PROTECTING YOUR FAMOUS MARKS AND
THE TRADEMARK DILUTION REVISION ACT OF 2006

Corby Anderson
Helms Mulliss & Wicker, PLLC

Ronald T. Coleman, Jr.
Parker, Hudson, Rainer & Dobbs, LLP

OCTOBER 11-12, 2007
JW Marriott Desert Ridge
Phoenix, AZ

©2007 American Bar Association
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>I. INTRODUCTION</td>
<td>1</td>
</tr>
<tr>
<td>II. BACKGROUND AND BASICS OF TRADEMARK DILUTION CLAIMS</td>
<td>2</td>
</tr>
<tr>
<td>A. The Basics of a Dilution Claim</td>
<td>2</td>
</tr>
<tr>
<td>1. Nature of the Interest Protected</td>
<td>2</td>
</tr>
<tr>
<td>2. Dilution by Blurring</td>
<td>3</td>
</tr>
<tr>
<td>3. Dilution by Tarnishment</td>
<td>4</td>
</tr>
<tr>
<td>4. The Plaintiff’s Mark Must be Famous</td>
<td>4</td>
</tr>
<tr>
<td>B. Dilution under the Lanham Act – the FTDA</td>
<td>6</td>
</tr>
<tr>
<td>1. Elements of a Dilution Claim</td>
<td>6</td>
</tr>
<tr>
<td>2. Statutory Defense</td>
<td>7</td>
</tr>
<tr>
<td>3. Unresolved Issues Under the FTDA</td>
<td>9</td>
</tr>
<tr>
<td>III. THE SUPREME COURT’S VICTORIA’S SECRET DECISION</td>
<td>10</td>
</tr>
<tr>
<td>A. Case Background and Decision of the Court</td>
<td>10</td>
</tr>
<tr>
<td>B. Case Law Applying U.S. Supreme Court’s Decision</td>
<td>12</td>
</tr>
<tr>
<td>IV. FEDERAL TRADEMARK DILUTION REVISION ACT OF 2006</td>
<td>13</td>
</tr>
<tr>
<td>A. History of Passage</td>
<td>13</td>
</tr>
<tr>
<td>B. Key Provisions of the TDRA</td>
<td>14</td>
</tr>
<tr>
<td>1. No Requirement of Actual Dilution</td>
<td>14</td>
</tr>
<tr>
<td>2. Dilution by Blurring</td>
<td>14</td>
</tr>
<tr>
<td>3. Dilution by Tarnishment</td>
<td>15</td>
</tr>
<tr>
<td>4. A New Definition of “Famous”</td>
<td>15</td>
</tr>
<tr>
<td>5. Exclusions for Fair Use, News, and Noncommercial Uses</td>
<td>16</td>
</tr>
<tr>
<td>6. Trade Dress Covered</td>
<td>16</td>
</tr>
<tr>
<td>7. Interaction with State Dilution Laws</td>
<td>16</td>
</tr>
<tr>
<td>C. Remedies For Trademark Dilution</td>
<td>16</td>
</tr>
<tr>
<td>V. COURTS’ FIRST INTERPRETATIONS OF THE TDRA</td>
<td>18</td>
</tr>
<tr>
<td>A. Retroactive Effect</td>
<td>18</td>
</tr>
<tr>
<td>B. Likelihood of Dilution</td>
<td>19</td>
</tr>
<tr>
<td>C. Use in Commerce (Descriptive Fair Use)</td>
<td>21</td>
</tr>
<tr>
<td>D. What Qualifies as “Famous”?</td>
<td>21</td>
</tr>
<tr>
<td>1. Marks that Pass the Test for Fame</td>
<td>21</td>
</tr>
<tr>
<td>2. Marks that Fail the Test for Fame</td>
<td>25</td>
</tr>
<tr>
<td>E. Tarnishment</td>
<td>27</td>
</tr>
<tr>
<td>F. The Parody Exclusion</td>
<td>28</td>
</tr>
<tr>
<td>1. Yes, in Haute Diggity Dog</td>
<td>28</td>
</tr>
<tr>
<td>2. No, in Chem-Dry</td>
<td>29</td>
</tr>
</tbody>
</table>
# TABLE OF CONTENTS

VI. STATE LAW DILUTION CLAIMS ................................................................. 29  
   A. Overview of State Law Anti-Dilution Statutes ...................................... 29  
   B. Impact of Victoria’s Secret on State Law Dilution Claims .................. 31  
   C. Effect of the TDRA on Significance of State Law Dilution Claims ....... 32  

VII. DILUTION ISSUES SPECIFIC TO THE FRANCHISE CONTEXT ............ 33  
   A. Use of the Scope of a Franchise System to Establish Fame ............... 33  
   B. Other Features of a Franchise System Relevant to Proving Dilution ... 34  
   C. Dilution Claims Against Terminated Franchisees ............................... 34  
   D. Application to “Gripe” or “Complaint” Web Sites .............................. 35  

VIII. CONCLUSION ......................................................................................... 37  

Summary of State Anti-Dilution Laws .......................................................... Appendix
I. INTRODUCTION*

A strong, well-recognized trademark can be the most important asset of any franchise system. It attracts customers who are looking for the assurance of a certain level of quality that they have come to associate with the mark – an association sometimes called “goodwill.” It attracts franchisees who are willing to invest in a franchise system and pay royalties in exchange for being able to tap into that goodwill.

A trademark’s value to a franchise system is directly linked to its ability to identify the system’s goods and services and distinguish them from everyone else’s. Two significant risks to the trademark’s value as a unique source identifier are infringement based on a likelihood of confusion and dilution based on a likelihood of blurring or tarnishment of the mark. The second of these risks, trademark dilution, is the subject of this paper.

Trademark dilution, as distinguished from traditional trademark infringement based on a likelihood of confusion, is a relatively recent creature of federal trademark law. In the Federal Trademark Dilution Act of 1996 (“FTDA”), Congress amended section 1125(c) of the Lanham Act to add a cause of action for dilution of “famous” trademarks. Trademark dilution had long been a recognized claim under various state laws. Massachusetts enacted the first anti-dilution statute in 1947, and currently 38 states have enacted some type of anti-dilution statute. Unlike many state statutes in the trademark infringement area, state anti-dilution statutes maintained their vitality as independent causes of action even after the enactment of the FTDA because many have different, and often less stringent, requirements which allow for claims in circumstances where federal law does not.

“Dilution” is generally recognized as a “weakening or reduction of the ability of a mark to clearly and unmistakably distinguish one source.” 4 J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition*, § 24:67, at 24-164 (West 2007) (“McCarthy”). Dilution can occur in two different ways: “blurring” and “tarnishment.” These concepts are discussed in detail in Section II below.

Anti-dilution statutes and traditional trademark infringement statutes protect different interests. Traditional trademark infringement law is intended to protect the consuming public from confusion, deception, or mistake as to the source of products or services bearing similar marks. Anti-dilution law, by contrast, is designed to protect a trademark holder’s property rights in its mark from being impaired by other uses that lessen the mark’s unique source-distinguishing value.

* The authors gratefully acknowledge the contributions of Christine S. Cox, of Parker, Hudson, Rainer & Dobbs, LLP, to the preparation of this paper and of the Appendix.
Federal anti-dilution law has seen a great deal of development since Congress enacted the FTDA in 1996. Courts wrestled for several years with the proper standards to apply to grant relief under the FTDA – particularly whether the plaintiff needed to show actual harm to the economic value of the mark, as opposed to merely a likelihood of harm, analogous to the "likelihood of confusion" standard under traditional trademark infringement law. The United States Supreme Court resolved that issue in Mosley v. V. Secret Catalogue, Inc., 537 U.S. 418 (2003) (popularly known as the Victoria’s Secret decision), holding that the plain language of the FTDA required a showing of actual harm to the famous mark. That holding proved unpopular with trademark owners, however, and Congress recently overruled it by enacting the Trademark Dilution Revision Act of 2006 (“TDRA”). The new statute, which amends the FTDA, authorizes relief where the defendant’s use “is likely to cause dilution by blurring or dilution by tarnishment of the famous mark . . .” 15 U.S.C. § 1125(c)(1)(2006). The TDRA also resolves several other issues resulting from lower courts’ differing interpretations of the FTDA. And the new statute provides that a defendant’s ownership of a valid federal trademark registration is “a complete bar” to an action for dilution under state common law or state statutes. 15 U.S.C. § 1125(c)(6).

This paper in Section II outlines the background and basics of trademark dilution claims, setting the stage for the Supreme Court’s Victoria’s Secret decision. Section III describes the Victoria’s Secret opinion and federal case law applying its “actual dilution” standard. Section IV discusses the TDRA and how this new statute has refined federal anti-dilution law. Section V looks at significant cases decided under the TDRA and how courts and the Trademark Trial and Appeal Board are interpreting the new statute. Section VI gives an overview of state anti-dilution laws, identifying significant differences among the state laws and between state laws and federal law. Section VII discusses trademark dilution issues of particular interest to franchisors and franchisees. Finally, an Appendix summarizes the key provisions of all state anti-dilution laws.

II. BACKGROUND AND BASICS OF TRADEMARK DILUTION CLAIMS

A. The Basics of a Dilution Claim

1. Nature of the Interest Protected

Dilution is an unusual concept in the world of trademark law. Traditional trademark infringement law, whether under the federal Lanham Act or state statutes, protects the interest of the consuming public not to be confused, misled, or deceived as to the source, affiliation, or sponsorship of a party’s good or services. The key question in trademark infringement cases is whether the defendant’s use of a similar mark “is likely to produce confusion in the minds of customers about the origin of the goods or services in question.” KP Permanent Make-Up v. Lasting Impressions I, Inc., 543 U.S. 111, 117 (2004). See also Savin Corp. v. Savin Group, 391 F.3d 439, 457 (2nd Cir. 2004) (the crucial issue is whether there is a likelihood that an appreciable number of ordinarily prudent purchasers are likely to be misled or confused as to the source of the goods in question). Without a likelihood of confusion as to the source of the products or services in question, no valid trademark infringement claim exists.
A claim for trademark dilution, by contrast, does not require the plaintiff to prove a likelihood of confusion as to source, affiliation, or sponsorship, and the purpose is not to protect consumers from mistake or deception. See Moseley v. V. Secret Catalogue, 537 U.S. 418, 429 (2003) ("the prohibitions against trademark dilution . . . are not motivated by an interest in protecting consumers"). A trademark dilution claim is designed "to protect the owners of famous marks from the kind of dilution that is permitted by the trademark laws when a junior user uses the same mark in a non-confusing way in an unrelated area of commerce." TCTIP Holding Co. v. Haar Communications, Inc., 244 F.3d 88, 95 (2nd Cir. 2001). See also McCarthy § 24:70 at 24-168 to 24-169. Dilution law "exists to protect the quasi-property rights a [trademark] holder has in maintaining the distinctiveness of his mark." Kellogg Co. v. Toucan Golf, Inc., 337 F.3d 616, 628 (6th Cir. 2003).

Anti-dilution statutes generally recognize two types of dilution: "blurring" and "tarnishment." Both of these concepts harm the property interests of a trademark holder by causing a "weakening or reduction in the ability of a mark to clearly and unmistakably distinguish one source." McCarthy § 24:67 at 24-164. Federal anti-dilution law recognizes both of these forms of dilution, as do most state statutes.

2. **Dilution by Blurring**

Dilution by blurring occurs "when consumers see the plaintiff's mark used on a plethora of different goods and services . . . raising the possibility that the mark will lose its ability to serve as a unique identifier of the plaintiff's product." Eli Lilly & Co. v. Natural Answers, Inc., 233 F.3d 456, 466 (7th Cir. 2000). See also Auto Zone, Inc. v. Tandy Corp., 373 F.3d 786, 801 (6th Cir. 2004). Other courts have characterized dilution by blurring as an "association arising from the similarity between a mark or trade name and a famous mark that impairs the distinctiveness of the famous mark." Louis Vuitton Malletier S.A. v. Haute Diggity Dog, LLC, 464 F. Supp. 2d 495, 504 (E.D. Va. 2006).

An early example of dilution by blurring involved a Boston restaurant's use of the name TIFFANY, which the court found could weaken the unique and distinctive link between that mark and the famous jewelry store with which it had been associated. See Tiffany & Co. v. Boston Club, Inc., 231 F. Supp. 836 (D. Mass. 1964). Commonly used examples of what would constitute dilution by blurring, cited in cases and the legislative history of the FTDA, are DUPONT shoes, BUICK aspirin tablets, SCHLITZ varnish, KODAK pianos, and BULOVA gowns. See Mead Data Central, Inc. v. Toyota Motor Sales, U.S.A., Inc., 875 F.2d 1026, 1031 (2nd Cir. 1989).
To establish a claim for dilution by blurring, the two marks must be identical or so similar that a significant segment of consumers see them as essentially the same. *Playboy Enterprises, Inc. v. Welles*, 279 F.3d 796, 806 n.41 (9th Cir. 2001); *Luigino’s, Inc. v. Stouffer Corp.*, 170 F.3d 827, 832 (8th Cir. 1999). This test requires a high degree of similarity between the marks, and courts have recognized that similarity in a dilution context is more stringent than the similarity of marks required for likelihood of confusion for infringement purposes. See *Thane Int'l, Inc. v. Trek Bicycle Corp.*, 305 F.3d 894, 906 (9th Cir. 2002). The consuming public must make a mental link or association between the mark used by the alleged diluter and the plaintiff's mark. *Century 21 Real Estate, LLC v. Century Group*, 2007 WL 484555 (D. Ariz. Feb. 9, 2007). The required mental association for a dilution claim is also qualitatively different from the kind that would trigger a likelihood of confusion for purposes of an infringement claim. The kind of association required for a dilution claim recognizes distinct sources or origins of the different products; the harm arises because “the ability of the senior user’s mark to serve as a unique identifier of the plaintiff’s goods or services is weakened because the relevant public also associates that designation with a new and different source.” McCarthy § 24:70 at 24-170.

3. **Dilution by Tarnishment**

The concept of dilution by tarnishment involves a different interest than dilution by blurring. Tarnishment occurs “when the plaintiff’s trademark is likened to products of low quality, or is portrayed in a negative context.” *Haute Diggity Dog*, 464 F. Supp. 2d at 505. The harm arises from the negative or degrading association with the diluting mark, which harms the reputation of the famous mark. See *Harris Research, Inc. v. Lydon*, 2007 WL 1052479 (D. Utah Apr. 5, 2007).


