source of the goods or services of the mark’s owner.”).

²⁸ Federal Trademark Dilution Act of 1995, 104 Pub. L. No. 104-98, § 3, 109 Stat. 985, 985–86 (1996) (current version at 15 U.S.C. § 1125(c)(2)(A)) (amending the remedies offered for trademark dilution and listing factors (c)(1)(A)–(H) to be considered).

²⁹ Trademark Dilution Revision Act of 2006 § 2(c)(2)(A) (codified as amended at 15 U.S.C. § 1125(c)(2)(A)).

Another innovation, probably much more important, was that, finally, the act, the new TDRA, explicitly defines “blurring”³⁰ and “tarnishment,”³¹ two concepts which we can talk about later on.

Maybe in the interest of introductory comments—I don’t want to go on too long—

PROF. HANSEN: It’s fine. We have plenty of time.

PROF. BEEBE: I’ll read out the two definitions of “blurring” and “tarnishment,” to give you a sense of what these forms of dilution are. So these are two sub-forms of the general concept of dilution.³²

The Act defines dilution by blurring as the following: “[D]ilution by blurring is association arising from the similarity between a mark or trade name and a famous mark that impairs the distinctiveness of the famous mark.”³³ In other words, it is association arising from similarity that impairs the distinctiveness of the famous mark.

As we might end up talking about, there is some interesting case law just lately where the courts have parsed out this definition to almost write it out of the Act. There is the Charbucks³⁴ case lately, and then the *V Secret* case on remand back to the district court³⁵ is a beautiful example of how to read this Act out of existence.³⁶

³⁰ Trademark Dilution Revision Act of 2006, Pub. L. No. 109-312, § 2, 1210 Stat. 1730, 1730–33 (codified as amended at 15 U.S.C. § 1125(c)(2)(B)); see text accompanying *infra* notes 33–37.

³¹ Trademark Dilution Revision Act of 2006 § 2 (codified at 15 U.S.C. § 1125(c)(2)(C)) (“‘Dilution by tarnishment’ is association arising from the similarity between a mark or trade name and a famous mark that harms the reputation of the famous mark.”).

³² MCCARTHY, *supra* note 2, § 24:67 (“A weakening or reduction in the ability of a mark to clearly distinguish only one source [i.e., dilution] can occur in two different dimensions: ‘blurring’ and ‘tarnishment.’”).

³³ Trademark Dilution Revision Act of 2006 § 2 (codified at 15 U.S.C. § 1125(c)(2)(B)).

³⁴ Starbucks Corp. v. Wolfe’s Borough Coffee, Inc., 559 F. Supp. 2d 472 (S.D.N.Y. 2008).

³⁵ V Secret Catalogue, Inc. v. Moseley, 558 F. Supp. 2d 734, 744–45 (W.D. Ky. 2008).

³⁶ Starbucks Corp., 559 F. Supp. 2d at 476–78, 481 (discussing the TDRA’s modifications to the PTDA, but nevertheless finding plaintiff still failed to meet its burden); *V Secret Catalogue, Inc.*, 558 F. Supp. 2d at 744–45 (“The marks in issue must

Dilution by blurring, I think, is seen as the mainstream version of dilution. This is the idea that the link between the trademark and the products to which it is typically affixed is blurred by the appearance of that trademark on all sorts of other products in the marketplace. With “United,” you have to think for a moment, goes the doctrine, before you know if it’s United Van Lines or United Airlines. Judge Posner has referred to this as “imagination costs,”³⁷ to the consumer caused by the blurring of a mark’s—I think the concept in marketing is “brand typicality.”

“‘[D]ilution by tarnishment’ is association arising from the similarity between a mark or a trade name and a famous mark that harms the reputation of the famous mark.”³⁸ Thus, it is association arising from similarity that harms the reputation of the famous mark. I suppose “tarnishment” is a much more intuitive concept. We have good Second Circuit case law, like the old *John Deere*³⁹ case, if you are familiar with that, talking about tarnishment.⁴⁰

A few more points about what’s new—just two more.

The new Act sets forth six factors for determining whether blurring has occurred.⁴¹ This is new. We had no good doctrine in the federal courts about what factors should be considered for blurring. We had the Second Circuit sometimes telling us two factors: similarity of the marks and strength of the plaintiff’s mark. Then we had the Second Circuit in *Nabisco v. PF*⁴² giving us this

be ‘identical’ or ‘nearly identical’ or ‘substantially similar.’ While the TDRA does not require that the marks be ‘identical’ or ‘nearly identical,’ it does not appear that the Act eliminated this requirement previously established in the law.”)

³⁷ Ty Inc. v. Perryman, 306 F.3d 509, 511 (7th Cir. 2002).

But when consumers next see the name “Tiffany” they may think about both the restaurant and the jewelry store, and if so the efficacy of the name as an identifier of the store will be diminished. Consumers will have to think harder—incur as it were a higher imagination cost—to recognize the name as the name of the store.

Id. (citing Exxon Corp. v. Exxene Corp., 696 F.2d 544, 549–50 (7th Cir. 1982)).

³⁸ 15 U.S.C. § 1125(c)(2)(C) (West Supp. 2008).

³⁹ Deere & Co. v. MTD Prods., Inc., 41 F.3d 39 (2d Cir. 1977).

⁴⁰ *Id.* at 42–44.

⁴¹ Trademark Dilution Revision Act of 2006, Pub. L. No. 109-312, § 2, 1210 Stat. 1730, 1731 (codified as amended at 15 U.S.C. § 1125(c)(2)(B)(i–vi)).

⁴² Nabisco, Inc. v. PF Brands, Inc., 191 F.3d 208 (2d Cir. 1999).

amazing long list of factors that was an expansion of the “Sweet factors” that had been applied under state law.⁴³

So it was just a real mess. Trademark purists would say that most of the *Nabisco* factors, as they were called in the Second Circuit, were just confusion factors. One had the impression that the opinion responsible for those factors just didn’t understand that there was a difference between infringement and dilution.

But now we have, I think, good, sensible factors in the TDRA.

Finally, probably, from the perspective of some trademark scholarship, the single most important aspect of the Act is that it expands the exclusions—I guess they are called exclusions—from trademark protection, going to fair use of a trademark, parody, criticism, commentary, news reporting, that sort of thing.⁴⁴ I’m not sure we are going to talk that much about that today.

So that’s a quick overview. Now I think I’ll turn it over to Dennis.

PROF. HANSEN: Hold on a second. Let me just add a few things by way of a continuing introduction.

Barton, you say Frank Schecter’s article was highly influential.⁴⁵ This is certainly the traditional and widely accepted view. I actually don’t think it was that influential. It took twenty-seven years before any state even tried to do it, and what they did had, really, almost nothing to do with what Frank Schecter wanted. He wanted to protect the big important national marks and the state laws protected any mark that was “distinctive” or strong in state and local contexts. As academics we naturally seek to explain the derivation of things and go back to find them. Schecter’s article fits nicely into that search. And as I said, Barton’s explanation is the traditional and fully accepted one. But I’m not sure that that article had a lot of practical, real-world effect on the passage or interpretation of state dilution laws.

⁴³ *Id.* at 227–28.

⁴⁴ Trademark Dilution Revision Act of 2006 § 2 (codified as amended at 15 U.S.C. § 1125(c)(3)).

⁴⁵ *See supra* text accompanying note 7.

The early state law was mostly interpreted by federal court as a result of supplementary jurisdictions in federal trademark infringement actions. The federal judges were initially hostile to the state dilution claims and regularly read into the statutes the need for likelihood of confusion and also competition between the parties. This was a de facto preemption of the state laws by imposing federal trademark infringement policy onto them. It wasn't until a 1977 New York Court of Appeals decision, *Allied Maintenance*,⁴⁶ said for all seven judges, "Hold on. The New York dilution provision says what it says it says. You don't have to have likelihood of confusion or competition."⁴⁷ Judge Cooke, later Chief Judge Cooke, along with Chief Judge Breital and Judge Wachtler agreed with the majority on the lack of need for confusion or competition but disagreed with the majority's conclusion that the mark "Allied Maintenance" was not strong enough to invoke protection against dilution.

There followed a body of law which started giving, I think, fairly serious protection considering it was difficult for many courts and others to get their minds around the concept.

As for the proposed Federal Trademark Dilution Act, nobody was really crying out for a federal dilution law, other than INTA—formerly the USTA. But I think international consideration came into play in its final passage. The proposed FTDA had not yet been passed and its prospects were not improving. Around this time the U.S. Trade Representative was going around the world and saying, "You have to protect internationally famous marks in your country" which were supposed to be protected even before they were actually used in the country. Countries responded, "Well, you don't protect famous marks in your country. You have no law that protects famous marks." The USTR said, "Well, we have some state case law." It was mostly New York misappropriation law. That answer did not resonate with these countries. But then, lo and behold, the proposed FTDA used the expression "famous marks." It was actually for dilution purposes

⁴⁶ *Allied Maint. Corp. v. Allied Mech. Trades, Inc.*, 42 N.Y.2d 538, 546–50 (N.Y. 1977).

⁴⁷ *Id.* at 546–50 (Cooke, J., dissenting) (disagreeing with the majority's application of the statute and proposing a different method of analysis).

and not to protect internationally famous marks not yet used in the U.S. But it was a federal statute that protected famous marks. It went through the respective committees without any further discussion or much notice anyway else, and shot through Congress. It surprised almost everybody.

After the FTDA was enacted courts didn't treat the new created federal dilution much differently from how they treated dilution under state law. The big exception was Judge Leval's bizarre decision in *Haar*⁴⁸ which held that under the FTDA marks with acquired distinctiveness were not eligible for federal protection. And then the Supreme Court in the *Victoria's Secret* case⁴⁹ held that the FTDA statutory language which only called for "dilution," rather than "likelihood of dilution" in the state laws, needed to be given effect and, thus, plaintiffs need to prove "actual dilution." These two changes in the status quo led to the federal Trademark Dilution Revision Act.

This leads us back to Dennis.

MR. MCCOOE: Thank you, Professor Hansen.

As Professor Beebe noted in his recent article and as I alluded to at the outset, we have two years now of results, and it doesn't look good. In fact—I don't remember the exact title of Barton's article—the word "debacle" is used.⁵⁰ That's a fairly accurate way of describing what has been going on.

I will just give you a couple of quick insights in Professor's Beebe's article.

He highlights that the following marks were actually found to be famous; see how many you can identify: DVF, Pet Silk, the color combination of scarlet and black, Rustic Ledge, Cliffstone, and my favorite, Pycnogenol.⁵¹

⁴⁸ TCPIP Holding Co. v. Haar Commc'ns, Inc., 244 F.3d 88 (2d Cir. 2001).

⁴⁹ Moseley v. V Secret Catalogue, Inc., 537 U.S. 418 (2003).