More general injury to business reputation, or to the perception of the quality of goods sold under the famous mark, also can support a claim for dilution by tarnishment. In *Haute Diggity Dog*, 464 F. Supp. 2d at 505, the court recognized that the plaintiff could have a claim for dilution by tarnishment if the defendant’s use likened the plaintiff’s famous mark to products of low quality, although in that case the court held that the plaintiff had not presented sufficient evidence of actual or likely tarnishment. In *Harris Research*, 2007 WL 1052479 at *3, the court granted a preliminary injunction based on dilution by tarnishment, where a competitor used a mark similar to the plaintiff’s CHEM-DRY mark in ways that were found to create a negative association among the public.
In another interesting case, the New York Stock Exchange sued a company operating a “New York” themed hotel in Las Vegas that used the words “New York, New York Slot Exchange” on a replica of the façade of the New York Stock Exchange building. The district court dismissed the case for failure to prove that the casino’s use could cause the public to have a negative association with the NYSE. The Second Circuit reversed, however, holding that the trier of fact could find that the casino’s use “would injure NYSE’s reputation.” New York Stock Exchange, Inc. v. New York, New York Hotel, LLC, 69 F. Supp. 2d 479, (S.D. N.Y. 1999), aff’d in part, rev’d in part, 293 F.3d 550, 558 (2nd Cir. 2002) (applying New York anti-dilution statute).

4. The Plaintiff’s Mark Must be Famous

The FTDA, like most state anti-dilution statutes, requires that the plaintiff’s mark must have achieved a high level of “fame” to support a dilution claim. The exact degree of fame or renown required varies among the different statutes. The federal act, as amended by the TDRA, requires that to be “famous” a mark must be “widely recognized by the general consuming public of the United States as a designation of source of goods or services of the mark’s owner.” 15 U.S.C. § 1125(c)(2)(A) (2006). As explained in Section IV below, the TDRA rejects the interpretation by some courts that “niche” fame – fame in a limited geographic area or line of business – is sufficient to establish a federal trademark dilution claim.

State laws are not always as strict, and many will allow a dilution claim based on a mark that is “famous” only in a limited area or among a limited class of consumers. State anti-dilution laws are discussed in greater detail in Section VI below, and the provisions of each state statute regarding the required degree of fame are summarized in the Appendix. In light of the TDRA’s more restrictive definition of fame, parties seeking to protect less widely known marks should pay particular attention to applicable state laws that may provide alternative avenues for relief.

Sometimes “fame” is an easy concept to apply, with little room for disagreement. In the franchise context, for example, the court assumed without any discussion that STARBUCKS qualified as a famous mark. See Starbucks Corp. v. Wolfe’s Borough Coffee, Inc., 477 F.3d 765 (2nd Cir. 2007). Other indisputably famous marks include:

- AOL, America Online, Inc. v. IMS, 24 F. Supp. 2d 548 (E.D. Va. 1998);
- BUDWEISER, Anheiser-Busch, Inc. v. Andy’s Sportswear, Inc., 40 U.S.P.Q.2d 1542 (N.D. Cal. 1996);
In other cases, however, the “fame” determination more closely resembles the “I know it when I see it” standard from another well-known area of law. For example, from the world of board games, courts have determined that CANDYLAND qualifies as a famous mark but CLUE does not. *Compare Hasbro, Inc. v. Internet Entertainment Group, Ltd.*, 40 U.S.P.Q.2d 1479 (W.D. Wash. 1996) (CANDYLAND held famous with no discussion other than the observation that it had been federally registered since 1951), *with Hasbro, Inc. v. Clue Computing, Inc.*, 66 F. Supp. 2d 117 (D. Mass. 1999), aff’d, 232 F.3d 1 (1st Cir. 2000) (CLUE held not famous because it “is a common word that numerous third parties use”). The United States has no special register for “famous” marks, so fame must be determined on a case-by-case basis through the litigation process. See McCarthy, § 24:90 at 24-213. This uncertainty about what qualifies as a famous mark results in unpredictability of results and creates difficulties for lawyers attempting to counsel clients in this area. Interestingly, it also makes dilution law less like traditional trademark infringement law, where marks can be registered and have presumed validity, and more like trade secret law, where protection is determined after the fact and often depends on the creativity and skill of the advocate.

In Professor McCarthy’s view, “too many courts have not taken the ‘fame’ requirement seriously and have elevated to the ‘famous’ category marks that surely do not belong there.” McCarthy § 24:91.75 at 24-232. He cites the following examples:


As these examples show, the facts of a particular case, or the way those facts are presented, can influence the outcome as much as any legal test.

Courts have also disagreed on the role that the traditional trademark concept of “distinctiveness” plays in determining whether a mark is “famous.” A trademark that is suggestive, arbitrary, or fanciful is considered “inherently distinctive,” and a trademark that is descriptive may attain “acquired distinctiveness” or secondary meaning in the minds of consumers. See, e.g., *Best Vacuum, Inc. v. Ian Design, Inc.*, 2006 WL 3486879 at * 4 (N.D. Ill. Nov. 29, 2006). In the dilution context, however, most courts treat distinctiveness as a synonym for fame or as a prerequisite for a mark to be deemed famous. See McCarthy § 24:91.25 at 24-224 (interpreting the FTDA as imposing no separate statutory requirement of “distinctiveness” apart from the requirement that the mark be “famous”). But see *Savin Corp. v. Savin Group*, 391 F.3d 439, 449 (2nd Cir. 2004) (applying Second Circuit requirement that plaintiff must show mark both is famous and possesses a high degree of distinctiveness).
Because some degree of “distinctiveness” is required for any trademark to be protectable, it would seem that some level of distinctiveness is necessary but not always sufficient for a mark to be deemed famous and thus entitled to protection against dilution. See id. n.3 (collecting cases); Restatement (3d) of Unfair Competition § 25, comment e (1995) (under state anti-dilution statutes, most courts require that a mark possess a degree of distinctiveness beyond that needed to qualify as a valid trademark). Even inherent distinctiveness is not necessarily enough for a mark to qualify as famous. See Viacom, Inc. v. Ingram Enterprises, Inc., 141 F.3d 886, 888 (8th Cir. 1998). As Professor McCarthy notes: “By definition, all ‘trademarks’ are ‘distinctive’ – very few are ‘famous’.” McCarthy § 24:91.25 at 24-226.

B. Dilution under the Lanham Act – the FTDA

1. Elements of a Dilution Claim

Prior to 1996, trademark dilution claims were a creature solely of state statutory or common law. That changed with the adoption of the FTDA, which amended Section 1125(c) of the Lanham Act to recognize a federal claim for dilution of famous trademarks. The FTDA authorized the owner of a famous mark to bring a claim for injunctive relief “against another person’s commercial use in commerce of a mark or trade name, if such use begins after the mark has become famous and causes dilution of the distinctive quality of the famous mark.” 15 U.S.C. § 1125(c)(1) (1996). To establish a violation of the FTDA, the plaintiff was required to show that:

1. Its mark is “distinctive and famous;”
2. The defendant is making a commercial use of the mark in commerce;
3. The defendant began using an identical or substantially similar mark after the plaintiff’s mark became famous; and
4. The defendant’s use of the mark dilutes the distinctive quality of the mark to identify and distinguish the plaintiff’s goods and services.

See Savin Corp., 391 F.3d at 449; AutoZone, Inc. v. Tandy Corp., 373 F.3d 786, 802 (6th Cir. 2004). The FTDA also authorized the recovery of damages or other monetary remedies under the Lanham Act upon proof that the defendant “willfully intended to trade on the owner’s reputation or to cause dilution of the famous mark.” 15 U.S.C. § 1125(c)(2) (1996).

One of the issues courts struggled with most under the FTDA was the threshold determination of whether a mark met the statutory requirement of being “distinctive and famous.” The FTDA listed eight non-exclusive factors to be considered in making this determination. Among the most significant of these factors were the degree of inherent or acquired distinctiveness of the mark, the duration and extent of use of the mark, the duration and extent of advertising and publicity of the mark, the geographical extent of the trading area in which the mark is used, and the nature and extent of the use of the same or similar marks by third parties. 15 U.S.C. § 1125(c)(1)(A)-(D), (G) (1996). As discussed in Section II.A.4. above, courts’ determinations in this area were inconsistent and unpredictable.
2. Statutory Defenses

The FTDA enumerated three statutory defenses to a dilution claim:

- “Fair use” in comparative commercial advertising to identify competing goods and services of the famous mark;
- “Noncommercial use” of a mark; and
- All forms of news reporting and news commentary.

15 U.S.C. § 1125(c)(4) (1996). Because anti-dilution law prohibits use of an identical or similar mark even where there is no likelihood of confusion, these defenses balance the mark owner’s interest in preventing dilution against the undesirable result of allowing the owner of a famous mark to appropriate the mark completely and prevent all other uses. The three statutory defenses in the FTDA were identical to the 1992 Model State Trademark Bill, and thus reflected similar defenses found in many state anti-dilution statutes. Section VI.A provides more a detailed discussion of the Model State Trademark Bills.

The “noncommercial use” defense is a powerful one; courts often treat it as a threshold inquiry before reaching the questions of whether a mark is famous and whether actual or likely dilution exists. The FTDA’s standard for “commercial” use is more stringent than the traditional Lanham Act requirement of use of a mark “in connection with” goods or services. See 15 U.S.C. § 1125(a)(1). Courts in dilution cases generally define “commercial” use as involving a situation where goods or services are bought, sold, or advertised for sale. See Mattel Inc. v. MCA Records Inc., 296 F.3d 894, 903 (9th Cir. 2002); see also McCarthy § 24:90 at 24-216.

Parody and political commentary are the most commonly recognized “noncommercial” uses. If the junior user’s work qualifies as either parody or political expression, a dilution claim likely will fail.

Parody has been defined by the United States Supreme Court as a “literary or artistic work that imitates the characteristic style of an author or a work for comic effect or ridicule.” Campbell v. Acuff-Rose Music Inc., 510 U.S. 569, 580 (1994). Parody is protected under the First Amendment, and is a defense to both copyright and trademark infringement claims. In Mattel Inc. v. Walking Mountain Productions, 353 F.3d 792 (9th Cir. 2003), the court rejected a dilution claim under the FTDA challenging a photographer’s use of Mattel’s “Barbie” doll in unflattering and sexually explicit positions. The photographer claimed his use of Barbie in his photographs was an attempt to “critique the objectification of women associated with [Barbie] and lambaste the conventional beauty myth and the societal acceptance of women as objects because this is what Barbie embodies.” Id. at 796. The court rejected Mattel’s claim that the photographer’s use constituted dilution by tarnishment, holding that tarnishment resulting from an editorial or artistic parody, which satirizes the plaintiff’s product or image, is not actionable because of free speech protections under the First Amendment. Id. at 812. See also Haute Diggity Dog, 464 F. Supp. 2d at 505 (rejecting Louis Vuitton’s dilution claim against seller of inexpensive dog toys, noting that parody causes no loss of distinctiveness of the famous mark).
Courts also routinely hold that political speech involving a famous mark is a “noncommercial” use and cannot be the basis of a federal dilution claim. In *Mastercard International Inc. v. Nader 2000 Primary Committee Inc.*, 2004 WL 434404 (S.D. N.Y. Mar. 8, 2004), Mastercard sued Ralph Nader for using its PRICELESS advertising slogan as part of his campaign advertising. The court noted that Nader’s ads expressed his strong political message against the corrupting force of special interest financing in politics. Even assuming Nader’s ads increased contributions to his political campaign, that fact was not enough to deem the use “commercial.” The legislative history of the Lanham Act clearly indicates that Congress did not intend to chill political speech, the court observed. *Id.* at *11. Because the ads were political in nature, the court held that as a matter of law they were exempt from coverage by the FTDA. *Id.* at *12.

Likewise, in *American Family Life Assurance Co. v. Hagen*, 266 F. Supp. 2d 682 (N.D. Ohio 2002), the court denied a motion for a preliminary injunction by AFLAC to stop political commercials evoking the image of its well-known talking duck. The defendant challenger for governor created Internet commercials showing Governor Taft’s head sitting on the body of a white cartoon duck that made the sound “TaftQuack.” The court held that the defendant’s use was clearly noncommercial, because it did more than propose a commercial transaction; it discussed public issues and challenged the qualifications of a political candidate. *Id.* at 697. Despite AFLAC’s argument that the consuming public would associate the AFLAC duck and the TaftQuack character, with possible negative fallout to AFLAC, the court held that the First Amendment protected this use.

The concept of “fair use” in comparative advertising applies where the junior user uses the famous mark solely to identify the competing goods or services associated with the famous mark. A junior user can go too far, however, and become liable for dilution by tarnishment if it alters the famous mark in a way that creates the “possibility” that “consumers will come to attribute unfavorable characteristics to a mark and ultimately associate the mark with inferior goods and services.” *Deere & Co. v. MTD Products*, 41 F.3d 39, 45 (2nd Cir. 1994) (applying New York anti-dilution statute). In *Deere*, a competitor created a television ad that featured a modified version of the famous John Deere logo. The ad took “a static image of a graceful, full-size deer – symbolizing Deere’s substance and strength – and portray[ed], in an animated version, a deer that appears smaller than a dog and scampers from the dog and a lawn tractor, looking over its shoulder in apparent fear.” *Id.* The court held that such alterations, made for the purpose of promoting a competing product, violated New York’s anti-dilution law.

Finally, the FTDA recognized that “principles of equity” apply to a decision whether to issue an injunction based on the statute. 15 U.S.C. § 1125 (c)(1). Thus, traditional equitable defenses such as waiver, estoppel, and laches apply to such claims.

3. **Unresolved Issues Under the FTDA**
As courts began to apply the FTDA, questions arose as to the interpretation of certain terms and concepts. Although the FTDA is part of the Lanham Act, some courts determined that traditional Lanham Act principles applicable to trademark infringement law did not apply to dilution claims under the new statute. Two issues resulted in significant splits of authority among federal courts: whether “niche” fame within a limited geographic area or line of business could qualify a mark as “famous,” and whether the FTDA required proof of actual dilution or merely a likelihood of dilution, similar to the standard for trademark infringement.

The FTDA did not fully define what was required for a mark to be “famous” as a prerequisite for protection against dilution. The eight-factor test discussed in Section II.A.4. above was not specific as to the geographic scope or degree of recognition required. As a result, some courts applying the FTDA granted “famous” mark status where the mark was well known among a small, defined group but not necessarily among the general public. For example, the Third Circuit held that THE SPORTING NEWS mark was famous in the limited market of readers of sports magazines, and it upheld a preliminary injunction based on trademark dilution against a magazine entitled “Las Vegas Sporting News.” *Time Mirror Magazines Inc. v. Las Vegas Sports News, LLC*, 212 F.3d 157 (3rd Cir. 2000). *Accord Advantage Rent-A-Car Inc. v. Enterprise Rent-A-Car Co.*, 238 F.3d 378 (5th Cir. 2001) (court stated that plaintiff could have proven its slogan was famous within the car rental industry); *Syndicate Sales Inc. v. Hampshire Paper Corp.*, 192 F.3d 633 (7th Cir. 1999); (noting that degree of recognition of the mark in the channels of trade of the mark owner and the defendant supported finding of fame in a particular market).

Other courts rejected that concept, however, and required that a mark have broad recognition among the general public to qualify as “famous.” See, e.g., *TCP/IP Holding Co., Inc. v. Haar Communications Inc.*, 244 F.3d 88 (2nd Cir. 2001) (relying on FTDA’s legislative history to conclude Congress intended to confer broad dilution protection only on nationally famous marks). As explained in Section IV below, this issue was resolved by the TDRA, which rejected the concept of “niche” fame.

A more significant split of authority developed over the issue of whether a plaintiff must prove actual economic injury from the alleged dilution, or whether proof of a likelihood of dilution was sufficient to obtain relief. In *Ringling Bros.-Barnum & Bailey Combined Shows Inc. v. Utah Div. of Travel Development*, 170 F.3d 449 (4th Cir. 1999), Ringling Bros. circus alleged that the State of Utah’s slogan THE GREATEST SNOW ON EARTH diluted the circus’ famous slogan THE GREATEST SHOW ON EARTH. The Fourth Circuit rejected this claim because the circus failed to prove “an actual lessening of the senior mark’s selling power” as a result of the alleged dilution. *Id.* at 458. The court rejected the circus’ argument that because the marks were substantially identical, injury to selling power and distinctiveness of the famous mark should be presumed. *Id.* at 456. The court also rejected the argument that a likelihood of dilution was sufficient to obtain relief, holding that the FTDA’s use of the phrase “causes dilution” created a different standard than the Model State Trademark Bill and certain state statutes, which use the term “likelihood of dilution.” *Id.* at 460-61. State anti-dilution statutes are discussed further in Section VI, below.
The Second Circuit reached a different result in Nabisco Inc. v. PF Brands Inc., 191 F.3d 208 (2nd Cir. 1999). There, the court affirmed a preliminary injunction against Nabisco on the claim that its sale of fish-shaped snack crackers diluted Pepperidge Farms’ GOLDFISH brand crackers. The Second Circuit interpreted the FTDA to authorize relief “before the dilution has occurred, because to hold otherwise would subject the senior user to uncompensable injury.” Id. at 225. See also Eli Lilly & Co. v. Natural Answers Inc., 233 F.3d 456 (7th Cir. 2000) (affirming a preliminary injunction based on likelihood of dilution).

As explained in Section III below, this split among the circuits eventually was resolved by the United States Supreme Court. And because the trademark community did not like the Supreme Court’s decision, the issue was addressed yet again in the TDRA.

III. THE SUPREME COURT’S VICTORIA’S SECRET DECISION

A. Case Background and Decision of the Court

In Moseley v. V. Secret Catalogue, Inc., 537 U.S. 418 (2003), the Supreme Court held that the FTDA required a showing of actual harm to the economic value of a mark, as opposed to mere likelihood of harm, to prove dilution. The defendants in that case owned and operated a store in Elizabethtown, Kentucky named “Victor’s Little Secret,” which sold a wide variety of goods including lingerie, jewelry, lighting, pagers, and adult novelties and gifts. Id. at 422-23. The plaintiffs owned the VICTORIA’S SECRET trademark, which they used in connection with the sale of women’s lingerie and other products through hundreds of VICTORIA’S SECRET stores across the country and annual distribution of more than 400 million VICTORIA’S SECRET catalogs. After receiving a copy of the defendants’ advertisement for the grand opening of their store, the plaintiffs sued the defendants for violation of the FTDA. Id. at 422-24.

The plaintiffs provided undisputed evidence that the VICTORIA’S SECRET trademark was famous, distinctive, and of significant value. Id. at 424-25. Thus, the only issue before the Court was whether the defendants’ use of the name Victor’s Little Secret diluted the distinctive quality of the VICTORIA’S SECRET mark through tarnishment and blurring. Id. at 425. The plaintiffs, however, failed to provide evidence that the defendants’ use of Victor’s Little Secret had any actual impact on the economic value of the VICTORIA’S SECRET mark. Id. at 424-25.
The Court found that the text of the FTDA “unambiguously requires a showing of actual dilution, rather than a likelihood of dilution.”  Id. at 433. The court based this interpretation on the differences between the language of analogous state anti-dilution statutes and the language of the FTDA, along with a textual analysis of the definition of “dilution” in the FTDA itself. The Court noted that most state statutes, as well as other sections of the Lanham Act, explicitly refer to the “likelihood” of harm instead of actual completed harm. Id. at 432. The language of the FTDA, by contrast, makes no reference to “likelihood” and instead states that a claimant is entitled to relief only where another’s commercial use causes dilution of its distinctive mark. Id. at 432-33. The Court found further support for this interpretation in the fact that Congress chose to define “dilution” as “the lessening of the capacity of a famous mark to identify and distinguish goods or services, regardless of the presence or absence of . . . likelihood of confusion, mistake, or deception.” Id. at 433 (quoting 15 U.S.C. § 1127). The Court reasoned that Congress’ election to use “likelihood” in the latter portion of the definition, juxtaposed with its failure to do so in reference to the “lessening of capacity” portion, suggests the requirement that the lessening be actual and not merely probable. Id.

After clearly announcing an actual dilution standard, the Court was less clear with regard to how actual dilution could be proved. The Court rejected any implication in the leading Fourth Circuit opinion in Ringling Bros. that actual dilution must be proved through evidence of actual loss in sales or profits; however, the Court also stated that proof of consumers’ mental associations between the alleged violator’s use and the owner’s trademark is not sufficient to show actual dilution. Id. Such mental associations do not necessarily lead to blurring or tarnishment of a mark, and thus further evidence of actual harm must be provided, the Court held. Id. at 433-34. The Court recognized the potential difficulty and expense of proving such harm through consumer surveys and suggested that circumstantial evidence can suffice to prove actual harm in some cases, such as where the famous mark and the alleged violator’s mark are identical. Id. at 434. The Court found that in this case the plaintiffs failed to provide sufficient evidence of actual dilution of the VICTORIA’S SECRET mark. The Court therefore reversed and remanded the case to allow the plaintiffs to provide evidence of actual blurring or tarnishment. Id.

In dicta prior to its announcement of the actual dilution standard, the Court suggested the possibility that the text of the FTDA does not embrace claims for tarnishment, as opposed to blurring. Id. at 432. The Court hinted that the lack of reference to injury to reputation as a ground for relief in the language of the FTDA, in contrast with its express inclusion in state statutes, could suggest a narrower interpretation. Id. This dicta, however, did not seem to have much effect on subsequent cases in the lower federal courts. See Scott Fetzer Co. v. House of Vacuums, Inc., 381 F.3d 477 (5th Cir. 2004) (noting Supreme Court’s doubt regarding applicability of FTDA to claims for tarnishment but nonetheless allowing tarnishment claim to proceed); Caterpillar, Inc. v. Walt Disney Co., 287 F. Supp. 2d 913 (C.D. Ill. 2003) (same, but denying a temporary restraining order after finding no evidence of actual tarnishment).

B.  Case Law Applying U.S. Supreme Court’s Decision
The *Victoria’s Secret* decision had an immediate impact in the lower federal courts. First, in those courts that had previously applied a likelihood of dilution standard, many pending actions were vacated and remanded to allow for reconsideration under the new standard. Second, lower courts struggled to interpret and apply the Supreme Court’s actual dilution standard, particularly regarding the kind of evidence that could be used to prove actual dilution and the proper role of circumstantial evidence.

Consistent with the Supreme Court’s analysis, many circuits rejected dilution claims where the only evidence provided by the claimant was that of consumers’ mental associations linking the two marks at issue, absent any proof that consumers’ ability to identify which particular goods and services related to which mark had been lessened. See, e.g., *Horphag Research Ltd v. Garcia*, 475 F.3d 1029, 1037 (9th Cir. 2007); *Louis Vuitton Malletier v. Dooney & Bourke, Inc.*, 454 F.3d 108, 118-119 (2nd Cir. 2006); *Care First of Maryland, Inc. v. First Care, P.C.*, 434 F.3d 263, 274 (4th Cir. 2006); *Kellogg Co. v. Toucan Golf, Inc.*, 337 F.3d 616, 628 (6th Cir. 2003). Courts also consistently recognized that the new standard did not require a showing of the consequences of the dilution, such as proof of actual losses in sales or profits. See *Scott Fetzer Co.*, 381 F.3d at 490; *Playtex Products, Inc. v. Georgia-Pacific Corp.*, 390 F.3d 158, 167 (2nd Cir. 2004); *Kellogg*, 337 F.3d at 628.

Courts generally agreed that the claimant is under a duty to put forth objective evidence to prove that the mark’s capacity to identify and distinguish particular goods and services has been actually lessened. This standard is both ambiguous and difficult to meet, however, as the Seventh Circuit recognized in *Ty, Inc. v. Softbelly’s Inc.*, 353 F.3d 528 (7th Cir. 2003). The Seventh Circuit described the kind of evidence the claimant must bring forward as “trial-type evidence.” *Id.* at 535. Other circuits suggested that claimants could rely on consumer surveys, financial evidence, or other circumstantial evidence. See *Horphag Research Ltd*, 475 F.3d at 1037; *Playtex Products, Inc.*, 390 F.3d at 167; *Sullivan v. CBS Corp.*, 385 F.3d 772, 779 (7th Cir. 2004). Some courts were quite strict in their allowance of consumer survey evidence, however, admitting only surveys that specifically measured the alleged violating use’s effect on consumers’ ability to relate the trademark at issue to particular goods or services. See, e.g., *Care First of Maryland, Inc.*, 434 F.3d at 274 (holding that a consumer survey designed to measure likelihood of confusion instead of likelihood of dilution was insufficient evidence of actual dilution); *Playtex Products, Inc.*, 390 F.3d at 168 (finding that a consumer survey that presented incomplete representations of the marks at issue was inadmissible as to a dilution claim).
Application of the new standard regarding circumstantial evidence and identical marks required the most interpretation from the lower courts after the *Victoria’s Secret* decision. The Court stated that “direct evidence of dilution such as consumer surveys will not be necessary if actual dilution can reliably be proved through circumstantial evidence – the obvious case is one where the junior and senior marks are identical.” 537 U.S. at 434. Confusion arose as to whether the Court meant (a) that where the marks are identical other circumstantial evidence of actual dilution will suffice, or (b) that the fact that the marks are identical is in itself sufficient circumstantial evidence of actual dilution. Most circuits that addressed this issue adopted the latter interpretation and allowed identical marks to give rise to a presumption of actual dilution. See *Horphag Research Ltd.*, 475 F.3d at 1036 (use of an identical mark is in itself circumstantial evidence of actual dilution); *Audi AG v. D’Amato*, 469 F.3d 534 (6th Cir. 2006) (identity of marks fulfills requisite showing of actual dilution); *Savin Corp. v. Savin Group*, 391 F.3d 439, 451-53 (2nd Cir. 2004) (identical marks give rise to presumption of actual dilution). The Second Circuit in *Savin* held that the marks must be identical, not merely similar, to give rise to this presumption of actual dilution. *Id.* at 453. See also *Everest Capital Ltd. v. Everest Funds Management, L.L.C.*, 393 F.3d 755, 763 (8th Cir. 2005) (finding that similar but not identical marks were insufficient evidence of actual dilution).

The actual dilution standard announced in *Victoria’s Secret* significantly impaired trademark owners’ ability to prove dilution under the FTDA. Courts rarely allowed recovery, except in cases where the two marks at issue were identical. The actual dilution standard also proved far more difficult for litigants to satisfy than the likelihood of dilution standard maintained by various state statutes and prior court interpretations of the FTDA.

IV. FEDERAL TRADEMARK DILUTION REVISION ACT OF 2006

A. History of Passage

The *Victoria’s Secret* decision prompted proponents of trademark owners’ rights to lobby Congress for new federal anti-dilution law to revise the FTDA.1 An International Trademark Association ("INTA") committee formed to study the impact of the *Victoria’s Secret* decision concluded that “dilution law in the United States is moving in every direction except the one that it needs to – forward.” *Id.* The committee cited four problems with the then-current state of the dilution law:

- A problematic standard for proving dilution. The Supreme Court’s decision requiring proof of “actual dilution” made the FTDA’s protection against dilution “at best ambiguous and at worst nearly impossible to establish,” the INTA committee concluded. *Id.* Requiring proof that a mark has been measurably impaired would mean that “the damage has been done,” making the remedy of injunctive relief far less effective. *Id.*

---

Division among the circuits on what constitutes a famous mark. The
FTDA set out to protect “famous” marks but never defined “fame.” Instead, it merely set out eight nonexclusive factors courts might consider in assessing a trademark’s fame. As a result, courts were “hopelessly split on what constitutes a famous mark.” Id. The Third, Fourth, Fifth, Sixth, Seventh, and Ninth Circuits had adopted a niche-market theory, allowing fame in a particular market or geographic area to qualify a mark for “famous” status. The Second, Eighth, and Eleventh Circuits had expressly rejected niche-market fame as sufficient to qualify for famous status. The First, Tenth, and Federal Circuits had not ruled on the issue.

A split among the circuits on whether to protect famous marks with acquired distinctiveness. The Second Circuit held that the FTDA protected only famous marks that are inherently distinctive (that is, coined, arbitrary, or suggestive), and that descriptive marks can never be protected, no matter how famous they may become. By contrast, most courts held that a famous mark could be protected from dilution even if it had started out being merely descriptive, as long as it had acquired distinctiveness, or “secondary meaning,” through years of extensive sales and advertising or promotion.

Uncertainty about the statute’s coverage of tarnishment. The Victoria’s Secret decision questioned, in dicta, whether dilution by tarnishment was actionable – even though the legislative history of the FTDA specifically stated that the statute covered tarnishment.

This “lack of clarity” in the law and the splits among the courts on fundamental questions of trademark dilution had prompted trademark owners to engage in forum shopping and had spawned “unnecessarily costly lawsuits,” INTA said. Id. As a remedy for these problems, INTA urged Congress to pass legislation that would be “narrower, clearer, and more focused on addressing the specific harm of dilution, while providing owners of famous marks a provable cause of action, and protecting free speech.” Id.

In response to these concerns, the TDRA was introduced in February 2005 as H.R. 683 by Representative Lamar Smith (R-Texas). It was passed by Congress in September 2006 and signed into law on October 6, 2006. It took effect immediately upon signing. The TDRA essentially rewrites the provisions on dilution that the FTDA had added to the Lanham Act.

B. Key Provisions of the TDRA

1. No Requirement of Actual Dilution

The most significant change of the TDRA is that it eliminates any requirement to prove actual dilution, substituting a lower “likelihood of dilution” standard. See 15 U.S.C. § 1125(c)(1). This legislatively overruled the Supreme Court’s holding in Victoria’s Secret requiring actual dilution to establish liability. The statute permits injunctive relief upon a showing that dilution of a famous mark is likely, “regardless of the presence or absence of actual or likely confusion, of competition, or of actual economic injury.” Id.