⁵⁰ Barton Beebe, *Continuing Debacle of U.S. Antidilution Law: Evidence from the First Year of Trademark Dilution Revision Act Case Law, The Symposium Review*, 24 SANTA CLARA COMPUTER & HIGH TECH. L.J. 449 (2008) [hereinafter Beebe, *Continuing Debacle*].

⁵¹ *Id.* at 466.

Now, let's keep in mind what Barton said before, which is that one of the most significant changes to the law was to introduce a standard that niche fame would not suffice and that you would have to show that the marks were widely recognized by the consuming general public in the United States. What we see here is that someone is not reading the Act. Congress intended that the Act would resolve discrepancies, that it would reduce lack of understanding, that it would lead to clarity. We can see that, if these marks are famous, something is amiss.

At the very least, what we see is that from the first two years, someone is either misapplying the law, someone is not reading the law, or we are seeing what the other professor has described today as hostility on the part of the courts to the whole notion of dilution.

Two marks that have also been found to be famous in the most recent cases that you will recognize are Nike⁵² and Qwest. In the *Qwest*⁵³ case, it's interesting to note that, like a lot of the other cases previously, the issue of whether the mark was being diluted didn't even come up, because the court found there was confusion.⁵⁴ So they didn't even reach the issue of dilution.

So courts are not treating these as if they are, in fact, separate causes of action. They see them as alternative causes of action. If you reach one, they don't bother going on to the other. They are obviously much more familiar, much more comfortable dealing in issues of likelihood of confusion, and so they start there.

It's also true that the attorneys who bring these cases, and the clients, are much more comfortable in the likelihood-of-confusion regime, and the whole test of whether a mark is famous to begin with, as a threshold matter, is one that people would just as soon choose to avoid.

You are going to hear from Eric about the view from the large corporate perspective. Obviously, there are some truly distinctive famous marks in the United States, and they, under at least *a* theory, should be protected. But from a small company's standpoint, what we see is that the new TDRA has not achieved its

⁵² Nike v. Nikepal, 84 U.S.P.Q.2d 1820 (E.D. Cal. 2007).

⁵³ Qwest Commc'ns Int'l v. Cyber-Quest, Inc., 124 F. Supp. 2d. 297 (M.D. Pa. 2000).

⁵⁴ *Id.*

purpose. If, in fact, Congress intended that it would cure some of the problems that were found in the prior Act—I believe the Judiciary Committee said that the application of the FTDA suffered from a lack of uniformity, which complicated the ability of mark holders to protect their property, and businesses to plan their commercial affairs.

The idea of protecting the rights of mark holders— theoretically, all those tools are there. But the second issue of whether businesses can plan their commercial affairs—what we see is that this Act has not been very successful in that regard. As a small-company mark holder or as a company that does not own a famous mark, what typically happens, in my experience, is that in a case—for example, BVD, an underwear company.⁵⁵ If BVD is the owner of a famous mark, which arguably it might be, as opposed to DVF—I don't know what DVF makes;⁵⁶ I've never heard of it— BVD is a relatively famous mark. If I'm the manufacturer of alternative clothing and I have the same initials—it might be the name of my mother; it might be BV, Beverly Victoria—maybe that was a concocted theory, but if I sell clothing under the BV name, am I going to be diluting the BVD mark?

Certainly, if I'm selling clothing, underwear, ladies' garments, and the like, there is certainly a case that could be made that that is going to cause confusion. We can agree about that. Whether the jury finds it's confusing is another matter. But from the standpoint of trying to anticipate, as a small company, whether there is going to be some dilution implication from my actions, it's impossible, under this recent test, to really say. What we see is that there are factors for fame. BVD may make it over the threshold there; it may not. But what we can't say, from a small company's standpoint, is whether or not I'm going to be sued for this type of cause of action.

The costs of that are significant. As a mark holder, I can rest assured of one thing: as a small company, unless I have a

⁵⁵ Fruit of the Loom—BVD, <http://www.bvdapparel.com> (last visited Apr. 9, 2009).

⁵⁶ DVF is the “global luxury lifestyle brand” of clothing designer Diane von Furstenberg. Diane von Furstenberg—About, http://inside.dvf.com/about/the_company (last visited Nov. 14, 2009).

particularly strong product, I'm not likely to have a famous mark. Under the new Act, these other marks aside—Pet Silk and Rustic Ledge—it's very unlikely that a company can make out a claim for nationwide fame among the general consuming public, unless, in fact, you are selling masses of goods. For the most part, what we are going to see is that consumer products, and almost exclusively consumer products, are going to be considered famous marks. So if you are a major player in the software field, but you are only famous amongst people who buy that particular brand of, say, database-management tool, that's not a famous mark under the Act. It could be famous to everybody that cares about it, but it's not going to be famous. You can't dilute other people's marks with that kind of a mark.

What we have, from a small company's standpoint, is that, first of all, I don't really qualify. Then the second side of it is that with a lesser standard, the likelihood-of-dilution standard, as opposed to the more absolute standard of actual dilution, what we are going to see is that, in theory at least, it will be far easier for a big company to prevail on a claim that its mark is being diluted by my alternative use in a different product area, in a different niche, as it were.

So the implications for the small company might sound drastic. They might sound like it's going to be a far crueler world. But what I think we are going to see, in fact, is that the hostility that has been evidenced so far, that has been historically dogging dilution, will continue to come into play.

Barton's article was interesting. Although it's only two years old, there were several cases in which the court was purporting to actually follow the Act, and somewhere through it—and I assume it was in bad briefing on the part of the lawyers—the opinions reflect that the judge was applying the old act or was applying state dilution acts.

I don't know how that could happen. I assume that law clerks actually check the law; they don't just accept what the lawyers put in their briefs. But apparently it's not always the case.

We do have a new body of law. We do have a new Act, which has its own very specific principles and it has its own standards. We should expect that those will be followed.

But what I expect and what I have seen in the last two years is that it is business as usual. I have yet to see a case, in about twenty-five or so cases that we have had in the last several years, in which there is a single dilution count that is not also coupled with a cause of action of likelihood of confusion. It's just partly reflective of the fact that there are, truly, very few famous marks. But my experience tells me that the fact that they are also brought in other causes of action where there is a typical Lanham Act claim for likelihood of confusion is reflective of the fact that people, especially lawyers, guided only by Rule 11,⁵⁷ which means they have to make sure that it passes the straight-face test, would bring in a dilution cause of action if it's even marginally possible to bring that cause of action.

The courts, then, read it right out. If they meet the likelihood-of-confusion case, which is probably sufficient in about ninety-five percent of the cases, then they never get to the issue of dilution. There is no extra remedy available. There are no extra attorneys' fees. It's not like the Copyright Act that gives attorneys' fees in many instances. In trademark law, you have to show that a case is exceptional. Given the confusion—and I use that word carefully—given the confusion about dilution, I think that it's very difficult, if not impossible, to show that somebody was intending, in most instances, to cause the blurring or tarnishment.

We may touch on rights of free speech and fair use later on. There are cases in which people are purposely trying to make a parody. Those are typically the kinds of cases where you do see a lot of distinctive causes of action for dilution. But in the lion's share of all the cases that I have seen, what we see is that it's just a throw-in, one more cause of action, along with common law and fair competition. If you are in New York particularly, you are going to see the state dilution cause of action. This is the state with, certainly, the biggest body of law, ever since the *Allied*

⁵⁷ FED. R. CIV. P. 11 (setting standards which all cases must meet and sanctions for lawyers who violate those standards).

case.⁵⁸ There is a well-established standard. There is a well-established body of cases that you can look to. You can look for cases with similar facts. You can look for good judgments that have been issued, with clear rulings.

In reality, in those states—and about forty of the fifty states have state causes of action for dilution—that is essentially the only role that can be played offensively by a small company, to seek out a state cause of action. They will be foreclosed in almost all cases in pursuing under the TDRA, but the state cause of action provides an alternative. The standard is, again, likelihood of dilution, and niche fame is all that's required. In New York you would have to show that the mark is famous in New York, and not necessarily amongst all New Yorkers, but you could show that your own company is quite famous in the area of database management or ladies' undergarments or what have you in New York. In theory, it wouldn't have to be across the entire state of New York. You can slice it and dice it all you want. It's a matter of what the judge might say.

I don't know how far the cases have gone in that regard. But in theory, in a smaller state like New Jersey, you could achieve a relative degree of fame sufficient to make out a cause of action for dilution. The courts in New Jersey will not be particularly welcoming to it. In Pennsylvania, where I practice frequently, there are almost no dilution cases. The courts just never reach the issue. The state cause of action has almost no opinions on it. When I'm writing a case on state dilution, I will look at New York, invariably, to see how they have interpreted a very similar statute.

That's where we are right now. I think Eric is going to give you a perspective on what the big company sees in this Act. I think it's a somewhat brighter picture. But again, it's too early to tell.

⁵⁸ *Allied Maint. Corp. v. Allied Mech. Trades, Inc.*, 42 N.Y.2d 538, 546–50 (N.Y. 1977); Barton Beebe, *An Empirical Study of the Multi-factor Tests for Trademark Infringement*, 94 CAL. L. REV. 1581, 1594–95 (2006) [hereinafter Beebe, *An Empirical Study*] (“[T]he district courts of the Second Circuit contributed a large plurality of opinions to the sample, producing nearly one-third of the total opinions and nearly one-half of the bench trial opinions.”).

MR. PRAGER: Good afternoon. I want to be very clear that I like small companies, too.

From my perspective, what I want to observe in the Act is that I don't see this as necessarily a bad Act for small companies. In fact, I think there are some things that the TDRA makes clear that were less clear in the FTDA—or under state law, for that matter—that are of benefit to anybody who is a defendant, for example.

On the plaintiff's side, it's certainly the case, I think, that the TDRA makes things a lot more difficult for small companies. The reason for that—we have been throwing around the term “niche fame.” I don't know if everyone is familiar with the concept. The idea behind it is that you can be very famous in a narrow niche, but the broader universe has no idea who you are.

I'm trying to think of a good example. In the database management example, I don't know if Oracle is a famous brand on the order of Rolls-Royce, but it's certainly famous to anybody who works with business software applications.

By eliminating the idea of niche fame in the TDRA, you have a situation where there are going to be very few companies that are going to have enough marketing wherewithal, enough distribution, to develop what the Act considers fame now. That makes it hard for a small company to be famous, unless they are going to be niche-famous, and niche fame isn't available under the Federal Act.

I'm not sure that's necessarily a bad thing. This is a Federal Act. As a federal republic, we have lots of situations where states enact greater protection than is available at the federal level, because they want to protect their citizens.⁵⁹ So I don't find that to be a terribly compelling—I don't know that it's the case that every little company has to have federal protection. I think a principled legislator could say, at the federal level, this is only for the really big marks. Reasonable minds could differ about that.