2. Dilution by Blurring
The TDRA expressly recognizes causes of action for dilution by blurring and dilution by tarnishment. Dilution by blurring is defined in the statute as “association arising from the similarity between a mark or trade name and a famous mark that impairs the distinctiveness of the famous mark.” 15 U.S.C. § 1125(c)(2)(B). The TDRA provides a non-exclusive list of factors that courts may consider in assessing dilution by blurring:

(i) The degree of similarity between the mark or trade name and the famous mark;

(ii) The degree of inherent or acquired distinctiveness of the famous mark;

(iii) The extent to which the owner of the famous mark is engaging in substantially exclusive use of the mark;

(iv) The degree of recognition of the famous mark;

(v) Whether the user of the mark or trade name intended to create an association with the famous mark; and

(vi) Any actual association between the mark or trade name and the famous mark.


3. Dilution by Tarnishment

Dilution by tarnishment is defined in the TDRA as “association arising from the similarity between a mark or trade name and a famous mark that harms the reputation of the famous mark.” 15 U.S.C. § 1125(c)(2)(C). The statute’s express references to tarnishment eliminate any doubt created by the Supreme Court in *Victoria’s Secret* as to whether tarnishment is actionable under federal trademark law – it is, indeed.

4. A New Definition of “Famous”

The TDRA may broaden the claims available to trademark owners, but it also narrows the universe of trademarks eligible to invoke its protections. A mark must be “famous” to be the subject of a dilution claim, and the TDRA expressly defines what it means to be famous. First, the statute provides that “a mark is famous if it is widely recognized by the general consuming public of the United States as a designation of source of the goods or services of the mark’s owner.” 15 U.S.C. § 1125(c)(2)(A). The TDRA then lists four non-exclusive factors that courts may consider to determine whether a mark has “the requisite degree of recognition” to form the basis of a dilution claim:

(i) The duration, extent, and geographic reach of advertising and publicity of the mark, whether advertised or publicized by the owner or third parties;

(ii) The amount, volume, and geographic extent of sales of goods or services offered under the mark;
(iii) The extent of actual recognition of the mark; and

(iv) Whether the mark was registered.


The TDRA addresses two points, niche-market fame and acquired distinctiveness, on which the circuit courts were divided. First, the TDRA’s definition of fame and the statute’s legislative history make it clear that trademarks with fame limited to a certain market segment or geographic area cannot claim protection from dilution under the TDRA. 15 U.S.C. § 1125(c)(1); H.R. Rep. No. 109-23 at 8 (2005). Second, the statute provides that a famous mark must be distinctive; however, it further provides that marks may be eligible for protection whether they are inherently distinctive or have acquired distinctiveness through use in commerce. 15 U.S.C. § 1125(c)(1).

5. Exclusions for Fair Use, News, and Noncommercial Uses

Several types of trademark uses are not actionable under the new statute. First, the act excludes any “fair use” of a famous mark by another person, “other than as a designation of source for the person’s own goods or services,” in connection with comparative advertising or with parody, criticism, or commentary. Second, the act excludes “all forms of news reporting and news commentary.” Third, the act excludes “any noncommercial use of a mark.” 15 U.S.C. § 1125(c)(3).

Free speech proponents argue that because a “designation of source” is “basically synonymous with a trademark,” the fair use exclusion will not protect free speech in the form of a public information campaign against a corporation that uses the corporation’s mark as an identifier. See Hofrichter, Jesse A., Note: Tool of the Trademark: Brand Criticism and Free Speech Problems with the Trademark Dilution Revision Act of 2006, Cardozo L. Rev. 1923, 1951 (Feb. 2007). Thus, the “designation of source” phrase “takes the teeth out of the fair use exclusion by limiting the scope of its protection, meanwhile providing a valuable tool to corporations seeking to obstruct organized critics of their practices.” Id. at 1951-52. No case testing this theory has yet been decided in the courts.

6. Trade Dress Covered

The TDRA expressly contemplates that trade dress dilution is actionable. 15 U.S.C. § 1125(c)(4). But to prove a claim of dilution for trade dress not registered with the U.S. Patent & Trademark Office, the owner of the trade dress must show that it is famous and not functional. 15 U.S.C. § 1125(c)(4).

7. Interaction with State Dilution Laws

The TDRA provides that a defendant’s ownership of a valid federal trademark registration is “a complete bar” to an action under state common law or state statutes for dilution by blurring or tarnishment or for actual or likely harm to “the distinctiveness or reputation of a mark, label, or form of advertisement.” 15 U.S.C. § 1125(c)(6).

C. Remedies For Trademark Dilution
Injunctive relief is, and has always been, the primary remedy available for trademark dilution. The first provision of the TDRA is for injunctive relief:

INJUNCTIVE RELIEF – Subject to the principles of equity, the owner of a famous mark that is distinctive, inherently or through acquired distinctiveness, shall be entitled to an injunction against another person who, at any time after the owner’s mark has become famous, commences use of a mark or trade name in commerce that is likely to cause dilution by blurring or dilution by tarnishment of the famous mark, regardless of the presence or absence of actual or likely confusion, of competition, or of actual economic injury.

15 U.S.C. § 1125(c)(1). The injunctive relief contemplated by the TDRA is national in scope.

As a prospective remedy, injunctive relief is available under the TDRA even in lawsuits filed or involving conduct that occurred before the statute was enacted. Moreover, the statute permits injunctive relief without a showing of actual dilution or actual economic harm. A showing of likelihood of dilution suffices.

As the discussion of case law in Section V will show, proving a likelihood of success on the merits is the key to winning preliminary injunctive relief, the most common relief addressed in the reported trademark dilution cases. Factors such as irreparable harm and the public interest, often invoked when seeking injunctive relief in traditional trademark infringement cases, are less significant in trademark dilution cases. Plaintiffs rarely rely on irreparable harm as a basis for injunctive relief in a dilution case because the TDRA does not require any showing of actual dilution or other actual harm. In any event, evidence of harm would be harder for plaintiffs to establish because dilution claims typically involve marks used in different areas of business, not marks used in direct competition for the same business. Public interest is less significant because the TDRA is intended to protect the property rights of the owners of famous marks against dilution, and any benefit to the public interest from that would be indirect at best – unlike the benefit of enjoining traditional trademark infringement, which is intended to protect the consuming public against likelihood of confusion or deception and thus has direct benefit to the public interest.

The TDRA has also expanded the remedies available for dilution beyond injunctive relief. See 15 U.S.C. § 1125(c)(5). If the owner of a famous mark can show that a defendant in a dilution case acted willfully, then, “subject to the discretion of the court and the principles of equity,” the plaintiff-owner may be able to recover money damages, including the defendant’s profits, the plaintiff’s damages, the costs of the action, and, in exceptional cases, attorney fees. The plaintiff-owner also may be able to obtain an order for the destruction of the mark or item that is the subject of the dilution claim. See 15 U.S.C. §§ 1125(c)(5); 1117(a), 1118. These are also the standard remedies that the Lanham Act provides for traditional trademark infringement claims.
To prove willfulness in the context of blurring, a plaintiff must show that the defendant “willfully intended to trade on the recognition of the famous mark.” 15 U.S.C. § 1125(c)(5)(B)(i). To prove willfulness in the context of tarnishment, a plaintiff must show that the defendant “willfully intended to harm the reputation of the famous mark.” 15 U.S.C. § 1125(c)(5)(B)(ii). These additional remedies are available only if the defendant’s first use of the mark in commerce occurred after October 6, 2006, the date of enactment of the TDRA. 15 U.S.C. § 1125(c)(5)(A).

The TDRA also permits the owner of a famous mark to bring an opposition proceeding or a cancellation proceeding against a mark that is likely to cause dilution. 15 U.S.C. §§ 1052; 1064; 1092.

The TDRA provides no guidance on how money damages are to be determined. Because the plaintiffs’ marks, as a threshold matter, must be famous, they are likely to have significant economic value. But it is unclear how a likelihood of dilution affects their value and how that effect can be measured. In any event, no actual dilution is required to establish liability and entitlement to damages. As Professor McCarthy noted: “The notion of dilution triggering a recovery of monetary damages is unexplored in the case law. . . . It is hard to envision how one would begin to compute or measure money damages to compensate for the subtle, but real, blurring, tarnishment or dissonance that is caused by dilution.” McCarthy § 24:73 at 24-183.

Moreover, unlike a defendant in a traditional trademark infringement case involving likelihood of confusion, a defendant in a dilution case may not be a competitor of the owner of the famous mark. Thus, money damages related to profits may be based on unjust enrichment of the junior user, rather than lost revenue of the owner of the famous mark. Id. § 24:74 at 24-305. The harm that results from dilution is less direct, and more difficult to measure, than the harm that results from traditional trademark infringement:

In the traditional competitive trademark infringement setting, the infringer . . . may intend to steal sales from the senior user. That is, sales to confused customers are lost by the senior user to the junior user. The theory of dilution is that the famous mark loses some degree of its strength. But in a dilution case that same loss of strength does not shift over to benefit the junior user in the way that lost sales do in a traditional trademark infringement case. . . . Business people generally intend to better their own sales and market share, not to spitefully harm the position of a non-competitor.

Id. at § 24:99 at 24-306-07
Dilution claims are often alleged alongside trademark infringement claims, and when damages are awarded in these cases, it may not be clear whether the damages are for dilution or infringement or both. See, e.g., John Wiley & Sons, Inc. v. Kauzin Rukiz Entertainment, 2007 WL 1695124 at * 3 (S.D. N.Y. June 12, 2007) (in a case involving infringement and dilution claims, defendants defaulted, thereby establishing willfulness, and the court awarded $100,000 in statutory damages based on 15 U.S.C. § 1117(c) relating to counterfeit marks, but declined to grant an injunction); Levi Strauss & Co. v. Fox Hollow Apparel Group, LLC, 2007 WL 1140648 at * 4-6 (N.D. Cal. April 17, 2007) (in a default action involving infringement and dilution claims, the court found willfulness and awarded treble damages based on defendants’ profit, plus attorney fees, totaling $86,000, and granted an injunction).

V. COURTS’ FIRST INTERPRETATIONS OF THE TDRA

A. Retroactive Effect

The TDRA’s provision for money damages applies only to marks first used in commerce after October 6, 2006, the date when the statute was enacted and took effect. See 15 U.S.C. § 1125(c)(5). Courts have held, however, that the statute’s provision for injunctive relief can apply to marks in use and to conduct occurring before that date, because injunctive relief is prospective in nature. In Starbucks Corp. v. Wolfe’s Borough Coffee, Inc., 477 F.3d 765 (2nd Cir. 2007), for example, the Second Circuit vacated and remanded a December 2005 order and judgment in favor of defendant Wolfe’s Borough Coffee holding Starbucks had failed to prove that Wolfe’s sale of coffee under the MISTER CHARBUCKS mark diluted the STARBUCKS mark, in violation of the FTDA or New York’s anti-dilution statute. The FTDA at that time required proof of actual dilution, and the New York statute required proof of likelihood of dilution. The Second Circuit held that the TDRA, enacted nearly a year after the district court entered its order, applied to the case “to the extent that Starbucks has sought injunctive relief on the issue of dilution.” Id. at 766. Because injunctive relief is forward looking and intended to avoid continuing harm, the court held, the right to it must be determined at the time of trial. Id. Thus, the Second Circuit concluded, the district court must reconsider Starbucks’ federal dilution claim under a likelihood of dilution standard. The Second Circuit acknowledged that the district court had already determined there was no likelihood of dilution under the New York statute, but found it was unclear that the New York statute was coextensive with the TDRA or that the court’s analysis under state law conformed with that required by the TDRA. Id.

Likewise, in Louis Vuitton Malletier S.A. v. Haute Diggity Dog, LLC, 464 F. Supp. 2d 495, 504 (E.D. Va. 2006), a federal district court in the Fourth Circuit held that the TDRA applied to Louis Vuitton’s dilution claim, even though the claim was filed before the statute’s enactment, because Louis Vuitton sought injunctive relief for dilution, and the right to injunctive relief is decided at the time of the hearing – in this case, after the statute’s enactment.
On the other hand, in *Louis Vuitton Malletier v. Dooney & Bourke, Inc.*, 2007 WL 1222589 at * 4 (S.D. N.Y. April 24, 2007), a federal district court in the Second Circuit held that the TDRA’s relaxed evidentiary standard — requiring proof of likelihood of dilution rather than actual dilution — does not apply retroactively to plaintiffs seeking monetary remedies. The court rejected Louis Vuitton’s reliance on the Second Circuit’s decision in *Starbucks* to show that the “likely to cause dilution” standard could be applied to conduct that predates the TDRA. That case is inapposite, the court concluded, because it addresses injunctive relief. *Id.* at * 3, n. 31. The court rejected as “nonsense” Louis Vuitton’s argument that the TDRA is “ambiguous as to its temporal reach,” finding that the Act’s plain language prescribes its temporal scope to the day — that is, to October 6, 2006. *Id.* at * 4. See also *Dan-Foam A/S v. Brand Named Beds, LLC*, 2007 WL 1346609 * 6, n. 87 (S.D. N.Y. May 4, 2007) (concluding that for lawsuits filed before the effective date of the TDRA, the statute’s “likelihood of dilution” standard applies only to claims for injunctive relief, not to claims for money damages, so that plaintiffs must show actual dilution to recover money damages).

**B. Likelihood of Dilution**

In *AutoZone, Inc. v. Strick*, 466 F. Supp. 2d 1034, 1045 (N.D. Ill. 2006), the court expressly acknowledged that the TDRA eliminated any requirement that a plaintiff must prove actual or likely confusion or actual dilution to succeed with a dilution claim. In that case, plaintiffs AutoZone, Inc. and AutoZone Parts, Inc. filed a lawsuit in November 2003 asserting dilution claims under federal and Illinois law against the operators of quick oil change and car wash businesses that used the marks OIL ZONE and WASH ZONE.

On a motion for summary judgment, the court rejected the defendants’ argument that because plaintiffs could not prove a likelihood of confusion, their marks could not be similar enough to the defendants’ marks to support a dilution claim. *Id.* Nevertheless, the court granted summary judgment for the defendants after finding that AutoZone failed to show either actual or likely dilution. “Even with a change of the law favoring plaintiffs” with the enactment of the TDRA, the AutoZone plaintiffs have not met their burden, and their federal and state dilution claims must be dismissed, the court held.

In two decisions issued in February 2007, a federal district court in Arizona rejected dilution claims brought by Century 21 Real Estate LLC. *Century 21 Real Estate LLC v. Century Surety Co.*, 2007 WL 433579 (D. Ariz. Feb. 6, 2007) and 2007 WL 484555 (D. Ariz. Feb 9, 2007). Century 21, described by the court as “the leading franchisor in the field of real estate brokerage services,” had registered its CENTURY 21 mark for real estate brokerage services and for insurance brokerage services. 2007 WL 484555 at * 1-2. Century 21 filed a lawsuit against Century Surety, an underwriter of various forms of insurance, including commercial property insurance. The lawsuit asserted claims of trademark infringement and dilution. Century 21 sought the cancellation of Century Surety’s registration of the CENTURY INSURANCE GROUP mark and opposed Century Surety’s applications to register the CENTURY SURETY and CENTURY SURETY GROUP marks.
The court in March 2006 granted Century Surety’s motion for summary judgment on its claims of infringement and dilution. Based on the October 2006 enactment of the TDRA, however, Century 21 asked the court to reconsider its March 2006 order. The court reconsidered its earlier ruling but concluded that, even applying the TDRA’s new standard for determining whether a mark is likely to cause dilution by blurring, Century 21’s dilution claim must be dismissed. 2007 WL 433579 at * 5. The court also granted summary judgment for Century Surety on Century 21’s claims opposing the registration of the Century Surety marks based on theories of likelihood of confusion and dilution. 2007 WL 484555 at * 21. Although the TDRA no longer requires actual dilution, the court held, it does not eliminate two requirements that Century 21 failed to meet: first, that the marks used by the alleged diluter be identical, nearly identical, or substantially similar to the protected marks, and second, that consumers mentally associate the mark used by the alleged diluter with the protected mark. 433579 at *2.

The “main problem” with Century 21’s dilution claim, the court concluded, is that it seeks to show dilution from competing uses of the term “Century” alone, even though Century 21 has never registered “Century” alone, does not use or advertise “Century” alone, prohibits its franchisees from abbreviating the mark to “Century” alone, and produced no survey evidence that consumers associate “Century” alone with Century 21. The court also found that “Century” alone is not distinctive, given its extensive use in the real estate and insurance industries. Finally, in support of its conclusion of a lack of mental association, the court noted that: “during the parties’ 15 years of (undisputed) coexistence, none of [Century 21’s] 4,500 Franchisees (who employ a total of over 120,000 agents) have ever mentioned Century [Surety] to [Century 21] despite their duty to report infringing uses of the [Century 21] Marks.” 2007 WL 433579 at * 5; 2007 WL 484555 at * 18. Thus, the court held, no reasonable jury could conclude that relevant consumers mentally associate Century Surety’s marks with Century 21’s marks, and the claims based on dilution must be dismissed as a matter of law. Id.

C. **Use in Commerce (Descriptive Fair Use)**

A federal district court in California denied a motion for a temporary restraining order brought by the owners of the mark GAMECASTER based on dilution, because it could not determine at that early stage of the litigation whether the defendants had used the term “gamecaster” as a trademark in commerce. Gamecaster, Inc. v. DirecTV, Inc., 2006 US Dist LEXIS 92045 (S.D. Cal. Dec. 20, 2006). The court held that proof of dilution under either California law or federal law predating the TDRA required a showing that: (1) the plaintiff’s mark is famous; (2) the defendant is making commercial use of the mark in commerce; (3) the defendant’s use began after the mark became famous; and (4) the defendant’s use of the mark dilutes the quality of the mark by diminishing its capacity to identify and distinguish goods and services. The TDRA changed only the fourth element of that test, the court held, by substituting a likelihood of dilution requirement. Id. at * 20.
In this case, the court found, the plaintiff could not show it was likely to succeed on the merits of the second element of the test, because it was unclear whether the defendants were using “gamecaster” as a trademark. The plaintiff had registered GAMECASTER for “staging, organizing and conducting computer and video game tournaments and events.” The defendants claimed they were using “gamecaster” only in a descriptive sense, to refer to a video game broadcaster, and not as an indicator of source. “A defendant who uses words that happen to be trademarks for their non-trademark value does not use the mark in commerce for purposes of establishing a dilution cause of action,” the court held. *Id. at* *21. In essence, the court's ruling suggests that the defendants' use of the term “gamecaster” may be a descriptive fair use. Given the uncertainty regarding the threshold question of use in commerce, the court concluded it did not need to reach the other elements of the plaintiff's dilution claim.

D. What Qualifies as “Famous”?

1. Marks that Pass the Test for Fame

The TDRA supposedly raised the bar for marks to qualify as “famous,” requiring that they be “widely recognized by the general consuming public of the United States.” 15 U.S.C. § 1125(c)(2)(A). Nevertheless, some of the marks that have cleared the fame hurdle do not seem to rise to the level of recognition that the new law, on its face, requires.

**CHEM-DRY**

Despite the TDRA’s provision that niche-market fame is not enough to support a dilution claim, a federal district court granted a preliminary injunction on that basis in *Harris Research, Inc. v Lydon*, 2007 WL 1052479 (D. Utah April 5, 2007). In that case, franchisor Chem-Dry won an unopposed injunction against defendants who sold at an industry trade show t-shirts and stickers featuring a logo CHEM-WHO? The logo appeared in a color, font, and stylized “swoosh” design “virtually identical” to that of the CHEM-DRY mark, accompanied by the words “Stickin It To The Little Guy.” *Id. at* *1, 3. Chem-Dry claimed this use diluted its mark by tarnishment.

The court held that the CHEM-DRY mark was famous, as required by the TDRA, based on the following facts: Chem-Dry has more than 4,000 franchises throughout the world, with 2,600 locations throughout the United States; its marks had been used since 1977 and registered since 1979; Chem-Dry spent $22 million in 2006 on advertising; millions of customers have used its carpet cleaning services and purchased its products; brand research conducted in 2001 showed that “‘Chem-Dry’ had aided brand awareness of 100 percent among current customers and unaided awareness “the highest in the industry.” *Id. at* *1, 3. Although the court never expressly referred to niche-market fame, its discussion of facts focused on fame in the industry. The court then gave a nod to the TDRA’s broader requirement for fame by finding that the CHEM-DRY mark “is widely recognized by the general public in connection with carpet cleaning services.” *Id. at* *3. The court concluded that Chem-Dry “has shown that its trademark is being diluted and that the reputation of its mark is being harmed.” *Id. at* *5. (The court’s ruling on parody in this case is discussed in Section V.F.2. below.)

**PET SILK**
A supplier’s PET SILK mark, used in connection with the sale of pet grooming products through distributors worldwide, passed the TDRA’s test for “fame” in Pet Silk, Inc. v. Jackson, 481 F. Supp. 2d 824 (S.D. Tex. 2007). In that case, a federal district court in Texas granted a preliminary injunction against a former distributor of the pet grooming products, based in part on a federal dilution claim.

In its lawsuit and motion for an injunction, filed in July 2006 and heard in March 2007, plaintiff Pet Silk, Inc. sought to enjoin defendant MJM Company from (1) using domain names that include the PET SILK mark; (2) holding itself out as Pet Silk or as a manufacturer, main distributor, or licensee of PET SILK products; and (3) entering into, or representing that it can enter into, distributorship agreements with customers as sub-distributors. MJM offered an unauthorized reseller program, essentially creating sub-distributors, through its Web sites, www.petsilkonline.com and www.mjm-petsilk.com. After Pet Silk severed its relationship with MJM, MJM continued to sell Pet Silk products procured through other distributors and to use the term Pet Silk in its domain names and in metatags. Id. at 826-28.

In concluding that the PET SILK mark met the TDRA’s requirement for fame, the court cited the following facts: The mark had been used for at least 15 years and registered on the Principal Register for 10 years; Pet Silk has distributors “all over the world;” and PET SILK “has name recognition in the pet supply and dog grooming market.” Id. at 830. The court apparently ignored the TDRA’s requirement to show more than niche market fame, because it supported its finding that the PET SILK mark was famous with a pre-TDRA decision from the Fifth Circuit, Advantage Rent-A-Car, Inc. v. Enterprise Rent-A-Car, Co., 238 F.3d 378, 380 (5th Cir. 2001), which held that niche market fame is sufficient to prove a dilution claim. The court also considered PET SILK’s international exposure, even though “the general consuming public of the United States” is the only market relevant under the TDRA. See 15 U.S.C. § 1125(c)(2)(A).

The court found that Pet Silk proved “most, if not all,” of the six factors set out in the TDRA to show dilution by blurring. Id. at 831. It noted that the TDRA superseded the Fifth Circuit’s requirement of actual economic harm to prove a dilution claim and found that Pet Silk met the likelihood of dilution standard. Id. at 832.

**WAL-MART**

In Smith v. Wal-Mart Stores, Inc., 475 F. Supp. 2d 1318, 1323 (N.D. Ga. 2007), in the discovery stage of a dispute involving a claim for dilution by tarnishment, the court had no trouble concluding that the marks of “the world’s largest retailer” are both famous and distinctive. Wal-Mart was sued in March 2006 by a plaintiff seeking a declaratory judgment on the legality of his use of the term “Walocaust” to compare the company to the Nazis and its use of the term “Walqaeda” to compare it to al Qaeda. Wal-Mart counterclaimed for dilution by tarnishment under the FTDA. The court denied the plaintiff’s motion to compel Wal-Mart to produce evidence of third-party use of its marks, reasoning that such evidence would be relevant only in evaluating whether the marks are famous and distinctive, and the plaintiff did not dispute that the marks are “strong, famous, and distinctive.”

**LEVI STRAUSS Pocket Stitching**
A court granted a default judgment to Levi Strauss & Co. on claims under federal and California law for of dilution by blurring, involving a trademarked pocket stitching design on jeans imported from China. *Levi Strauss & Co. v. Fox Hollow Apparel Group, LLC*, 2007 WL 1140648 (N.D. Cal. April 17, 2007). The court accepted Levi’s allegations as true and found it had shown that: (1) its marks are famous; (2) the defendant was using the marks in commerce; (3) the use began after the Levi marks became famous; and (4) the use was likely to cause dilution. *Id.* at * 3. After finding that the defendant had willfully infringed Levi’s marks, the court awarded Levi treble damages based on the defendant’s profits and attorney fees and entered an injunction barring further use by the defendant of the trademarked stitching design.

**FOR DUMMIES**

In another default action, *John Wiley & Sons, Inc. v. Kauzin Rukiz Entertainment*, 2007 WL 1695124 (S.D. N.Y. June 12, 2007), a federal district court found that the mark FOR DUMMIES, registered by John Wiley & Sons, Inc. for prerecorded CDs, is famous and distinctive. Without discussion or analysis, the court found that the defendant’s distribution of CDs entitled “Blends for Dummies” diluted the distinctive quality of Wiley’s FOR DUMMIES mark by lessening its capacity to identify Wiley’s FOR DUMMIES products. The court awarded Wiley’s $100,000 in damages, presumably in connection with its infringement claim, but it declined to award requested attorney fees and declined to order an injunction.

**TEMPUR-PEDIC**

In *Dan-Foam A/S v. Brand Named Beds, LLC*, 2007 WL 1346609 * 17-18 (S.D. N.Y. May 4, 2007), a court considering the merits of a claim of dilution through the unauthorized resale of TEMPUR-PEDIC mattresses concluded that “a reasonable juror could find that the TEMPUR-PEDIC mark is ‘widely recognized by the general consuming public of the United States as a designation of source of the goods . . . of the mark’s owner.’” (citing 15 U.S.C. § 1125(c)(1)(A)). The court did not make a finding of distinctiveness, because that was not contested. Ruling on a motion for summary judgment brought by the defendant, and thus viewing the evidence in the light most favorable to the plaintiffs, the court cited the following evidence to support its finding regarding fame: The mark has been federally registered since 1994; Tempur-Pedic advertises nationally, through newspaper and magazine ads, mailings, television commercials, infomercials, and the Internet; its brand is a highly regarded, widely known identifier of high quality, therapeutic products; these products had received numerous consumer awards; and in the past three years, sales of goods offered under the mark had exceeded $2 billion. *Id.*

In analyzing the standard for fame under the TDRA, the court noted that the statute’s addition of the phrase “widely recognized by the consuming public of the United States” to the FTDA’s definition of “famous” was intended to reject dilution claims based on “niche” fame. The court held that “the Second Circuit’s requirement that ‘the senior mark [must] be truly famous before a court will afford the owner of the mark the vast protections of the FTDA’ remains unchanged by the TDRA’s reconfiguration of the fame factors to reject both ‘niche’ fame and the requirement of inherent distinctiveness.” *Id.* at * 6 n. 90.

**BIG GULP**
In its first decision on dilution under the TDRA, the Trademark Trial and Appeal Board found that 7-Eleven’s BIG GULP mark is famous but dismissed the franchisor’s opposition to registration of the mark GULPY for animal water dishes, finding insufficient evidence that GULPY would dilute the BIG GULP mark. 7-Eleven, Inc. v. Wechsler, Opposition No. 91117739 (May 15, 2007).

BIG GULP is part of a family of marks used since 1978 to identify the fountain drink program at 7-Eleven’s 5,300 stores. The family includes GULP for the 16-ounce drink, BIG GULP for the 32-ounce, SUPER BIG GULP for the 44-ounce, and DOUBLE GULP for the 64-ounce. Other marks added to the line are X-TREME GULP for a 52-ounce refillable mug, CAR GULP for a mug that fits in a car cup holder, CANDY GULP for candy, GARDEN GULP for salads, and FRUIT GULP for a cup of fruit. The GULPY mark, on the other hand, has been used in commerce since 2001 to sell more than 200,000 portable pet water dispensers through more than 1,500 pet stores in “virtually every state.” Id. at 4-8.

The TTAB found that the BIG GULP mark had acquired the fame necessary to support 7-Eleven’s dilution claim because the mark had received “extensive media attention” as a symbol of American culture, exemplifying “American haste and greed.” Id. at 20, 36 and n. 65. Further, a market research study conducted in the regular course of business, rather than for this opposition proceeding, showed unaided awareness of the BIG GULP brand by 73 percent of all consumers. In its analysis of a related infringement claim, the TTAB also noted that 7-Eleven had spent “millions of dollars” in advertising and promoting the GULP line of products through radio, television, the Internet, in-store signs and banners, collateral merchandising involving products from phone cards to flying discs, and product placements in movies and television shows.

Although 7-Eleven met the stringent test for fame, it did not meet the TDRA’s six-factor test for proving dilution by blurring. The first factor, the degree of similarity between the marks, seemed most persuasive to the TTAB. “Because applicant’s mark GULPY engenders a different commercial impression than opposer’s BIG GULP mark, we do not see these marks as being essentially the same,” it found. Id. at 40. Based on its analysis in the related infringement claim, it also found that the marks were not “substantially similar.” Thus, the TTAB dismissed 7-Eleven’s opposition, finding its claim that BIG GULP was diluted by blurring simply too hard to swallow.

2. **Marks that Fail the Test for Fame**

Several post-TDRA cases have foundered on the high standard for proving fame as required in the statute.

COSI
The marks of the Cosi chain of casual dining restaurants do not qualify as famous under the TDRA or the “rigorous” standard of the Eighth Circuit, a federal district court in Minnesota ruled in May 2007. *Cosi, Inc. v. WK Holdings, LLC*, 2007 WL 1288028 (D. Minn. May 1, 2007). According to the court, Cosi has more than 110 COSI restaurants in 16 states and the District of Columbia, and is actively selling franchises in 47 states and in select foreign countries, with agreements or letters of intent to develop another 360 restaurants. In December 2005, Cosi brought trademark dilution claims under federal and Minnesota law against WK Holdings, LLC, whose owner, Bill Kozlak, opened a fine-dining restaurant, Kozy’s Steaks and Seafood, in August 2005.