⁵⁹ See U.S. PIRG, *Strong State Laws*, <http://uspirg.org/uspig.asp?id2=17742> (discussing why strong state laws are more beneficial to citizens than weaker federal laws).

What I see as actually helpful for smaller companies in the new Act are some of the things that have been discussed that Barton went through and also that Dennis touched on.

The idea that there is actually a codification of fair-use defense,⁶⁰ which had been available more or less judicially, pulled in from trademark doctrine, pulled in from copyright doctrine, the idea that there are some things that should be okay because of the nature of your use of a mark.⁶¹ You are using it to describe, because it has some descriptive properties, or you are using it actually to identify the plaintiff. So getting that actually codified, I think, makes defense easier and cheaper for a small company.

Codification of a parody defense,⁶² the same thing. Courts were doing it in some cases, but not in others. I think, actually, the word “parody” lately has been pumped full of lots of things that aren’t parody by courts. I think “parody” is a much narrower concept than the way that a lot of courts apply it. I think that’s a little troubling.

With respect to smaller companies that somehow are able to get their word out—if your products are such that you make them available online, it can be possible to get kind of a famous mark without a lot of overhead costs. There are bloggers, where the names of their blogs are very widely known, but they are really quite small.⁶³ They could be one- or two-person operations but have enough traction and get enough press that maybe they are famous.

⁶⁰ 15 U.S.C. § 1125(c)(3)(A) (West Supp. 2008) (excluding “any fair use” from dilution claims).

⁶¹ *Id.* For a definition of the fair use defense in Copyright law, see 17 U.S.C. §§ 107–18 (2006).

⁶² 15 U.S.C. § 1125(c)(3)(A)(ii). “[P]arodying...the famous mark owner of the goods or services of the famous mark owner” is fair use and therefore not actionable dilution. *Id.* § 1125(c)(3). For a discussion on how the Fair Use Doctrine is invoked for parody works in copyright, see Lloyd L. Reich, *Parody: Fair Use or Copyright Infringement* (1999), <http://www.publaw.com/parody.html>. See MCCARTHY, *supra* note 2, § 24:126 (discussing the TDRA and parody).

⁶³ See, e.g., BrooklynVegan, <http://www.brooklynvegan.com/about.htm> (last visited Nov. 14, 2009). BrooklynVegan is a successful blog “still primarily run by one person.” *Id.*

One of the things that the new Act does for those people is to eliminate the requirement that you have a federal registration or that you have an inherently distinctive mark.⁶⁴ I think that opens up the door a little bit for folks who didn't have a branding department that was sophisticated enough to make up a word like "Exxon" that you knew you could protect.

So I think that, in a variety of respects, there are pieces that make things clearer.

The other way that I think the revised Act is helpful to smaller companies is—big companies are always going to have an advantage in litigation. They have more resources to put into a problem. They have more people that can focus on a litigation. You are not tying up the president, who should be out meeting people to generate sales. You have someone in the legal department who is working on it.

The clarity that the new Act adds gives better defenses and streamlines litigation, I think. I haven't seen anything empirical on this, but I certainly know from my own practice that litigations are ugly when the law is unclear or where the facts aren't clear. That's what keeps people fighting. You can't get a motion to dismiss granted. You can't get summary judgment. You can't easily convince the other lawyer that they are going to lose. They have something to hang their hat on, and that's when things drag out. That's when things become expensive. That really disadvantages small companies.

So while I understand the idea that the opportunity for niche fame under a Federal Act is a form of loss, I think there are a lot of countervailing bits that are helpful to smaller companies—or really to all companies—in the sense that greater certainty reduces costs and helps companies to govern their conduct.

So those are my bits on that.

PROF. HANSEN: Thank you.

⁶⁴ J. Thomas McCarthy, *The American Experience with Trademark and Anti-Dilution Law*, Seminar, Institute of Brand and Innovation Law, *Trademark Infringement Without Confusion—Dilution*, http://www.ucl.ac.uk/laws/ibil/docs/ibil_11feb09_brochure.pdf (discussing the difference between the FTDA and the TDRA); see also 15 U.S.C. § 1125(d).

PROF. BEEBE: My presentation is not quite about small or big business. It's more an extension of the project that Dennis was generously talking about, in terms of this sort of quantitative study of the TDRA case law for the past two years. But I think there are a lot of themes that come through in the numbers that are relevant both to small and big businesses, no question.

More strictly speaking, this is just an extension of a project I presented last year for the first anniversary of the TDRA in Santa Clara, California. I haven't actually published these numbers yet, but if you want to see the first year, there is the cite for it.⁶⁵

The basic idea, by the way, behind quantitative study—it's a bit different from the normal method, which is the leading-cases method. You just read the main circuit court cases that seem to have the most heft, written by the most prestigious judges, and you just rely on those, either to teach the doctrine or to form the doctrine in the future. The quantitative approach is more an approach—it's sort of weird, admittedly—where you read every opinion that has been written on the issue. You count those opinions and you try to identify trends over time, or proportions and all of that stuff.

What this study entails, over the past two years, is a reading of every reported federal opinion, reported in Westlaw or Lexis, that substantively treated an antidilution cause of action (either a federal antidilution cause of action or a state's antidilution cause of action) for the first year of TDRA and now for the second year of TDRA.

The main finding I have, to repeat something that Dennis was saying, is that we essentially had more of the same. The TDRA has not really changed much. It certainly didn't change much in its first year, and we don't see that many changes in its second year. What both years show us as a quantitative matter is that but for a few leading cases—the kinds of cases that make it into law school casebooks and that would give students the impression that this is a very vital cause of action—but for those, literally, one or two cases, the rest of the case law suggests that the antidilution cause

⁶⁵ See generally Beebe, *Continuing Debacle*, *supra* note 50.

of action is irrelevant. It's rendered redundant by the anti-confusion cause of action.

One huge limitation of this method, without question, is that this data set, studying these opinions, does not address the status of antidilution cause of action in the cease-and-desist-letter context or the settlement context or any other context outside of the federal opinions. There is no question that the sort of ominous threat of this mysterious word "dilution," when perceived, possibly, by a small company—"I don't know what dilution is. It's this weird doctrine. Nobody knows what it is." Maybe they are freaked out by it. Maybe it's a good way to intimidate. Certainly it is mentioned routinely in cease-and-desist letters. But we don't see that, nevertheless, in the federal case law.

One final point, just for your own interest. You might wonder, is this method worthwhile? I'm not persuaded that it is. It tells us a few things. But maybe the leading-cases method is actually there for a reason. Anyway, you can think about that at a sort of theoretical level.

What I will do is, first, talk about the research question I had in mind, why I bothered collecting all these opinions. Then I will talk a little bit about the set of opinions and then some background findings and then some findings directly on the antidilution cause of action.

This is why I collected all these opinions. One basic question was, how many TDRA opinions are there? How many antidilution opinions are there in the federal courts? Again, it's because in a typical trademark law classroom you teach dilution as though it's this massive thing, as though it's as big as anti-infringement. That is at least one way to go about it. If you look at the number of pages devoted to these subjects in casebooks, you would get that impression. So I was curious: are there actually a lot of TDRA opinions out there? There is no question that there are a lot of confusing opinions out there. Those are routine.

Where are these opinions coming from, and in what postures? As an S.D.N.Y. patriot, I wanted to see how many of these

opinions are coming out of the S.D.N.Y. It turns out, a very high proportion.⁶⁶

What proportion found dilution? If so, did they find blurring or tarnishment, or did they not even bother to identify it? What proportion found no dilution? If so, on what basis?

Here's the key question, the second one here: how often did the court's ruling as to infringement coincide with and render redundant its ruling as to dilution? That's really the whole point of this little project in counting these cases.

A little issue: what role, if any, has state antidilution law played? My anticipation was that there would be a bit of a shift toward state law claims, because the TDRA establishes a few higher standards. I don't have numbers to support that, but I think you can see it qualitatively in the case law.

Survey evidence: how often is it used? Is this quantitative method even worthwhile? That was a more theoretical question.

Here's what I did. I went to the Lexis database, federal court cases combined database, and typed in that search request. Over the past two years, I have come up with 582 opinions.

I also did this in Westlaw for the first year—I haven't gone to Westlaw yet in the second year—to see if there are any cases in Westlaw that are not in Lexis or vice versa. The short answer is, at least in the first year, there were. There are a handful of cases that one service reports and the other doesn't.

Then I filtered them—highly subjective. Big problem for a real empiricist. This means the whole project can't really be called empirical. I filtered them myself to decide if they had any significant treatment of a dilution cause of action. If it was a mention of dilution in the context of attorneys' fees, late in the case, I didn't include the opinion. I wanted to see an actual analysis, even if it was a few sentences long, of the cause of action itself. But I openly admit, that makes the data set a bit fuzzy.

I came out with a total of 149 total dilution opinions over the past two years of the TDRA; 85 from the first year, 64 from the

⁶⁶ *Id.* at 452–54.

second year.⁶⁷ That decrease in number I don't think reflects much, actually. I don't think it suggests that there is some sort of decline. There are quirky reasons that I won't go into for why there might be a slightly lower number for the second year.

If you are curious, I used those programs to go through the opinions.

Basic findings background: It's sort of trivia. If you are a trademark geek, you might find this interesting. We had thirteen circuit court opinions, four of which were reversals. The Ninth Circuit actually gave us the most, and then the Second Circuit gave us three. The Ninth Circuit was four.

[Slide] These are district court opinions, 136 total. Nineteen, fourteen percent, came out of the Southern District of New York. As seen in other empirical studies of the confusion side of trademark law, the S.D.N.Y. definitely dominates.

[Slide] This is sort of borderline trivia. This is a cross-tabulation of, in the 136 district court opinions, the posture of the opinion, down here on the left, and then the outcome of the dilution cause of action, up here going horizontally. For example, there were nineteen total preliminary-injunction opinions, of which nine found dilution and ten found no dilution.

I'm not sure if these are particularly interesting. There is sort of a nice balance on the bench trial sides. Summary Judgment-crosses typically found no dilution, and Summary Judgments-defendants were typically granted, twenty-nine to nine, and so on.

[Slide] Here is one last background issue, in terms of some numbers, the "dead hand" of the FTDA. There was, in a few cases, especially out of the Ninth Circuit in the *Jada Toys*⁶⁸ line of cases, a lot of confusion about the retroactivity of the TDRA.⁶⁹

⁶⁷ *Id.* at 453, 461.

⁶⁸ *Jada Toys, Inc. v. Mattel, Inc.*, 518 F.3d 628 (9th Cir. 2008).

⁶⁹ *See, e.g., id.* at 634 n.2.