WK moved for summary judgment on Cosi’s dilution claims on the ground that the COSI mark is not famous. In support of this motion, WK argued that COSI is not a national brand, noting that Cosi’s restaurants are located in only 16 states and the District of Columbia, and its advertising is limited to those areas. WK also noted that Cosi did not conduct a survey on consumer recognition. Cosi, in turn, argued that the public does view Cosi as a national chain, citing a press release and a local news article on the opening of a COSI restaurant in Baltimore.

The court found that Cosi could not satisfy the requirements for fame under any applicable test. The court recited the TDRA’s test for fame but did not analyze or apply it. Instead, the court was guided by what it termed a “judicial consensus” in the Eighth Circuit that “‘famous’ is a rigorous standard.” *Id.* at *2. Citing a decision that predated the TDRA, the court stated that “[d]ilution is a cause of action invented and reserved for a select class of marks – those marks with such powerful consumer associations that even non-competing uses can impinge their value.” *Id.* (quoting *Everest Capital Ltd. v. Everest Funds Mgmt., LLC*, 393 F.3d 755, 763 (8th Cir. 2005). The court concluded that Cosi did not introduce evidence sufficient to show that its mark is famous and “falls within the ranks of such famous marks as ‘VICTORIA’S SECRET’ and ‘LOUIS VUITTON’.” *Id.*

Cosi’s dilution claim under Minnesota law “has even less merit,” the court held. Cosi could not meet the state statute’s requirement that a mark must be “particularly distinctive and well-known or famous,” the court found, particularly given that no COSI restaurants existed in Minnesota when Kozy’s Steak and Seafood opened. *Id.* at * 3. Thus, the court granted summary judgment in favor of WK on both federal and state dilution claims.

**AMERICAN BLIND**
In *Google, Inc. v. American Blind & Wallpaper Factory, Inc.*, 2007 WL 1159950 (N.D. Cal. Apr. 18, 2007), American Blind challenged Google’s “AdWords” advertising programs as infringing American Blind’s trademarks and constituting trademark dilution. The court granted summary judgment to Google on the trademark dilution claim, holding that American Blind did not produce sufficient evidence “to allow a reasonable trier of fact to conclude that [American Blind’s] marks are famous or distinctive as required under either the federal or the state dilution statute.” *Id.* at * 11. Although the court held that American Blind’s failure to conduct a “fame survey” was not dispositive, it deemed insufficient American Blind’s alternative evidence in the form of declarations from its officers stating the following: (1) its marks have been used in advertising and publicity for an extended period of time in a broad geographic area; (2) a large amount of goods have been sold under the marks; and (3) the marks are federally registered. *Id.* See also *Best Vacuum, Inc. v. Ian Design, Inc.*, 2006 WL 3486879 (N.D. Ill. Nov. 29, 2006) (rejecting a dilution claim under the TDRA because plaintiff's BEST VACUUM mark was descriptive and had not acquired secondary meaning distinctiveness).

**LOS JARRITOS**

In *Jarritos, Inc. v. Los Jarritos*, 2007 WL 1302506 (N.D. Cal. May 2, 2007), the same court again granted summary judgment to the defendants on the plaintiff's claim under the TDRA. The plaintiff's proof of fame in this case consisted of questionable evidence that it distributed products under the trademark nationwide, that its trademark was portrayed on the cover of a book entitled *Mexico's Greatest Brands*, and that the mark appeared in advertisements allegedly shown in *Jane* magazine. This evidence, the court held, fell far short of the standard under the TDRA because there was no evidence of “the volume of plaintiff’s sales, the breadth of plaintiff’s advertisements, or customers’ recognition of the mark.” *Id.* at * 14.

**TYLER GREEN**

Journeyman Philadelphia Phillies pitcher Tyler Green struck out on his trademark dilution claim against the proprietor of a sports handicapping business called “Tyler Green Sports.” *Green v. Fornario*, 486 F.3d 100 (3rd Cir. 2007). Green claimed that his several seasons with the Phillies, including a trip to the 1995 All Star Game, plus his sports, charitable, and media work in the Philadelphia area gave his name the status of a famous mark, entitling him to protection under federal anti-dilution law. The Third Circuit held that the district court correctly called Green out under the TDRA, noting the “rigorous standard” for fame, which “extends protection only to highly distinctive marks that are well-known throughout the country.” *Id.* at 105. In language perhaps a bit harsh for an All Star, the court stated: “It seems several steps short of probable that a person with such a brief, and largely undistinguished, professional career limited to one team in one area would have a name that is ‘widely recognized by the general consuming public of the United States.’” *Id.* (quoting 15 U.S.C. § 1125(c)(2)(C)). The court properly held that the strike zone for fame under the TDRA is extremely small.

**NIKE**
Perhaps most surprising of all, while courts have not hesitated to conclude that CHEM-DRY and PET SILK and TEMPUR-PEDIC are famous marks, one court has declined, at least at summary judgment, to reach the same conclusion about the NIKE mark. In Nike, Inc. v. NikePal Int'l, Inc., 2007 WL 609864 at *3 (E.D. Cal. Feb. 27, 2007), a federal district court in California denied cross motions for summary judgment on claims that the mark NIKEPAL, used in connection with the import, export, and distribution of laboratory products such as syringes and valves, caused dilution of the NIKE mark for footwear.

Nike had opposed registration of the NIKEPAL mark before the TTAB, arguing that NIKEPAL would cause dilution by blurring of the NIKE mark. After losing at the TTAB, Nike sought reversal of the registration decision in the district court, where it brought claims under the TDRA and California’s anti-dilution statute.

Nike moved for summary judgment on its dilution claims, relying in part on a survey it commissioned. Nike claimed the survey showed that the NIKE mark had “a stunning level of recognition” and that lab equipment purchasers think of Nike when they see NikePal’s Web site, nikepal.com. NikePal also moved for summary judgment, attacking the survey evidence on multiple grounds and arguing that Nike could not establish that its mark was famous or that the NIKEPAL mark diluted its distinctiveness.

The court recited the TDRA’s standards for determining whether a mark is famous. But it denied both parties’ motions for summary judgment, finding that genuine issues of material fact existed as to the weight that should be given to the survey evidence.

E. Tarnishment

In Dan-Foam A/S v. Brand Named Beds, LLC, 2007 WL 1346609 * 6, n. 87 (S.D. N.Y. May 4, 2007), defendant Brand Named Beds, LLC moved for summary judgment on claims of dilution by tarnishment under federal and New York law brought by plaintiffs Dan-Foam A/S and Tempur-Pedic, Inc. The plaintiffs claimed their TEMPUR-PEDIC mark for mattresses was tarnished as a result of BNB’s unauthorized sales of TEMPUR-PEDIC bedding on the eBay auction Web site, accompanied by warranty cards with the text of the TEMPUR-PEDIC warranty. The court denied summary judgment, even under the stricter pre-TDRA standard, “[b]ecause a reasonable juror could find actual dilution, and – it follows – likelihood of dilution, resulting from BNB’s unauthorized sales of TEMPUR-PEDIC mattresses.” Id. at * 17.

Analyzing the merits of plaintiffs’ dilution claim, the court first held that because BNB sells Tempur-Pedic’s mattresses under the identical TEMPUR-PEDIC mark, “[t]his identity of marks creates a presumption of actual dilution.” Id. at * 17, * 7 and n. 101 (citing the Second Circuit’s decision in Savin Corp. v. Savin Group, 391 F.3d 439, 453 (2nd Cir. 2004) that a store owner who loses a 7-Eleven franchise yet continues to use the famous 7-ELEVEN mark thereby violates federal anti-dilution law and may be enjoined from using the mark).
Next, drawing all inferences in favor of Tempur-Pedic, the court held that a reasonable juror could find that the TEMPUR-PEDIC mark is sufficiently well recognized to be deemed famous under the TDRA, even though the parties had not offered consumer surveys relating to the extent of the mark’s recognition. (The court’s opinion on fame in this case is discussed further in Section V.D.1., above.)

The court also concluded that “[a] trier of fact could reasonably find that BNB’s ‘non-conforming sales’ of TEMPUR-PEDIC mattresses diminish the value of the TEMPUR-PEDIC mark, thereby causing harm to Tempur-Pedic’s reputation resulting in dilution by tarnishment.” Id. at * 18 (internal quotations omitted). The court noted that the law of the Second Circuit “takes a ‘broad view of tarnishment’ which does not appear to have been narrowed by the TDRA.” Id. at * 7 and n. 96, citing Hormel Foods Corp. v. Jim Henson Prods., Inc., 73 F.3d 497, 507 (2nd Cir. 1996).

In its tarnishment analysis, the court was persuaded by factors that could easily apply in the franchise setting. The court stated that a jury could find Tempur-Pedic had established “legitimate, substantial” quality control procedures, because it maintained an authorized network of retailers to sell its products, it trained both retailers and shippers in the handling of the products, and it abided by the quality control procedures that it set. BNB’s mattress sales, which were not made through authorized retailers and did not involve the same quality control methods, thus could be found to diminish the value of the TEMPUR-PEDIC mark and dilute it by tarnishment, the court concluded. Id. at * 19.

Although dilution claims typically do not involve direct competitors, the Dan-Foam case illustrates that dilution may apply when identical marks are used in connection with competing goods or services. In Dan-Foam, the claim of tarnishment arose in the context of unauthorized resales. Such claims have been asserted in the franchise context against breakaway or terminated franchisees. See, e.g., 7-Eleven, Inc. v. McEvoy, 300 F. Supp. 2d 352, 357 (D. Md. 2004) (holding that store owner who lost a 7-Eleven franchise yet continued to use the famous 7-ELEVEN mark violated the FTDA and thus could be enjoined from further use of the mark). Cf. Savin Corp., 391 F.3d at 452-53 (citing McEvoy for proposition that “where a plaintiff who owns a famous senior mark can show the commercial use of an identical junior mark, such a showing constitutes circumstantial evidence of actual dilution).


F. The Parody Exclusion

1. Yes, in Haute Diggity Dog

One of the first decisions interpreting the TDRA, Louis Vuitton Malletier S.A. v. Haute Diggity Dog, LLC, 464 F. Supp. 2d 495 (E.D. Va. 2006), has been widely criticized for ignoring the new statute’s restrictions on the parody defense when a defendant’s mark is used as a brand, or designation of source. In that case, a federal district court in Virginia held that Haute Diggity Dog’s CHEWY VUITTON dog toy products were not likely to dilute the LOUIS VUITTON trademark and trade dress by blurring or tarnishment, because they constituted a parody.
The plush stuffed toys and beds for dogs are marketed under names such as CHEWY VUITTON, CHEWNEL # 5, DOG PERIGNON, and SNIFFANY & CO. that parody the products of other companies. Id. at 498. They sell in pet stores for approximately $10. Id. Louis Vuitton, on the other hand, makes luxury luggage and handbags and recently began manufacturing a limited number of high-end pet leashes and collars that sell for $250 to $1,600. Id.

Although the court applied the TDRA’s likelihood of dilution standard, it did not consider or apply the TDRA’s list of non-exclusive factors for determining a likelihood of dilution. Instead, finding no Fourth Circuit guidance, it looked to the Second Circuit’s application of New York’s dilution statute, which it said incorporated the likelihood of dilution standard adopted by Congress in the TDRA. Id. at 505. Applying that standard to the claim for dilution by blurring, the district court concluded that “use of famous marks in parodies causes no loss of distinctiveness, since the success of the use depends upon the continued association with the plaintiff.” Id. Thus, the court held, there was no dilution by blurring.

Turning to the claim for dilution by tarnishment, the court held that tarnishment is unlikely to occur when the association between the two marks is made through “harmless or clean puns and parodies.” Id. The court rejected as “baseless and without merit” Louis Vuitton’s argument that Chewy Vuitton’s products tarnish Louis Vuitton’s marks by associating “inferior products” with the Vuitton name. Id.

The lower court’s decision is on appeal to the Fourth Circuit, where it may become the first appeal to consider the TDRA. INTA has filed an amicus brief in that appeal, arguing that the district court erred in two respects: (1) by failing to consider the TDRA’s restriction on the parody defense for marks that are used as a brand, or designation of source, for the alleged diluter’s own goods or services; and (2) by failing to consider the factors that the TDRA set out for courts to consider in determining whether dilution by blurring is likely.

2. No, in Chem-Dry

In Harris Research, Inc. v Lydon, 2007 WL 1052479 (D. Utah April 5, 2007), a federal district court in Utah granted an unopposed motion for an injunction based on tarnishment against defendants who sold at an industry trade show t-shirts and stickers featuring a logo CHEM-WHO? in a color, font, and stylized “swoosh” design “virtually identical” to that of the CHEM-DRY mark, accompanied by the words “Stickin It To The Little Guy.” Id. at * 1, 3. Like Chem-Dry, the defendants manufactured and distributed carpet cleaning tools, but this lawsuit did not involve their sales of those tools.

The court cited the decision in Haute Diggity Dog, LLC, 464 F. Supp. 2d at 503, for the proposition that tarnishment is unlikely to occur when a trademark is portrayed in a negative context and an association is made “through harmless or clean puns and parodies.” Id. at * 2. Although it never expressly distinguished Haute Diggity Dog, the court concluded that “[u]nlike cases involving permissible parodies, this case involves products and services that are similar and are in competition.” Id. at * 3. Concluding that Chem-Dry had shown it was likely to prevail on the merits of its claim of trademark dilution by tarnishment, the court enjoined any further use of the CHEM-WHO? mark.

VI. STATE LAW DILUTION CLAIMS
A. Overview of State Law Anti-Dilution Statutes

Prior to the enactment of the FTDA in 1996, anti-dilution statutes were the province of state law. Massachusetts enacted the first state statute in 1947, and currently 38 states have anti-dilution statutes. Of these, 13 are based on the Model State Trademark Bill of 1964, and 25 are based on the Model State Trademark Bill of 1992.\textsuperscript{2} In addition, Ohio is the only state that recognizes a common law anti-dilution claim. \textit{See Jet, Inc. v. Sewage Aeration Sys.}, 165 F.3d 419, 424 (6th Cir. 1999) (“Ohio courts recognize a common law cause of action for dilution”), citing \textit{Ameritech, Inc. v. American Info. Technologies Corp.}, 811 F.2d 960, 965 (6th Cir. 1987) and \textit{National City Bank of Cleveland v. National City Window Cleaning Co.}, 19 O.O.2d 448, 180 N.E.2d 20 (Ohio Ct. App. 1962), \textit{rev’d on other grounds}, 174 Ohio St. 510, 190 N.E.2d 437 (Ohio 1963). A chart comparing the anti-dilution laws of the various states is attached as an Appendix to this paper.

Section 12 of the 1964 Model Bill provides the following anti-dilution language, which currently forms the basis for several important state statutes, including those of New York and California:

Likelihood of injury to business reputation or of dilution of the distinctive quality of a mark registered under this Act, or a mark valid at common law, or a trade name valid at common law, shall be a ground for injunctive relief notwithstanding the absence of competition between the parties or the absence of confusion as to the source of goods or services.

The 1964 Model Bill has a likelihood of dilution standard, and it applies to common law marks and trade names as well as registered marks. This Model Bill does not have strict requirements for fame. Thus, statutes based on the 1964 Model Bill have broader applicability than those based on the 1992 Model Bill.

Section 13 of the 1992 Model Bill is far more similar to the FTDA, with stricter requirements for fame and a standard of proof that generally has been interpreted as requiring actual dilution:

The owner of a mark which is famous in this state shall be entitled, subject to the principles of equity, to an injunction against another's use of a mark, commencing after the owner's mark becomes famous, which causes dilution of the distinctive quality of the owner's mark, and to obtain such other relief as is provided in this section. In determining whether a mark is famous, a court may consider factors such as, but not limited to:

(A) the degree of inherent or acquired distinctiveness of the mark in this state;

\textsuperscript{2} The full text of the 1964 and 1992 Model Bills may be found in \textit{McCarthy on Trademarks and Unfair Competition} at § 22:8, 22-15 to 22-23, and § 22:9, 22-23 to 22-34, respectively.

32
(B) the duration and extent of use of the mark in connection with the goods and services;

(C) the duration and extent of advertising and publicity of the mark in this state;

(D) the geographical extent of the trading area in which the mark is used;

(E) the channels of trade for the goods or services with which the mark is used;

(F) the degree of recognition of the mark in its and in the other's trading areas and channels of trade in this state; and

(G) the nature and extent of use of the same or similar mark by third parties.

The owner of a famous mark shall be entitled only to injunctive relief in this state in an action brought under this section, unless the subsequent user willfully intended to trade on the owner's reputation or to cause dilution of the owner's mark. If such willful intent is proven, the owner shall also be entitled to the remedies set forth in this chapter, subject to the discretion of the court and the principles of equity.

Increasing numbers of states have adopted the 1992 Model Bill, including Illinois and, most recently, Florida. Certain states extend the protection of this statute only to trademarks registered on the state or federal level, while others have added registration as an additional factor for courts to consider in determining whether the mark is famous. Some statutes have also carved out exceptions for fair use, noncommercial use of the mark, and all forms of news reporting and news commentary, also similar to the FTDA. Courts have viewed the 1992 Model Bill language as requiring an actual dilution standard and have decided cases under state statutes adopting the 1992 Model Bill in a similar fashion to FTDA claims after Victoria's Secret and before the TDRA. See, e.g., Mashantucket Pequot Tribe v. Redican, 403 F. Supp. 2d 184, 194-95 (D. Conn. 2005); Northland Ins. Companies v. Blaylock, 115 F. Supp. 2d 1108 (D. Minn. 2000).

B. Impact of Victoria's Secret on State Law Dilution Claims

Following the U.S. Supreme Court's Victoria's Secret decision in 2003, certain state anti-dilution statutes began to take on an increased significance for litigants. While the Victoria's Secret Court articulated an actual dilution standard for federal dilution claims, a significant number of states continued to use the more liberal likelihood of dilution standard. These states included traditional hotbeds of trademark litigation, such as New York and California.
Because likelihood of dilution is far easier to prove than actual dilution, trademark litigants began to rely upon these state dilution statutes, rather than the FTDA, to obtain relief. The biggest drawback of these state dilution statutes was the scope of the resultant injunction, which could be limited to the borders of the state.

These theories proved true in Delaware, New York, and Texas, where state dilution statutes allowed litigants to prevail on dilution claims that would not have succeeded under the FTDA as interpreted by the Victoria’s Secret Court. After the Victoria’s Secret decision, a Delaware federal court distinguished between the Delaware Trademark Act and the FTDA, finding dilution of the plaintiff’s mark under the Delaware statute but not under the FTDA due to the different standards of these statutes. Sanofi-Aventis v. Advancis Pharmaceutical Corp., 453 F. Supp. 2d 834, 853-55 (D. Del. 2006). The Southern District of Texas came to the same conclusion in Bell v. Starbucks U.S. Brands Corp., in which the court denied federal dilution claims under the Victoria’s Secret actual dilution standard but found a violation of the Texas anti-dilution statute under its likelihood of dilution standard. 389 F. Supp. 2d 766, 778-80 (S.D. Tex. 2005), aff’d 2006 WL 3253005 (5th Cir. Nov. 10, 2006). Similarly, federal courts in New York were quick to recognize the distinctions between New York’s anti-dilution statute and the FTDA following the Victoria’s Secret decision. See Savin Corp. v. Savin Group, 391 F.3d 439, 455-56 (2nd Cir. 2004) (observing that Victoria’s Secret’s requirement of an actual dilution standard is more stringent than the New York statute’s likelihood of dilution standard and remanding the case to district court for consideration of the state claim under the appropriate standard); see also Dooney & Bourke, Inc., 454 F.3d at 119 (same).

By contrast, California’s anti-dilution statute, also modeled on the 1964 Model Bill, long has been construed in accordance with federal law despite the significant textual differences between the state statute and the FTDA. In a decision issued in 2004, the Ninth Circuit questioned the propriety of this construction in light of Victoria’s Secret, but it refrained from deciding whether an injunction not warranted under the FTDA would be warranted under California law and instead remanded the case for a decision by the district court. See Nissan Motor Co. v. Nissan Computer Corp., 378 F.3d 1002, 1015 (9th Cir. 2004). A different Ninth Circuit panel refused to decide state law dilution claims separately on the grounds that “[a]nalysis of the state law is substantially similar to analysis of the federal law.” Playboy Enterprises, Inc. v. Netscape Communications Corp., 354 F.3d 1020, 1031 n. 48 (9th Cir. 2004). In other decisions issued after Victoria’s Secret, federal district courts in California continued to maintain that “[t]he analysis for California state law dilution is the same as that for a federal dilution claim.” See Resource Lenders, Inc. v. Source Solutions, Inc., 404 F. Supp. 2d 1232, 1247 (E.D. Cal. 2005), citing Panavision Int’l L.P. v. Toeppen, 141 F.3d 1316, 1324 (9th Cir. 1998); ACI Int’l, Inc. v. Adidas-Salomon AG, 359 F. Supp. 2d 918, 923 n. 1 (C.D. Cal. 2005), citing Avery Dennison Corp. v. Sumpton, 189 F.3d 868, 874 (9th Cir. 1999); Switchmusic.com, Inc. v. U.S. Music Corp., 416 F. Supp. 2d 812, 825 n.11 (C.D. Cal. 2006).

C. Effect of the TDRA on Significance of State Law Dilution Claims
The passage of the TDRA is likely to reduce the importance of state anti-dilution statutes for litigants. Although these statutes will continue to be pled in conjunction with claims under the TDRA, the TDRA’s return to a likelihood of dilution standard will lessen the significance of state statutes that also have a likelihood of dilution standard, particularly because the federal law allows for injunctions beyond the scope of a state’s borders. Federal courts are more likely to decide dilution claims under the TDRA than under state statutes, and this, over time, will provide a broader range of precedent for litigants of dilution claims. Finally, the TDRA now expressly provides a cause of action for dilution by tarnishment, as well as for dilution by blurring, eliminating the need for litigants to rely on state anti-dilution statutes for claims of dilution by tarnishment.

The TDRA also includes a new provision that preempts state claims in certain circumstances. Section 1125(c)(6) provides that a defendant’s ownership of a valid federal registration is a complete bar to an action for dilution by blurring or by tarnishment under state common law or state anti-dilution statutes. 15 U.S.C. § 1125(c)(6).

VII. DILUTION ISSUES SPECIFIC TO THE FRANCHISE CONTEXT

A. Use of the Scope of a Franchise System to Establish Fame

Franchise systems can have advantages over other kinds of businesses in establishing the “fame” requirement for a dilution claim under the TDRA. The very nature of a franchise system is to provide goods or services of a uniform quality under a common trademark over a wide geographic area. Depending on a franchisor’s success in the market and its scope of operations, this model of doing business can greatly assist a franchisor in proving that its mark is “famous” and thus entitled to protection under anti-dilution statutes.

The “geographic reach” of a mark is a factor expressly recognized in Section 1125(c)(2)(A)(i) of the TDRA. Thus, a system with franchisees across the country, or at least across a large part of the country, has a ready-made basis for proof of this element. See, e.g., Pet Silk, Inc. v. Jackson 481 F. Supp. 2d 824, 830 (S.D. Tex. 2007) (holding that plaintiff’s PET SILK mark was famous because, among other reasons, it had “distributors all over the world”); Harris Research Inc. v. Lydon, 2007 WL 1052479 (D. Utah Apr. 5, 2007) (finding franchisor’s CHEM-DRY mark famous because it had been registered since 1979 and was used with nearly 4,150 franchisees worldwide).

The flip side of this concept, however, is that newer or smaller franchisors may be foreclosed from establishing that their marks are famous based on the limited size or scope of their systems. For example, in Cosi Inc. v. WK Holdings, LLC, 2007 WL 1288028 (D. Minn. May 1, 2007), the court granted summary judgment against a franchisor of casual dining restaurants on its trademark dilution claim against another restaurant. Cosi had restaurants in 16 states and the District of Columbia, specializing in flatbread sandwiches, salads, and related items. The defendant operated a fine dining restaurant in Minneapolis named Kozy’s Steak and Seafood. The defendant argued that the COSI mark could not be deemed famous because it was not a national brand, and its advertising efforts were limited to those areas where COSI restaurants were located. The court agreed and noted that, “[w]hile its business may be growing,” the fact that it had restaurants in only 16 states was not sufficient to establish that the COSI mark was famous. Id. at * 2.
Despite this decision, even smaller franchise systems with a limited geographic reach may find ways to prove that their marks have achieved the fame necessary to sustain a dilution claim. A new but fast-growing franchise chain may be able to show that it has received significant publicity or media coverage and thus has developed name recognition beyond the geographic markets where its outlets are presently located. Smaller franchisors also may choose to advertise in national publications, such as the Wall Street Journal, to build national brand recognition, as well as to attract new franchisees. The duration, extent, and geographic reach of such advertising is a recognized factor in determining fame under Section 1125 (c)(2)(A)(i) of the TDRA. Finally, a consumer survey that shows a high level of consumer recognition would be compelling evidence of fame, regardless of the scope of the franchisor’s current outlets. Cf. Cosi, 2007 WL 1288028 at * 2 (fact that Cosi did not produce consumer recognition survey evidence contributed to court’s finding that its mark was not famous).

B. Other Features of a Franchise System Relevant to Proving Dilution

Franchise systems depend on development and enforcement of uniform system standards to build the reputation of their marks, and those standards may be useful to franchisors pursuing claims for dilution – particularly for dilution by tarnishment. The rationale for dilution claims that Justice Kennedy stated in a concurrence in Victoria’s Secret seems tailor-made for franchising: “If a mark will erode or lessen the power of the famous mark to give customers the assurance of quality and the full satisfaction they have in knowing they have purchased goods bearing the famous mark, the elements of dilution may be established.” Victoria’s Secret, 537 U.S. at 435.

A claim for tarnishment requires proof that the reputation of the franchisor’s mark is likely to be harmed. To establish the factual predicate for this claim – that the mark has a strong reputation – a franchisor may be able to rely on evidence regarding its quality control procedures, including that: its products or services are offered only through its authorized purveyors, the franchisees; it imposes uniform standards of quality, which franchisees are contractually required to uphold; it imparts those quality standards in its operations manual and its initial training sessions; and it upholds those standards through site visits and periodic communications with franchisees. In Dan-Foam, 2007 WL 1346609 at * 18-19, which involved a tarnishment claim arising from the unauthorized resale of bedding products, the court was persuaded that the manufacturer had established “legitimate, substantial” quality control procedures” because it maintained an authorized network of retailers to sell its products, trained both retailers and shippers in the handling of the products, and abided by the quality control procedures that it set. Franchisors should be able to present similar evidence to support a tarnishment claim.

Other standard features in franchise agreements may be relevant to proving – or failing to prove – dilution claims. For example, in rejecting a dilution claim brought by franchisor Century 21 Real Estate LLC, the court noted that none of the system’s 4,500 franchisees had ever mentioned the alleged diluter to Century 21, despite their duty under their franchise agreements to report infringing uses of the Century 21 marks. Century 21 Real Estate, LLC, 2007 WL 433579 at * 5; 2007 WL 484555 at * 18. Most franchise agreements require franchisees to report intellectual property infringements, and this duty should include reporting potential dilutive uses. Franchisors should be vigilant in communicating this duty, as well as in monitoring and acting upon any reports of dilution they receive.
C. Dilution Claims Against Terminated Franchisees

When a terminated or break-away franchisee continues to use a franchisor’s trademarks in violation of the franchise agreement, the franchisor often will search for all available legal theories to stop this unauthorized conduct. Is a trademark dilution claim one of the weapons a franchisor can employ? That depends on the kind of association that the former franchisee’s use of the mark creates in the minds of consumers.

As discussed in Section II.A. above, the nature of the inquiry regarding consumers’ reactions to the use of a mark is different for a dilution claim than for a traditional trademark infringement claim. An infringement claim is proven by showing that consumers are likely to confuse the defendant’s use of a mark as originating with, or being sponsored by or affiliated with, the plaintiff. A dilution claim, by contrast, involves a different kind of mental link or association. In the case of dilution, consumers are not confused as to origin, sponsorship, or affiliation. They recognize that the marks of defendant and plaintiff emanate from different sources. Nevertheless, the defendant’s use has the effect of blurring or tarnishing the distinctive, source-identifying quality of the plaintiff’s mark. Professor McCarthy describes these different types of mental associations as “inconsistent states of consumer perception.” See McCarthy §24:70 at 24-170 to 24-171. See also Restatement (Third) of Unfair Competition § 25, comment f (1995) (“the state[s] of mind required for confusion and dilution are distinct and inconsistent”).

Accordingly, a franchisor’s traditional infringement claim – alleging that a former franchisee’s use of the system’s mark is likely to confuse consumers into believing that the former franchisee is still affiliated with the system – likely will not support a dilution claim. See McCarthy §24:70 at 24-170 to 24-171. In exceptional circumstances, a franchisee termination case may support both a claim for infringement based on likelihood of confusion and a claim for dilution. Professor McCarthy states, for example, that “infringement by a likelihood of confusion and dilution can coexist as legal findings if it is proven that a significant number of customers are likely to be confused and that among a significant number of customers who are not confused, the defendant’s use will illegally dilute by blurring or tarnishment.” Id. §24:70 at 24-172. It seems more likely, however, that these causes of action would be pled in the alternative.