We note that in this case the district court applied the prior version of the Federal Trademark Dilution Act ("FTDA"), which required a showing of actual dilution . . . [S]ince that time the FTDA has been amended so as to require only a likelihood of dilution to succeed. . . [W]e choose to apply the standard currently in operation . . . [w]e are aware that in *Horphag Research Ltd. v. Garcia*, 475 F.3d 1029, 1035

The basic doctrine is, if you ever have to deal with this—and now it’s fairly well-settled. You see it in district court opinions in the Southern District—no problems. If you are seeking prospective relief, the TDRA applies, regardless of when the defendant’s conduct began.⁷⁰ Before the Act or after, it doesn’t matter. If you are seeking prospective relief, TDRA applies.

If you are seeking damages, then the FTDA applies if the conduct began on or before October 6, 2006. If you are curious, you can look at this *Jada Toys* line of cases.⁷¹

This retroactivity issue wasn’t addressed in the statute. The courts are busy. They don’t have time to look into this stuff a lot. So it created some confusion, with the result that we still have some FTDA analyses, as Dennis was saying, still floating out there that think they are applying the TDRA, but are otherwise applying old circuit precedents that were based on the old FTDA.

There are some numbers to that effect, going to opinions in the first year of the TDRA and then in the second year of the TDRA. It’s getting better, but we still see a few opinions in the second year where the plaintiff was seeking only prospective relief, and the court nevertheless explicitly applied the old FTDA and the actual provisions of the FTDA.

The *Pet Silk*⁷² case is a weird one, in the Southern District of Texas. This was a case that applied very dutifully the new act, the TDRA, and said, “We’re on top of this. We’re aware of the new

(9th Cir. 2007), we applied the FTDA retroactively, thereby creating an unintentional intra-circuit conflict with Nissan.

Id. at 634 n.2 (citations omitted).

⁷⁰ See, e.g., *Starbucks Corp. v. Wolfe’s Borough Corp.*, 477 F.3d 765, 766 (2d Cir. 2007) (“The amended statute [the TDRA] applies to this case to the extent that Starbucks has sought injunctive relief on the issue of dilution.” (citations omitted)); see also *Verilux, Inc. v. Hahn*, No. 3:05cv254 (PCD), 2007 WL 2318819 (D. Conn. Aug. 10, 2007) (“The Second Circuit has held that the TDRA applies retroactively to a claim filed before the statute went into effect. . .”).

⁷¹ See, e.g., *Rearden LLC v. Rearden Commerce, Inc.*, 597 F. Supp. 2d 1006, 1015 (N.D. Cal. 2009) (citing *Jada Toys*); *Visa Int’l Serv. Ass’n v. JSL Corp.* 590 F. Supp. 2d 1306 (D. Nev. 2008) (“Although the TDRA was in effect at the time . . . this court again granted summary judgment to Plaintiff on its trademark dilution claim under the FTDA. The court did so pursuant to *Jada Toys, Inc. v. Mattel, Inc.* . . .”).

⁷² *Pet Silk, Inc. v. Jackson*, 481 F. Supp. 2d 824 (S.D. Tex. 2007).

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act,”⁷³ and then floated old Fifth Circuit doctrine that supported the concept of niche fame, and so found that Pet Silk was niche-famous.⁷⁴ It’s a tough case.

[Slide] This is really, though, what I was interested in. This is the whole point of the project: to do a cross-tabulation of infringement outcomes with dilution outcomes in individual opinions. Here I’m using the 110 district court opinions. These are opinions that explicitly considered both causes of action. Some of the opinions only considered dilution that I included in my data set. I’m concerned here with the 110 that explicitly considered both causes of action during this two-year period.

What we see is that of these 110, 30 found both dilution and infringement, 38 found no infringement and no dilution—a total coincidence—28 said same thing, fact issue on both. We have two that found infringements and no dilution, which makes a lot of sense. You find infringement, you get your remedies; why bother with dilution? You maybe put more pressure on the dilution side. If you are hostile to dilution, then you don’t find it.

We had eight that said infringement was a fact issue and then went on to find, “We don’t have any problem with facts on dilution. There is no dilution.”⁷⁵

What I’m really curious about, though, is this box here, cases in which the court explicitly said, “I do not find consumer confusion, but I do find dilution.” That would be a situation in which the dilution cause of action is actually doing something, is actually providing a remedy that has not already been provided by the infringement cause of action. In this two-year period, there were zero cases in which a court explicitly considered confusion

⁷³ See *id.* at 832 (acknowledging that Congress has implemented the TDRA and quoting relevant language from the Act).

⁷⁴ See *id.* (“[T]he Fifth Circuit has held that market fame is sufficient. PSI has not licensed the use of its name in the domain of any of its distributors save a few in Europe that deal exclusively in Pet Silk® products. Therefore, the mark meets § 1125(c)(2)(A)’s definition of famous.”). The court also stated that “the Pet Silk mark has achieved distinction in its market.” *Id.* at 831.

⁷⁵ See, e.g., *Hodgon Powder Co., Inc. v. Alliant Techsystems, Inc.*, 497 F. Supp. 2d 1221, 1223 (D. Kan. 2007) (finding that likelihood of confusion between two similar marks, a requirement to establish trademark infringement, is a question of fact, but dismissing the plaintiff’s dilution claim).

and dilution, and found no confusion, but then found dilution, which is pretty striking, at least in my mind, for all of the attention given to the cause of action.

This, I think, definitely supports Dennis's proposition that there is a lot of redundancy so far in TDRA.

I was giving this presentation last week in Palm Springs at this California State Bar conference. My co-panelists said, "Ah, but you haven't heard about the *Hershey v. Art Van Furniture*⁷⁶ case," which totally blows away my zero number. There's something beautiful about being able to say "zero." We now have, in the third year of the TDRA, so far one opinion, out of the Eastern District of Michigan, just a few weeks ago, in which the court explicitly said there is no confusion, but there is dilution.⁷⁷ You could quibble with the opinion, on whatever basis you want.

So here we are, finally. I was saying zero, but that was only for the first two years. Now we have, in the third year, a situation where the defendant was using this trade dress on its van.⁷⁸ Hershey sued, saying that consumers would be confused—they would think Hershey is now in the van lines business⁷⁹—and secondly, "It dilutes the distinctiveness of our mark and tarnishes our reputation."⁸⁰

The court said, "No consumer is going to be confused into thinking you are a van lines company now,"⁸¹ but it does dilute the

⁷⁶ *Hershey Co. v. Art Van Furniture, Inc.*, No. 08-14463, 2008 WL 4724756 (E.D. Mich. Oct. 24, 2008).

⁷⁷ *Id.* at *8, *14. The court first acknowledged that "[b]y itself, a newspaper article noting a resemblance between Defendant's truck design and Plaintiff's trade dress is not evidence of consumer confusion." *Id.* at *8. The court continued, holding that "[u]nder the test established by the FDTA, the Court finds that a likelihood exists that Defendant's design will cause dilution of Plaintiff's mark." *Id.* at *14.

⁷⁸ *Id.* at *1.

⁷⁹ *Id.* at *1, *8.

⁸⁰ *Id.* at *1. Plaintiff cited a dilution by tarnishment claim in its brief, but corrected the claim during its oral argument. *Id.* The court granted plaintiff's request for a temporary restraining order and preliminary injunction only for its dilution by blurring claim. *Id.*

⁸¹ *Id.* at *12 ("[T]he court finds it unlikely that Defendant's truck design will cause consumers to believe that Art Van is somehow affiliated or associated with Hershey, or that customers will patronize Defendant's stores or purchase its products due to confusion over the source of Defendant's goods.").

distinctiveness of your trade dress.⁸² Some of your advertising seems to refer to the brown of Hershey's. So we will say that this blurs the link between that look and the product category, candy bars, to which it is typically affixed."⁸³

So there is one so far.

Just in conclusion, a couple of tiny things that may not be that helpful. In the first two years, you see a very high correlation between infringement and dilution outcomes. Then, if you wanted to do a word-count analysis—I don't know why you would, but if you wanted to—you could do a word-count analysis of the opinions and count the proportion of words that are devoted to infringement analysis and the proportion of words that are devoted to dilution analysis, just to get some handle on the intuition that a lot of trademark lawyers have that courts consider infringement and then ignore dilution.

[Slide] The numbers bear that out. I won't belabor this. This is a chart showing that of 130 opinions here, the ratio of the number of words devoted to infringement versus dilution. To make a long story short, these are all opinions in which there was a much higher proportion of infringement analysis than dilution analysis. We have very few opinions, relatively speaking, in which the court seems to pay more attention to dilution than infringement.

But I'm the first to admit that that's a crazy slide.

I mentioned one nice opinion, the *Art Van* opinion, where a court said no infringement, but dilution.⁸⁴ Now here are four opinions, some of which have already been mentioned, where a court didn't bother to analyze an infringement cause of action, but they did analyze dilution. In these four opinions, we have a finding of dilution.

⁸² *Id.* at *15 ("Plaintiff sustains its burden to show a reasonable likelihood of succeeding on the merits of its dilution by blurring claim.").

⁸³ *Id.* ("[D]efendant's 'couch bar' design, with its stylized block lettering, its packaging in two elements, and especially its silver foil visible beneath the wrapper's sleeve, bears an unmistakable resemblance to some of Plaintiff's candy bars . . .").

⁸⁴ *Id.* at *12, *15.

The *Qwest* case is a weird case. It's a tiny little opinion, with a declaratory judgment.⁸⁵ I think the defendant never showed up. So I'm not sure that is a particularly strong case for celebrating the TDRA.

*Nike v. Nikepal*⁸⁶ is arguably a great dilution case. It's a situation where the courts didn't really bother to talk about confusion, because the defendant in this case said, "I'm selling laboratory instruments under the name Nikepal. How did I come up with 'Nikepal'? I opened a dictionary and chose 'Nike' and then added 'pal' onto the end of it because that's the first syllable of my first name."⁸⁷ I didn't think it would matter that it sounds like 'Nike.'"⁸⁸

Very little likelihood of consumer confusion. Nike selling laboratory instruments? It doesn't make sense. Nevertheless, the court says this does blur the distinctiveness of the Nike mark, and so there was dilution found.⁸⁹

I'll mention the *V Secret Catalogue*⁹⁰ case. This is a really lovely discussion of dilution flowing from the Supreme Court's opinion in 2003 involving Victoria's Secret and a strip-mall store in Elizabethtown, Kentucky, that called itself Victor's Secret, which sold various sex toys.⁹¹ Victoria's Secret sued, saying, "Consumers will be confused. Furthermore, you are blurring and tarnishing our reputation."⁹² So that's the background to this *Victoria's Secret* case that went up to the Supreme Court and eventually made its way back down to the Western District of Kentucky.⁹³

⁸⁵ *Qwest Commc'ns Int'l v. Sonny Corp.*, No. C06-0020P, 2006 U.S. Dist LEXIS 87007, at *14 (D. Wash. Nov. 30, 2006) ("The Court . . . enjoin[ed] Defendant . . . from diluting Plaintiff's QWEST marks and/or . . . dilut[ing] the distinctive quality of the QWEST marks . . .").

⁸⁶ *Nike v. Nikepal*, 84 U.S.P.Q.2d 1820 (E.D. Cal. 2007).

⁸⁷ *Id.* at 1823.

⁸⁸ *See id.*

⁸⁹ *Id.* at 1826–28.

⁹⁰ *V Secret Catalogue, Inc. v. Moseley*, 558 F. Supp. 2d 734 (W.D. Ky. 2008).

⁹¹ *Id.* at 736.

⁹² *See id.* at 736–37.

⁹³ *V Secret Catalogue, Inc. v. Moseley*, No. 3:98CV-395-S, 2000 WL 370525 (W.D. Ky. Feb. 9, 2000), *aff'd*, 259 F.3d 464 (6th Cir. 2001), *rev'd*, 537 U.S. 418 (2003), *remanded to* 558 F. Supp. 2d 734 (W.D. Ky. 2008).

The anecdotal story is that an Army colonel from a local Army base saw an advertisement for Victor's Secret in the local Army newspaper and was appalled that this was going on in his country and wrote to Victoria's Secret, with the advertisement, and said, "Look what they're doing. You should stop this."⁹⁴ So Victoria's Secret sued.

Is there likely confusion, as you drive up to this store called Victor's Secret? Probably not. You don't think it's actually a licensed chain of Victoria's Secret. Nevertheless, there is arguably some degree of dilution, perhaps. In Victoria's Secret's mind, there was also tarnishment, because it was tarnishing their image. You can work through that in your own time.

It reminds one of the old "Debbie Does Dallas"⁹⁵ case, if you know the lore of trademark law, where the reputation of the Dallas Cowboy Cheerleaders was being tarnished by the use of their uniforms in a pornographic film.⁹⁶ It's the same sort of strange argument.

The last point, modes of dilution. One of the great reasons to celebrate the TDRA is that it explicitly defines blurring⁹⁷ and tarnishment.⁹⁸ Now it gives courts the opportunity to actually explain which form of dilution they are finding. We see that a good majority of courts are doing so. But it's still depressing that also a good proportion are not explicitly saying tarnishment or blurring. They are just saying dilution, which I think also one could read, though reasonable minds could disagree, as again an example of the extent to which courts sort of think of this cause of action as an afterthought. It's not nearly as important as confusion.

⁹⁴ *Moseley v. V Secret Catalogue, Inc.*, 537 U.S. 418, 423 (2003).

⁹⁵ *Dallas Cowboys Cheerleaders, Inc. v. Pussycat Cinema, Ltd.* 604 F.2d 200 (2d Cir. 1979).

⁹⁶ *Id.* at 202-03.

⁹⁷ Trademark Dilution Revision Act of 2006, Pub. L. No. 109-312, § 2(c)(2)(B)(1)120 Stat. 1730, 1731 (2006) (codified at 15 U.S.C. § 1125(c)(2)(B) (West Supp. 2008)) ("'[D]ilution by blurring' is association arising from the similarity between a mark or trade name and a famous mark that impairs the distinctiveness of the famous mark.").

⁹⁸ Trademark Dilution Revision Act of 2006 § 2(c)(2)(C)(1) (codified at § 1125(c)(2)(C)) ("'[D]ilution by tarnishment' is association arising from the similarity between a mark or trade name and a famous mark that harms the reputation of the famous mark.").

A final point. I wish I had good numbers for you to support this. All I can really say is that one feels like there has been a shift to state-level causes of action. I think, going to some of the themes that Eric was talking about, there has been a bit of a shift also for big companies. Some of the language in the TDRA can be parsed in such a way that not only do you have to show that there is association arising from similarity, but you also have to show that that association arising from similarity impairs the distinctiveness of the mark.

So you can get survey evidence that shows association arising from similarity. The court says, “Great. You’ve shown me that when a consumer sees ‘Charbucks,’ maybe they think of Starbucks. That’s right. There is association. But now prove to me, Survey Expert, that that is actually leading to the impairment of distinctiveness.” That’s the language under the TDRA.⁹⁹ That’s where courts that are hostile to antidilution cause of action at the federal level will say, “There’s no showing of impairment of distinctiveness. I find no dilution.”

That’s the Achilles’ heel, I think, of the “blurring” definition in the act: not just association, but impairment of distinctiveness. *Nikepal* found dilution, but in *Nikepal* the court said, “We found association. Therefore, there is dilution.”¹⁰⁰ The court did not bother to invoke that third part of the definition.¹⁰¹ But I suppose one should be aware of how that definition can be split up.

I think that’s it for the presentation.

PROF. HANSEN: Thank you very much, Barton. Your statistical survey and analysis are a very valuable additional to the literature. And thanks to the rest of the panel for their presentations. Very interesting.

Just some thoughts.

⁹⁹ Trademark Dilution Revision Act of 2006 § 2(c)(2)(B)(1) (codified at § 1125(c)(2)(B)) (“[D]ilution by blurring’ . . . impairs the distinctiveness of the famous mark.”).

¹⁰⁰ See *Nike, Inc. v. Nikepal Int’l, Inc.*, 2007 WL 2782030, at *7–8 (E.D. Cal. Sept. 18, 2007) (discussing Nike as a distinctive trademark and finding association between Nike and Nikepal and dilution).

¹⁰¹ See *id.* (finding dilution without discussing the impairment of distinctiveness factor).

As for whether post *Victoria's Secret Catalogue*, courts are less likely to find dilution one has to look at whether dilution plaintiffs are winning no matter what the rationale. Federal district courts, I think, are interested in two things: getting what they consider is the right result, and (2) not being reversed. A district court who finds no likelihood of confusion but then finds dilution in this post-*Victoria's Secret* world is putting a sign of the case to the court of appeals that says, "take a close look at this one." A district court reduces the likelihood of reversal if it either finds only likelihood of confusion or both dilution and likelihood of confusion. Therefore, statistics about whether dilution claims are upheld do not reflect these real politic considerations. In short, *Victoria's Secret* might have caused dilution wins to go underground. Moreover, in my view trademark actions, whether for traditional infringement or dilution, are going to be decided upon a misappropriation-of-goodwill basis in any case. Dilution doctrine was just another way to justify that result. The district court is never going to say that but dilution law was doctrinally closer to what was going on and, therefore, useful. Now, the best way to avoid reversal is to call a dilution case a run-of-the mill confusion case rather than the rare and esoteric dilution case. The difference in appellate scrutiny is, I think, dramatic.

As for the lack of discussion of likelihood of confusion on remand, in *Victoria's Secret*, the district court did not discuss it, because it already had granted summary judgment for the defendant before the case was appealed to the Sixth Circuit and Supreme Court.¹⁰²

What Dennis mentioned—Pet Silk and all the others—that these were famous marks . . .

PROF. BEEBE: Yes.

PROF. HANSEN: And clearly they are not famous marks. So how did the district courts conclude that they were? It's probably a small company—I don't know the case—probably a competitor, misappropriation of goodwill. If the judge has to say "famous

¹⁰² *V Secret Catalogue, Inc. v. Moseley*, 558 F. Supp. 2d 734, 736 (W.D. Ky. 2008) ("This court granted summary judgment in favor of the Moseleys on all claims [including confusion] except the FTDA claim.").

mark,” it will say it. If it has to say now, likelihood of confusion, it will say it. If it has to say “Rasputin,” it’ll say “Rasputin.” I think the judge determines who is going to lose, and then says the doctrinal mantra that is required.

In *Victoria’s Secret*, if you read the oral argument of the Supreme Court, there were three advocates.¹⁰³ One is from the Solicitor General’s Office.¹⁰⁴ Very able it was his last argument. He had argued something like a gazillion arguments in the Supreme Court. He was not an IP person. He was a generalist, as is appropriate in that office.

Then there was *Victoria’s Secret’s* Supreme Court advocate, who was not a trademark attorney.¹⁰⁵

He was brought in because he was a Supreme Court specialist. Then there was this little defendant in the Western District of Kentucky whose lawyers went up there.¹⁰⁶

He was the only one who knew what dilution meant. The rest were talking about likelihood of confusion. This is at the Supreme Court level. Two out of three could not articulate what dilution was. The questions from the Court clearly showed that they weren’t sure what dilution was either.¹⁰⁷ Particularly when a court cannot figure out the doctrine, it resorts to policies it understands.

Then there is *Starbucks* case that Dennis mentioned. How might that play out? The court can’t figure out dilution but it knows that the defendant is a local guy, a good guy, and Starbucks and its elite clientele are full of what?

MR. MCCOOE: Full of beans.

PROF. HANSEN: Full of beans, that’s good. I like that.

¹⁰³ Oral Argument, *Moseley v. V. Secret Catalogue, Inc.*, 537 U.S. 418 (2003), 2002 WL 31643067, at *1–2.

¹⁰⁴ *Id.* (“Lawrence G. Wallace, Esq., Deputy Solicitor General, Department of Justice, Washington, D.C., on behalf of the as [sic] United States, as amicus curiae, supporting the Petitioner.”).

¹⁰⁵ *Id.* (“Walter E. Dellinger, Jr., Washington, D.C., on behalf of the Respondents.”).

¹⁰⁶ *Id.* (“James R. Higgins, Jr., Esq., Louisville, Kentucky, on behalf of the Petitioner.”).

¹⁰⁷ *Id.* at *4–5 (“[I]t would help me a lot if you explained to me what dilution is. . . . I want some explanation of what dilution here refers to.”).

I meant full of themselves: poseurs who sit there writing their novels in Starbucks and pay ten bucks for a cup of coffee. And here's my little good old guy with instant coffee or something like this, and they're coming out and messing with him. No, they're not going to mess with our guy.

So I think when you get those in-the-hinterland cases or just a judge who is fed up with snob products or services you are going to get those results for little defendants. But I don't think those cases are what you should look to see as to what will happen generally in dilution cases.

Another point is that even judges who might be predisposed to the small, local defendant, turn on them when they lie. I think that was a big factor in *Victoria's Secret*, along with the fact that his store also sold pornography. This guy made the mistake of saying, "I hadn't even heard of Victoria's Secret before I chose my name. It was a surprise to me when I got this phone call."¹⁰⁸

Then he lied about how he chose the name "Victor's Secret." It was Victor's Secret; he changed it to Victor's Little Secret after Victoria's Secret objected.¹⁰⁹

He said, "Well, I didn't want my employer to know that I had another job."

One problem with this statement was then why then did you put your name in the store's name? The second problem was, he had no employer when he chose the name. He was unemployed at that time. Multiple liar.

For the district court, this guy was going down no matter what. And that was not going to change on remand from the Supreme Court.

We all learn the law through casebooks that discuss the appellate decisions and assumed after reversals the winning party prevails below. But rarely do we look to what happened below

¹⁰⁸ *V Secret Catalogue, Inc. v. Moseley*, No. 3:98CV-395-S, 2000 U.S. Dist. LEXIS 5215, at *3-4 (W.D. Ky. Feb. 9, 2000) ("The Moseleys assert that they were not aware of Victoria's Secret catalog or stores until they received a cease and desist letter from counsel for Victoria's Secret on February 25, 1998.").

¹⁰⁹ *Id.* at *4 ("The Moseleys subsequently changed the name of their store to 'Victor's Little Secret.'").

after a remand. People might think the district court says, “Oh, I’ve learned. I was wrong. I’ll know better next time. Thanks for telling me.” No. At least some, if not most, district courts are looking for ways to reach the same result they considered correct the first time. And now they have the added hostility to the party that caused the reversal.

This type of thing happened in the infamous trademark decision by Judge Leval in *Haar*.¹¹⁰

In that case, the defendant conceded on appeal that the plaintiff’s mark was famous. Judge Leval, nevertheless, opined that niche marks, such as plaintiff’s, and marks with acquired distinctiveness, such as plaintiff’s, could not be famous under the FTDA, reversing and remanding to the district court. The district court might well be expected to dismiss the case based upon Judge Leval’s decision. It really had no other choice. Leval’s opinion was a tour de force setting out his strong views on how dilution law should be construed. Judge Leval is one of the best judges in the country but I think this decision, at least with regard to his holding that marks with acquired distinctiveness cannot be “famous” under the FTDA, was clearly not one of his best. He also went after niche marks.¹¹¹ It goes back down to the district court judge, who reinstated his judgment for the plaintiff, not even mentioning Judge Leval’s decision in the Second Circuit.¹¹²

He thought he was right the first time. He had determined on policy grounds that the defendant should lose, and the Second Circuit decision and its new doctrine was not going to get in his way to reach that result.¹¹³

¹¹⁰ TCPIP Holding Co. v. Haar Commc’ns, Inc., 244 F.3d 88 (2d Cir. 2001).

¹¹¹ *Id.* at 99 (“It seems unlikely that Congress intended to confer on marks that have enjoyed only brief fame in a small part of the country, or among a small segment of the population, the power to enjoin all other users throughout the nation in all realms of commerce.”).

¹¹² *See* TCPIP Holding Co. v. Haar Commc’ns, Inc., No. 99 Civ. 1825 (RCC), 2004 U.S. Dist. LEXIS 13543, at *10–11 (S.D.N.Y. July 19, 2004) (granting plaintiff’s motion for summary judgment for the same reason as the prior case, that defendant was appearing pro se and thereby violated established Second Circuit precedent).

¹¹³ *See id.* at *1–22 (granting summary judgment to plaintiff on all claims).

So down in the district court it can get pretty tough, *mano a mano*. Parties perceived as “bad guys” need more than favorable doctrine to win there. I think most district courts today want to protect a mark owner’s goodwill from unauthorized use, and will try to do so whether they are able to use the dilution doctrine to do it or not.

Other thoughts? Comments?

MR. PRAGER: I think one of the great difficulties that dilution has always had, which is not remedied in the revisions to the statute, is that the factors that get advanced to measure the presence or absence of dilution don’t do that. Impairing distinctiveness is not measured by how strong a plaintiff’s mark is. You need a strong mark to be susceptible of dilution. The degree of similarity gets you close. Willful conduct certainly doesn’t measure whether there is blurring. That’s just punishing the bad guy. Whether there is competition between them—I’m not sure that measures it either. The whole idea is the absence of competition.

So we are really putting courts out there with tests that don’t work. I think that’s a big part of the problem, why you have sort of flaky decision making over many years.

Impairing the distinctiveness, I think, is measurable. I think you can use surveys to measure that. That’s going to favor the big guy again. Surveys are expensive. But at least it’s some kind of evidence of what’s happening in people’s brains, whether there has been some impairing of distinctiveness.

But I think it would be a sounder body of case law if the decisions would rely on something that actually does measure what you say you are trying to protect.

MR. MCCOOE: One of the things that Eric mentioned was testing it by survey evidence. The empirical issue that we faced, both under the old standard and the current one, is that you necessarily have to have a base line. You have to know how strong your mark was at the time just prior to the commencement of the allegedly infringing conduct. Unless you are involved in

another lawsuit, you are going to get “Dauberted.”¹¹⁴ You absolutely will not have evidence that is going to pass muster to show exactly how strong it is from a likelihood-of-dilution standpoint. You can show that you have a lot of eyeballs on the Internet. You can show that you sold a lot of catalogues, that you spent X dollars in advertising.

Courts are already hostile to a lot of that anyway. They say, “That doesn’t show that your mark is necessarily strong. You have to show that, in fact, it had an impact on those people with their eyeballs and the people that get the catalogues. They just throw them in the garbage, don’t they? Prove to me that I’m wrong.”

So you need a base line to show just how strong you were and then you have to causally prove that the new data showing the decline in strength of the mark is, in fact, associated directly to the infringing behavior. In this kind of a market, I could suggest that right now it would be impossible for anyone to bring a cause of action to show by survey evidence that, in fact, their mark has suffered from dilution. We are in the middle of a catastrophic decline in economic circumstances. Unless your business is immune from the effects of what’s going on, you can’t show, necessarily, that the loss in goodwill and reputation is, in fact, associated with this guy’s bad behavior, as opposed to you being out of fashion—people aren’t buying it; it’s a luxury good—“I know you’re a very famous brandy, Hennessy, but you can’t show that, in fact people are buying it.” When it costs seventy-five bucks a bottle, I’m not buying it because I can’t afford it. I’m going to get good old Jim Beam.

MR. PRAGER: There are sort of two solutions. There are a lot of companies that periodically measure consumer response to their brands—again, mostly larger consumer products companies.¹¹⁵

¹¹⁴ See *Daubert v. Merrell Dow Pharms., Inc.*, 509 U.S. 579, 589 (1993) (“[T]he trial judge must [use the Federal Rules of Evidence to] ensure that any and all scientific testimony or evidence admitted is not only relevant, but reliable . . .”).

¹¹⁵ See, e.g., *P&G Deploys Product Research Software*, PROGRESSIVE GROCER, June 8, 2009, http://www.progressivegrocer.com/progressivegrocer/content_display/features/supermarket-technology/e3idad2bb8d4869dcd6fa1ac86c6006942a (Proctor & Gamble is using technology to “gain a complete view of customer attitudes and preferences about its products.”).

But they regularly check at intervals how people are reacting, to tweak them. That's why you get different colors of packaging sometimes or they change their fonts.

Another thing you can do is—your litigation might last two years. If you didn't get a preliminary injunction, measure it immediately and then see how you are looking at trial.

MR. MCCOOE: But from a legal standpoint, you actually have to show what the strength was prior to the commencement of the illegal conduct.¹¹⁶ If you even do the study six months later, it's subject to attack for being not reflective of exactly what's going on, but in fact reflecting what's going on six or seven months later. So you are already starting with a faulty data set.

It's still problematic. The surveys are constantly under attack in likelihood-of-confusion cases, and they have been doing those for a hundred years. We have very well-established types of tests, work tests and so on. Yet people misapply those tests. These are trained statisticians, who have been in court before, who have already been subject to *Daubert*, and have been harshly criticized. They come back and say, "Okay, I'm going to get it right this time," and they misunderstand what the facts are in this case. So they use a different standard, when they are supposed to use the same one when they were criticized before, because the case is different.

There isn't a well-established set of standards for proving dilution, much less actual dilution. It's going to continue to be a problem.

One of the things that was at least touched on here is that we may not see a lot of opinions, even going forward, for some time, because the real strength of a dilution cause of action is in the cease-and-desist letter, is in threatening a smaller player to get them to stop—if you are policing your market. Famous marks tend to be more actively policed. The fact is that if you have such a valuable mark, you are absolutely a fool, even in this type of environment economically, to let anything go. You have to be

¹¹⁶ 15 U.S.C. § 1125(c)(1)–(2)(A)(i) (West Supp. 2008). The statute defines criteria to determine whether a mark is famous and states that it must meet these requirements to be eligible for relief. *Id.*

vigilant. Those that are vigilant will be on the ball. They have people who all they do is look for people like Charbucks. Starbucks most certainly has somebody who, at least on a weekly basis, if not a daily basis, is out there just Googling.

Google actually has a tool that allows you to look for references to your mark.¹¹⁷ You may not find Charbucks, because you would have to have a pretty sophisticated program. “Bucks” is a common word otherwise, and you are not going to pick it all up.

But if you have a mark that is worth fighting about, you are going to be looking to see how people are using it and making sure that it’s not becoming generic and it’s also not being used in a manner that is blurring or tarnishing the value that you have spent so many millions of dollars in trying to develop, and all that it means for your business.

PROF. HANSEN: So words to the wise: Be vigilant. Dennis and Eric will be around afterwards with their cards, just in case you need people to be vigilant for you.

Why don’t we go to the audience for questions or comments or thoughts or anything? Please identify yourself, your name and affiliation, if any.

QUESTION: My name is Ilana Turko. My affiliation is with Fordham Law. I’m a 2L. In terms of a big-picture takeaway for small businesses, if much of the effect of the dilution act is in cease-and-desist letters and settlement practice, where does that leave small businesses? It seems like they just lose, even though it’s simplifying the litigation process and it’s increasing the certainty of the outcome. The small businesses aren’t going to have people out there sending out cease-and-desist letters. Plus they have now niche-famous marks. What’s the implication there?

PROF. HANSEN: For a small business, I think, actually, my advice would be, stay away from the Southern District of New York, which has been generally not respectful of state dilution law, at least as an independent grounds separate from federal dilution.

¹¹⁷ Google Alerts, <http://www.google.com/alerts> (last visited Nov. 14, 2009) (“Google Alerts are email updates of the latest relevant Google results (web, news, etc.) based on your choice of query or topic.”).

They constantly say, “There’s a federal statute and there’s a state statute, but we think it means the same.”¹¹⁸

Even when they are corrected, they go back and do it. They don’t want to spend the time, and they don’t really care what the states do.

There is a sort of elitism present that is not present in state courts. I would go to state court and I would just make my case that we are being hurt by this defendant and state law was passed to protect plaintiffs in our position. State court judges, particularly on the lower court level, have neither the time nor the background to go deeply into IP law which is normally handled in federal courts. They are generally not policy wonks and won’t be concerned about the possible theoretical deficiencies in dilution law as federal judges might well do. I think the small plaintiff nowadays does well to either go to a federal court in the hinterlands, which is anywhere outside the city of New York, or a state court. I think you will get a good hearing, actually.

MR. PRAGER: Everybody has a different experience in their practice. Dennis’s experience with respect to small companies receiving cease-and-desist letters is somewhat different than mine. I don’t see a dilution claim in a cease-and-desist letter as much of a game changer. When a cease-and-desist letter comes in, you sort of treat it on its merits. Frankly, I don’t care what the letter says. I care what the circumstances are. The letter is just giving me notice. I don’t care what the other lawyer thinks the problem is. Now I know this guy is out here with his mark, and I have to analyze it like I would if I found it in a search report.

Maybe that’s a more sophisticated way of looking at it, from someone who does it a lot. If you are a general practitioner in a

¹¹⁸ Tiffany Inc. v. eBay, Inc., 576 F. Supp. 2d 463, 523 (S.D.N.Y. 2008).

While the Second Circuit has cautioned district courts that “it is not clear that the [New York] statute is coextensive with the [TDRA],” both the federal and the state statutes require that plaintiffs show a likelihood of dilution, rather than actual dilution. . . . Thus, while the two statutes may not be identical, they are substantively similar and may be analyzed together.

Id. (quoting Starbucks Corp. v. Wolfe’s Borough Coffee, Inc., 477 F.3d 765, 766 (2d Cir. 2007)).

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small town and you don't see many trademark cases, maybe you look at it differently. But that's a different kind of problem. That's not a problem created by dilution. That's just a problem created by different resources available to different-size businesses.

PROF. HANSEN: Ilana, I may have gotten your question wrong. Did you say in your hypothetical that the company is small and it receives a cease-and-desist letter, or that the company is small and want to protect its mark?

QUESTIONER: Actually, it can go either way.

PROF. HANSEN: I was answering in the situation where you are small and want to protect a mark. In both situations it is difficult but there is a chance for the small company in state as a plaintiff. If the small company is a potential defendant it is very tough. I agree if your point was that they are screwed. That is what you said, isn't it?

MR. PRAGER: Ilana said they are going to lose.

MR. MCCOOE: When I was talking before about its application and use, I was talking about a small company that doesn't have the resources to bring a big-city law firm in. What they see now is some case—and always it's going to be trotting out numbers. You have a copyright case, and it's never a copyright case where you are going to get hit for \$750. No. It's that you can get hit for up to \$150,000 per work. It's intended to try to get you to sit up and take notice. If you are a small player, obviously—I don't think it's a game changer. I just know that, as the professors have both stated, it gets used constantly. They get used interchangeably, which is odd, since, as Eric alluded to, they are supposed to be for different kinds of things. If there is confusion, then it's not dilution, and vice versa.

Yet they get used interchangeably, as if, "If I lose this, I'll have this one to pull out."

I think, from a small player's standpoint, judges also in settlement may, if they are not fully up to speed—they have to listen at least.

We were in court a little while ago, in the Southern District. We were before a magistrate. This was clearly not a case of dilution. It was about counterfeit goods. Our client was allegedly selling counterfeit goods it had bought from Asia. The other side, from California, applying a much more loosey-goosey kind of approach, was telling the judge what the standards were.

We were saying, “No. We’re in the Southern District. You have to prove actual damages. You’re not going to make out this case.”

He said, “Yeah, but I also have the dilution case.”

Well, Sean John may be famous somewhere, but how are these identical goods dilutive? They might be tarnishing, I suppose, if you are selling junk. But they are identical goods. People are going to be confused. There’s not going to be tarnishment or blurring. Sean John may or may not be selling all top-quality goods.

But the fact is, the judge has to now listen to it. It does actually provide some opportunity for some jousting.

You say, “Well, Your Honor, I’m going to lose on this. Even if what you find is not confusing, I’m going to show that it’s a famous mark and it’s dilutive.”

It attenuates the whole process, and it gives judges who aren’t as sophisticated—and that’s typically not going to be in the Southern District, although they get it wrong—they are going to give them one more thing they have to chew over. They are going to say, “Settle.”

So it costs the small guy.

The other side of it, though, is, if you are really famous and you are going to get hit with a dilution claim, your costs as a small guy are small. You may have, in fact, been like Victor and known that you were playing off of the famous mark. Typically, people do misunderstand what parody is. It’s not about just taking advantage of the other guy’s mark, being a free rider. It’s supposed to actually comment and criticize or have some relevance to the other guy’s mark. You can get in and out quick—“hey, no problem. You can’t prove what my costs have been. My damages

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are nothing. You haven't been harmed. So I don't have to pay you anything extra." But you are probably going to get what you want. In most cases you want an injunction, and the little guy is going to stop.

PROF. HANSEN: Any other questions, comments, thoughts?

QUESTION: Jim Quinton. I have my own practice.

In the new statute is your own registration still a defense to dilution? Isn't one thing to do—with the little clients that I have, I try to encourage them to get their own federal registration.

PROF. HANSEN: Then state law is preempted, if the defendant has a federal registration. Yes, if you are likely to be a defendant someplace, you certainly want to have—anyway, whether you are a defendant or not—you definitely want to get registered. You certainly knock out the state law in that case.

MR. MCCOOE: What about state trademark registrations? Do you think they have any role at all in trying to deflect a claim.

PROF. HANSEN: I like state registrations. One, it shows the company is serious about its mark. If I'm doing a search and I see someone in North Carolina and it's just their name and they are doing business under a certain name, I am not sure that they are serious about it or even if they are still in business. On the other hand, if the company has a state trademark registration, it tells me that they have a lawyer, probably a trademark lawyer, and they are serious about the mark. Without any further investigation, it indicates that it might be advisable to stay a little further away from that name in choosing a mark.

So state registrations give notice and remove the defense of bona fide junior uses. If and when you are in court as a plaintiff, it allows you to say to the judge, "Your Honor, we've been protecting this from day one the best way we can. It's very important to us. We had a state registration three days after we started doing it." All that stuff, I think—the more you do to protect, the more vigilant you are, the better for your side.

So I don't think, substantively, it adds much but it has beneficial effects.

QUESTION: My name is Amanda Stevens. I'm with Pryor Cashman.

One of you mentioned that you think the parody defense has kind of expanded beyond its traditional meaning. I was wondering, what kind of player do you think is doing that? What are some effective strategies to combat it?

PROF. BEEBE: I think you actually raised this proposition. There are a few cases that come quickly to mind, like the "Walocaust" case out of the Northern District of Georgia.¹¹⁹ This was a case in which a guy was making fun of Wal-Mart.¹²⁰ He used terms like "Walocaust."¹²¹ To its great credit, Wal-Mart chose its defendant very well. They chose this utterly noxious, horrible form of social commentary.

But the court found no dilution and pretty much called it parody.¹²² At this point, parody becomes meaningless, if we are calling that parody. There was something else to it. There was something very twisted about it. But it wasn't parody, at least as that is defined in the copyright case, the 2 Live Crew case from the 1990s.¹²³

Then there is another case, the Charbucks case. Parody was mentioned there.¹²⁴ The courts vaguely alluded to parody as a basis for not finding dilution.¹²⁵

¹¹⁹ Smith v. Wal-Mart Stores, Inc., 537 F. Supp. 2d 1302 (N.D. Ga. 2008).

¹²⁰ See *id.* at 1309 ("[Defendant] believes that Wal-Mart has a destructive effect on communities, treats workers badly, and has a damaging influence on the United States as a whole . . . [defendant] likens it to that of the Nazi regime . . . [Defendant] created various designs and slogans that incorporated the word 'Walocaust,' . . . by combining the first three letters of Wal-Mart's name with the last six letters of the word 'holocaust.'").

¹²¹ *Id.*

¹²² *Id.* at 1340 ("[Defendant's] parodic work is considered noncommercial speech and therefore not subject to Wal-Mart's trademark dilution claims, despite the fact that [defendant] sold the designs to the public on t-shirts and other novelty merchandise.").

¹²³ Campbell v. Acuff-Rose Music, Inc., 510 U.S. 569, 579, 581 (1994) ("For the purposes of copyright law, the nub of the definitions, and the heart of any parodist's claim to quote from existing material, is the use of some elements of a prior author's composition to create a new one that, at least in part, comments on that author's works." (citation omitted)).

¹²⁴ Starbucks Corp. v. Wolfe's Borough Coffee, Inc., 559 F. Supp. 2d 472, 478 (S.D.N.Y. 2008).

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Then, of course, the *Louis Vuitton*¹²⁶ case, which involves pet toys of various kinds [that] parody or satirize some of the most luxury brands.¹²⁷

So these are great recent cases that all suggest that courts are willing to accept the parody defense. Actually, I'm fully in favor of that trend, but then I guess I'm more of a defendant's trademark person. I think it's a real ray of enlightenment in the federal courts to tolerate this stuff.

I'm not sure how it can be defended against. That's history. Reason is prevailing in those cases.

PROF. HANSEN: What is the alleged parody in the *Wal-Mart* case?¹²⁸

MR. MCCOOE: They were commenting, I believe, to a certain extent, on how Wal-Mart was working a holocaust on small towns and small stores.¹²⁹

PROF. HANSEN: Well, is that a parody?

MR. PRAGER: In the *Louis Vuitton*¹³⁰ case, there's no commentary on Louis Vuitton.¹³¹

PROF. BEEBE: Maybe you're right.

PROF. HANSEN: Parody is not commentary. It's making fun of something. But that is the literary definition and it has changed somewhat recently in the copyright infringement context. Parody has become a doctrinal box which is helpful for defendants to be in. Put someone in it; they are going to get the credit to be creative and elites love that. Courts are willing to stretch that box for defendants they want to help. So judges can make the box bigger

¹²⁵ *Id.* The court cites to the *Louis Vuitton* case's discussion on parody in finding that "the evidence is insufficient to establish Defendant's intent to create an unlawful association with its famous mark . . ." *Id.*

¹²⁶ *Louis Vuitton Malletier S.A. v. Haute Diggity Dog, LLC*, 507 F.3d 252, 256 (4th Cir. 2007)).

¹²⁷ *Id.*

¹²⁸ *Smith v. Wal-Mart Stores, Inc.*, 537 F. Supp 2d 1302 (N.D. Ga., 2008).

¹²⁹ *Id.* at 1309.

¹³⁰ *Louis Vuitton*, 507 F.3d at 252.

¹³¹ The court, however, found that Chewy Vuiton is "a comment on the rich and famous, on the LOUIS VUITTON name and related marks, and on conspicuous consumption in general." *Id.* at 261.

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or smaller, depending on whether they like parody or they don't, whether they like commentary or don't like it.

Courts so far have not liked parody defenses when the use is considered pornographic. I don't think I have seen such a case in which the defendant won. In *Pillsbury*,¹³² Screw Magazine came close to winning. The district court held that pornographic depiction in the magazine of the the Pillsbury Doughboy was a fair use. Moreover, the court held the depiction created no likelihood of confusion under trademark law.¹³³ Almost home, but then the court held that the depiction violated Georgia antidiulution statute.¹³⁴

I think it's in the eye of the beholder.

MR. MCCOOE: We represent Yellow Tail, the wine company, which is arguably a famous mark. It's the most popular wine the United States has ever seen. Larry Flynt is one of the great parodists of our time and great humorists. He had an ad—I don't know if he concocted it—an ad of an Asian woman, naked, with a yellow tail. We had to write a letter to Larry Flynt about it. You would expect that at least they would respond. No. His attitude is, "You know what? Sue me. I don't care. I've been shot. I've been dragged through court. Sue me."

You had to talk to your friends in Australia and say, "You know, no one reads it anyway."

PROF. HANSEN: You should have said you are going to give up your subscription to Hustler. That might have gotten their attention.

MR. MCCOOE: I don't recall how we learned about this ad.

PROF. HANSEN: Anyone else?

QUESTION: So it sounds as though at least two of you—

¹³² *Pillsbury Co. v. Milky Way Prods., Inc.*, Civ. No. C78-679A, 1981 WL 1402 (N.D.Ga. Dec. 24, 1981).

¹³³ *Id.* at *13 (stating that there was no likelihood of confusion when defendant used plaintiff's trademark figures in their advertisement).

¹³⁴ *Id.* at *14 ("The court concludes that . . . there is a likelihood that the defendants' presentation could injure the business reputation of the plaintiff or dilute the distinctive quality of its trademarks.").

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PROF. HANSEN: Name?

QUESTIONER: Susan Scafidi.

PROF. HANSEN: Affiliation?

QUESTIONER: I've been in law school for a decade and a half. But it's currently Fordham.

PROF. HANSEN: Your best friend on the faculty?

QUESTIONER: Does it even need to be asked?

It sounds as though at least two of you are ready to throw out dilution altogether today, if you had your way. But I want to come back to Professor Hansen's comments at the beginning about why dilution was even written into U.S. law and ask the broader question: are there reasons to keep it? It has been suggested that it's useful in the C&D context. It may be useful, perhaps, in a pedagogical way, to keep people from infringing, even though there are very few wrongs that can't be righted in other words, without this particular Act.

Then there is also, of course, the international context. Think of emerging economies in particular, the BRIC countries, Brazil, Russia, India, China, where you might have a mark that is famous elsewhere, and even in that country, registered, but not in use yet, and another very similar mark registered.

Is there not use in those other contexts? Is there not reason along those lines, or perhaps along other lines that I haven't thought of, for keeping dilution in the U.S. law nonetheless?

MR. PRAGER: I think so. I'm a fan of dilution. I just think that the tests that have been made available for measuring it are poor. But as a principle, I think there is brand equity that deserves protection, even in the absence of confusion, for some brands. I think it's a disservice to people who invest in building brand equity not to give them some protection for that.

I would just like to see a more principled way of assessing whether there has been dilution.

PROF. BEEBE: Going back to that theme, remember, the *V Secret* case remanded back to the district court.¹³⁵ The district court found all six factors under blurring to favor the plaintiff—in other words, to favor a finding of blurring.¹³⁶ Then the district court said, “There’s no blurring.”¹³⁷

That’s a little follow-up on that point.

I think Hugh had it right, as usual, when he said that misappropriation was sort of the underlying theme of all of this stuff. Bad-faith actors—the court is going to find a way to reach them. If the court can’t through confusion, then dilution is flexible enough and they will reach them that way.

That strikes me as a reasonable justification. I might be somewhat hostile to dilution because of the parody cases and the First Amendment aspects of dilution. But going to your blog, [counterfeitchic.com](http://www.counterfeitchic.com),¹³⁸ I think dilution makes a lot of sense if you are a luxury goods manufacturer. If you manufacture luxury brands and then attach those brands to various things of one kind or another, then you must maintain the distinctiveness of your mark, the uniqueness of your mark, its reputation for exclusivity. It makes complete sense that you would bring anti-dilution causes of action against people who are parodying your mark or copying it just slightly, but in such a way that no one is going to actually be confused into thinking that plastic watch is coming from Rolex or something like that.

The reason I would see parody, or at least some sort of commentary, in *Chewy Vuitton* is that if you are hostile to that version of consumer society, then your politics should lead you to be hostile to antidilution protection, because it’s shoring up that whole world of conspicuous consumption and zero-sum arms-race consumption, people spending money on labels. There is a lot of political stuff underneath, I think, the cause of action.

¹³⁵ *Moseley v. V Secret Catalogue, Inc.*, 537 U.S. 418, 434 (2003) (“The judgment is therefore reversed, and the case is remanded for further proceedings consistent with this opinion.”).

¹³⁶ *V Secret Catalogue, Inc. v. Moseley*, 558 F. Supp. 2d 734, 749 (W.D. Ky. 2008).

¹³⁷ *Id.*

¹³⁸ *Counterfeit Chic*, <http://www.counterfeitchic.com> (last visited Nov. 14, 2009).

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Misappropriation, by comparison, is meat-and-potatoes business.

PROF. HANSEN: Where did you get your tie?

PROF. BEEBE: I got it at Filene's Basement.

QUESTIONER: What's the label?

PROF. BEEBE: The brand has been taken off.

PROF. HANSEN: Anyone else, thoughts, comments?

QUESTION: I'm Britton Payne. I'm with Foley & Lardner. I'm a graduate of Fordham Law, former student of Professor Hansen, former associate of Eric Prager, and former publisher of Barton Beebe. Dennis, it's nice to meet you.

PROF. HANSEN: I think that's all the time we have.

QUESTIONER: Going forward and offering advice to clients, particularly in an economic environment where they are looking to cut costs, unless there is a really clear-cut case that there is dilution and no confusion, as in the Hershey bar van case, should we really just be giving perfunctory attention to claims of dilution, just sort of tacking them onto the end and really leaving them there? Or is that still no further protection than not putting them in at all?

You were talking about how expensive it is to be able to show dilution.

MR. MCCOOE: I'm not a big fan of garbage complaints. It annoys the heck out of me.

QUESTIONER: I'm just talking about the additional claim.

MR. MCCOOE: I know, and that's what I'm talking about, larding it with extra facts that prove nothing and have nothing to do with the case, adding causes of action that have no substantive remedy, talking about common-law unfair competition when you already have a federal cause of action that is going to cover you, or you are not covered at all. I think it confuses things. Obviously, people raise defenses all the time—if you go through the affirmative defenses, half of them don't apply. But people are of the mind that “my insurance company wants me to put them in.”

It's not going to go away. It's up to the judges to decide that they are not going to listen to that cause of action, because they

know the law well enough. Hopefully your mediation statement or your arbitration statement or your settlement position paper will explain why it's a nonsense cause of action in this particular case.

Maybe they can make out dilution, but there is no confusion in the van case. I don't know if they had a lawyer. That was the first thought that came to mind when I looked at the Hershey—

MR. PRAGER: They didn't in the opinion. They appeared not to.

MR. MCCOOE: It's a strange thing. I look at that and I see that it would be a problem. I would advise them that they might run afoul of a big company like Hershey that is an American legend. People love it. You don't want to attack them. You can attack Larry Flynt, but don't attack Hershey. It was a bad decision, just because of who they chose to use as their inspiration.

I don't know what the lesson is there, other than that you should probably consult with a lawyer, especially before you do it for an important mark, such as the name of your company or your principal brand image.

If it was just Charbucks—my thought on that—if it was just one of the brands or one of the varieties that they sold in the store, Starbucks wouldn't have bothered them.

PROF. HANSEN: Anyone else?

QUESTION: Charlie Chan (phonetic). I'm a solo practitioner.

Just as a follow-up to the question raised earlier regarding a foreign famous mark, would any one of you care to comment on the prospect of protection of foreign famous marks in this country?

PROF. BEEBE: That's a whole other kettle of fish.

PROF. HANSEN: That is a whole other kettle of fish. Interestingly enough, New York State courts are probably the best place to sue for protection of an international famous mark. The Second Circuit just went through this with a certified question to the New York Court of Appeals which said, basically, "It doesn't even have to be famous. If there is some sort of misappropriation or some sort of unfair competition or use of goodwill of the mark found here we will prevent that use. It doesn't matter whether the

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mark is here now or not.” They cited previous New York law such as case involving the French restaurant Maxim’s.¹³⁹

MR. PRAGER: Under dilution law, you don’t get protection. It’s not available. But there is a “well-known marks” doctrine. It’s not famousness per se. It’s a “well-known marks” doctrine that sometimes gives you protection, depending on what state you are in.

PROF. HANSEN: I think, actually, strangely, this country is hostile to it. The Federal Circuit is hostile to it. The PTO is hostile to it.

MR. MCCOOE: It doesn’t affect U.S. commerce, is the theory. In theory, it’s not affecting U.S. commerce.

PROF. HANSEN: But we are supposed to be giving that protection to well-known or famous marks who are not yet in use in this country through the Paris Convention, et al., and we expect this protection to be given to our marks in other countries such as the McDonalds case in South Africa.

MR. PRAGER: There hasn’t been implementing legislation.

PROF. HANSEN: No, not much but there is enough to work with that we could do better, I think.

Any final comments from the panel on anything?

(No response)

Thank you panel and thank you audience for such an enjoyable and interesting session.

MR. CAREY: I just want to thank Professor Hansen and the trademark panel for their insightful treatment of the doctrine of dilution and for yet another great contribution to the scholarship of the *IPLJ*.

It has been a wonderful Symposium for us today. I have never wanted to eat a Hershey bar and move furniture as much as I have for the last hour or so. Thank you very much for that.

¹³⁹ Charles of the Ritz Group Ltd. v. Quality King Disribs., Inc., 832 F.2d 1317 (2d Cir. 1987).

I don't want to add too much to what has been said already, but in the spirit of the Thanksgiving season, I do want to reiterate some of my thanks from this morning.

First of all, I would like to thank you all who have been here with us throughout the day for your questions and for participating in the discussion. I'm sure we have helped resolve all the issues discussed here affirmatively for you all going forward.

I would like to thank all of our panelists—not just our trademark panelists, but our patent panelists and our copyright panelists from earlier in the day—for traveling and all the effort they put into preparation for our Symposium. Thank you so kindly.

Again, I would like to thank Fordham Law's Office of Public Programming for their assistance in helping to plan the Symposium.

I would also like to again thank the Fordham faculty, our own moderator, Professor Patterson, for his remarks this morning, and our hometown hero, Professor Hugh Hansen, my left-hand man at present, for his help in being instrumental in assisting us with the Symposium.

I would like to recognize the *IPLJ* staff and edit board for their work behind the scenes today. Finally, I would like once again to recognize our Symposium Editor, Mr. Anthony Rizzo, for his tremendous work.

Thank you all very much. We'll be having cocktails in the Atrium outside. Come again next year.

PROF. HANSEN: Also the *IPLJ* is an excellent journal to send your articles to. It ranks up there, in all the different rankings of IP journals. So you should really consider it in your future plans if you are writing.

MR. CAREY: Thank you.