In some circumstances, a former franchisee’s use of the franchisor’s mark may not be calculated to imply continued affiliation, but nonetheless may reflect negatively on the franchisor’s mark. Such a situation could arise where a former franchisee associates the franchisor’s mark with goods or services of poor quality or with unsavory activities. See cases discussed in Section II.A.2. regarding examples of dilution by tarnishment. If a franchisor can prove that a former franchisee is using an identical or substantially identical mark in a way that would injure the goodwill or reputation of the franchisor’s mark, even if there is no likelihood of confusion, the franchisor may have a viable dilution claim.

D. Application to “Gripe” or “Complaint” Web Sites
Franchises, like other businesses, must contend with disgruntled consumers who air their grievances by posting unflattering comments on a Web site or other publicly available forum. The disgruntled poster usually makes reference to the franchisor's trademarks and sometimes even incorporates the marks in a URL or as metatags in a Web site. This tactic is designed to attract the attention of Web surfers or others looking for information regarding the franchisor's business. Such Web sites are commonly known as "gripe" or "complaint" sites.

No one is likely to be confused that a gripe site is sponsored by or affiliated with the company whose marks are used and whose products or services are being criticized. This is particularly true when the Web site appends a derogatory characterization, such as the word "sucks," after the mark. Given the lack of likely confusion, businesses have had little success shutting down these gripe sites based on traditional trademark infringement theories. See, e.g., Taubman Co. v. Webfeats, 319 F. 3d. 770, 778 (6th Cir. 2003) (defendant's use of Web site "tabmansucks.com" to complain about how plaintiff conducted its business "removes any confusion as to source"). Is dilution the solution? Unfortunately for franchisors and other mark owners, the answer is probably no.

Even before the TDRA, Web sites' uses of famous marks solely to criticize the mark owner's business practices were treated as "noncommercial" and thus excluded from liability under anti-dilution law. For example, in TMI Inc. v. Maxwell, 368 F.3d 433 (5th Cir. 2004), the Fifth Circuit reversed a district court's injunction forbidding the defendant from using the plaintiff's names or marks in his Web site, which complained about his experience as a customer of the plaintiff. The Fifth Circuit held that the defendant's use had no purpose other than to draw people to his site to see his story, and that such use was not commercial in nature. Id. at 440. The court rejected the plaintiff's claims under the federal Anti-Cyber Squatting Consumer Protection Act, 15 U.S.C. § 1125(d), and the Texas anti-dilution statute for the same reason.

The TDRA expanded and clarified the statutory exclusions relating to free speech and noncommercial use, which may raise the bar even higher for certain dilution claims. The TDRA expanded the concept of "fair use" to expressly protect any use "identifying and parodying, criticizing or commenting on the famous mark owner or the goods or services of the famous mark owner." 15 U.S.C. § 1125(c)(3)(A)(ii) (2006). Any doubt as to whether parody and criticism are protected has now been erased.

Still, free speech proponents have expressed concern over the TDRA's language excluding any fair use "other than as a designation of source for the person's own goods or services." 15 U.S.C. § 1125(c)(3) (emphasis added). They suggest that this broad "designation of source" exception "takes the teeth out of the fair use exclusion" and gives companies a tool for blocking public information campaigns against them that use their marks as identifiers. See Hofrichter, Jesse A., Note: Brand Criticism and Free Speech Problems with the TDRA, Cardozo L. Rev. at 1951-52. No case testing this theory has yet been decided.
A famous mark owner may have a dilution claim for use of its mark in connection with a gripe site if the site also is used to induce consumers to purchase goods or services. In *Taubman*, the Sixth Circuit recognized that the presence of advertisements on one of the defendant’s sites and a link to a related site offering products for sale constituted commercial use within the coverage of the Latham Act. *Taubman*, 319 F. 3d. at 776 (but court held not relevant to denial of injunction because defendant had removed ads and links before hearing). In *TMI*, the Fifth Circuit also recognized that use of a famous mark on a Web site containing advertising, links to commercial sites, or other commercial content can constitute commercial use and thus be actionable under the Lanham Act. 368 F.3d at 437.

There is some question, however, whether these pre-TDRA precedents continue to apply. The TDRA treats “fair use,” including parody, criticism, and comment, as a separate exclusion, apart from the “noncommercial use” exclusion. Thus, a court could interpret a defendant’s use as commercial but still hold that it qualifies as parody, criticism, or comment protected under the fair use exclusion. As of the time of this paper, no decisions had yet sliced the loaf that thinly, but time will tell.

**VIII. CONCLUSION**

Trademark dilution should be a significant issue for franchisors, whose trademarks often are one of their most valuable system assets. Federal anti-dilution law, which has evolved greatly in its short history since Congress passed the FTDA in 1996, provides important protections against uses of identical marks that "blur" the source-identifying quality of a famous mark or "tarnish" the goodwill associated with the famous mark. After the United States Supreme Court issued its restrictive interpretation of the standard of proof under the FTDA in the 2003 *Victoria’s Secret* decision, Congress responded by passing the TDRA in late 2006. The TDRA established a more lenient standard of proof, requiring only "likelihood of dilution." At the same time, however, it imposed a more stringent test for meeting the threshold requirement of fame, requiring broad, national recognition. Relatively few marks should meet this "fame" standard. Early decisions under the TDRA seem to be moving in that direction, but courts continue to struggle, as they did before the new statute was enacted, with applying key dilution concepts. As a result, there is still a high degree of uncertainty and unpredictability in this area of law.
<table>
<thead>
<tr>
<th>Based On</th>
<th>Applies To</th>
<th>Standard of Proof</th>
<th>Level of Distinctiveness and Degree of Fame Required</th>
<th>Exceptions</th>
<th>Scope</th>
<th>Remedies</th>
</tr>
</thead>
<tbody>
<tr>
<td>ALABAMA (AL CODES §§ 1-7)</td>
<td>1964 Model Bill</td>
<td>Trademark (Common Law or Registered) Trade Name</td>
<td>Likelihood of dilution</td>
<td></td>
<td></td>
<td>Injunction</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ALASKA AS § 45.59 (1980)</td>
<td>1992 Model Bill</td>
<td>Registered mark</td>
<td>Actual dilution</td>
<td></td>
<td></td>
<td>Injunction; disgorgement of profits and punitive damages if dilution is willful or intentional</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Mark must be famous in the state, which court determines by looking at (1) degree of inherent or acquired distinctiveness of the mark in the state; (2) duration and extent of use of the mark in connection with the goods and services; (3) duration and extent of advertising and publicity of the mark in the state; (4) geographical extent of the trading area in which the mark is used; (5) channels of trade for the goods or services with which the mark is used; (6) degree of recognition in the state of the mark in the registrant's trading area and channel of trade, and in the user's trading area and channel of trade; and (7) nature and extent of use of the same or similar mark by other persons.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ARIZONA (A.R.S. §§ 3-150)</td>
<td>1992 Model Bill</td>
<td>Registered mark</td>
<td>Actual dilution</td>
<td>Fair use; Noncommercial use; News Reporting and commentary</td>
<td></td>
<td>Injunction; additional remedies if dilution is willful or intentional</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Mark must be famous in the state, which court determines by looking at (1) degree of inherent or acquired distinctiveness of the mark in the state; (2) duration and extent of use of the mark in connection with the goods and services; (3) duration and extent of advertising and publicity of the mark in the state; (4) geographical extent of the trading area in which the mark is used; (5) channels of trade for the goods or services with which the mark is used; (6) degree of recognition in the state of the mark in the registrant's trading area and channel of trade, and in the user's trading area and channel of trade; (7) nature and extent of use of the same or similar mark by third parties; and (8) whether the mark is the subject of a state or federal registration.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Based On</td>
<td>Applies To</td>
<td>Standard of Proof</td>
<td>Level of Distinctiveness and Degree of Fame Required</td>
<td>Exceptions</td>
<td>Scope</td>
<td>Remedies</td>
</tr>
<tr>
<td>----------</td>
<td>------------</td>
<td>-------------------</td>
<td>------------------------------------------------</td>
<td>------------</td>
<td>-------</td>
<td>----------</td>
</tr>
<tr>
<td>ARKANSAS (A.C.A. § 4.7-201)</td>
<td>1992 Model Bill</td>
<td>Registered mark</td>
<td>Actual dilution</td>
<td>Mark must be famous in the state, which court determines by looking at (1) degree of inherent or acquired distinctiveness of the mark in the state; (2) duration and extent of use of the mark in connection with the goods and services; (3) duration and extent of advertising and publicity of the mark in the state; (4) geographical extent of the trading area in which the mark is used; (5) channels of trade for the goods or services with which the mark is used; (6) degree of recognition in the state of the mark in the registrant's trading area and channel of trade, and in the user's trading area and channel of trade; (7) nature and extent of use of the same or similar mark by third parties; and (8) whether the mark is the subject of a state or federal registration.</td>
<td>Fair use; Noncommercial use; News Reporting and commentary</td>
<td>Injunction; additional remedies if dilution is willful or intentional</td>
</tr>
<tr>
<td>CALIFORNIA (Cal. Bus. &amp; Prof. Code § 14330)</td>
<td>1964 Model Bill (Trademark (Common Law or Registered) Trade Name)</td>
<td>Likelihood of injury or that the distinctive value of mark would be diluted (in statute); construed in accordance with federal law by case law</td>
<td>May not be merely distinctive; must be truly prominent and renowned</td>
<td></td>
<td></td>
<td>Injunction</td>
</tr>
<tr>
<td>Based On</td>
<td>Applies To</td>
<td>Standard of Proof</td>
<td>Level of Distinctiveness and Degree of Fame Required</td>
<td>Exceptions</td>
<td>Scope</td>
<td>Remedies</td>
</tr>
<tr>
<td>----------</td>
<td>------------</td>
<td>-------------------</td>
<td>-----------------------------------------------------</td>
<td>------------</td>
<td>-------</td>
<td>----------</td>
</tr>
<tr>
<td>CONNECTICUT (C.G.S.A. § 334A)</td>
<td>1992 Model Bill</td>
<td>Registered mark</td>
<td>Mark must be famous in the state, which court determines by looking at (1) degree of inherent or acquired distinctiveness of the mark in the state; (2) duration and extent of use of the mark in connection with the goods and services; (3) duration and extent of advertising and publicity of the mark in the state; (4) geographical extent of the trading area in which the mark is used; (5) channels of trade for the goods or services with which the mark is used; (6) degree of recognition in the state of the mark in the registrant's trading area and channel of trade, and in the user's trading area and channel of trade; and (7) nature and extent of use of the same or similar mark by third parties</td>
<td></td>
<td></td>
<td>Injunction; additional remedies if dilution is willful or intentional</td>
</tr>
<tr>
<td>DELAWARE (6 D.L.C. § 331B)</td>
<td>1964 Model Bill</td>
<td>Trademark (Common Law or Registered) Trade Name</td>
<td>Likelihood of dilution - requires mental association between marks</td>
<td>Proof of distinctiveness is same as proof used to show distinctiveness for infringement purposes under the Lanham Act</td>
<td></td>
<td>Injunction</td>
</tr>
<tr>
<td>Based On On</td>
<td>Applies To</td>
<td>Standard of Proof</td>
<td>Level of Distinctiveness and Degree of Fame Required</td>
<td>Exceptions</td>
<td>Scope</td>
<td>Remedies</td>
</tr>
<tr>
<td>-------------</td>
<td>------------</td>
<td>-------------------</td>
<td>---------------------------------------------------</td>
<td>------------</td>
<td>-------</td>
<td>---------</td>
</tr>
<tr>
<td>1992 Model Bill</td>
<td>Trademark or trade name</td>
<td>Actual dilution</td>
<td>Arbitrary, fanciful, suggestive or highly distinctive marks are more protectible, as are descriptive marks that have acquired secondary meaning; Mark must be famous in the state, which court determines by looking at (1) degree of inherent or acquired distinctiveness of the mark in the state; (2) duration and extent of use of the mark in connection with the goods and services; (3) duration and extent of advertising and publicity of the mark in the state; (4) geographical extent of the trading area in which the mark is used; (5) channels of trade for the goods or services with which the mark is used; (6) degree of recognition in the state of the mark in the registrant's trading area and channel of trade, and in the user's trading area and channel of trade; (7) nature and extent of use of the same or similar mark by third parties; and (8) whether the mark is the subject of a state or federal registration.</td>
<td>Fair use of a famous mark in comparative commercial advertising or promotion to identify the competing goods or services of the owner of the famous mark; noncommercial uses of the mark; all forms of news reporting and news commentary</td>
<td>Marks must be similar, but should not be used on similar goods, for that would be governed by a likelihood of confusion standard</td>
<td>Injunction; additional remedies if dilution is willful or intentional</td>
</tr>
<tr>
<td>1964 Model Bill</td>
<td>Registered Trademark or Trade Name</td>
<td>Likelihood of dilution of the distinctive quality of the mark</td>
<td>TM or name must be of such originality as to be capable of exclusive appropriation or has acquired secondary meaning</td>
<td></td>
<td></td>
<td>Injunction</td>
</tr>
<tr>
<td>Based On</td>
<td>Applies To</td>
<td>Standard of Proof</td>
<td>Level of Distinctiveness and Degree of Fame Required</td>
<td>Exceptions</td>
<td>Scope</td>
<td>Remedies</td>
</tr>
<tr>
<td>----------</td>
<td>------------</td>
<td>-------------------</td>
<td>---------------------------------------------------</td>
<td>------------</td>
<td>-------</td>
<td>----------</td>
</tr>
<tr>
<td>HAWAII (H.R.S. § 582-32)</td>
<td>1992 Model Bill</td>
<td>Trademark or trade name</td>
<td>Actual dilution</td>
<td>Mark must be famous in the state, which court determines by looking at (1) degree of inherent or acquired distinctiveness of the mark in the state; (2) duration and extent of use of the mark in connection with the goods and services; (3) duration and extent of advertising and publicity of the mark in the state; (4) geographical extent of the trading area in which the mark is used; (5) channels of trade for the goods or services with which the mark is used; (6) degree of recognition in the state of the mark in the registrant's trading area and channel of trade, and in the user's trading area and channel of trade; (7) nature and extent of use of the same or similar mark by third parties; and (8) whether the mark is the subject of a state or federal registration.</td>
<td>Fair use of a famous mark in comparative commercial advertising or promotion to identify the competing goods or services of the owner of the famous mark; noncommercial uses of the mark; all forms of news reporting and news commentary</td>
<td>Injunction; additional remedies if dilution is willful or intentional</td>
</tr>
<tr>
<td>IDAHO (S.B. 98)</td>
<td>1992 Model Bill</td>
<td>Trademark</td>
<td>Actual dilution</td>
<td>Mark must be famous in the state, which court determines by looking at (1) degree of inherent or acquired distinctiveness of the mark in the state; (2) duration and extent of use of the mark in connection with the goods and services; (3) duration and extent of advertising and publicity of the mark in the state; (4) geographical extent of the trading area in which the mark is used; (5) channels of trade for the goods or services with which the mark is used; (6) degree of recognition in the state of the mark in the registrant's trading area and channel of trade, and in the user's trading area and channel of trade; and (7) nature and extent of use of the same or similar mark by other persons.</td>
<td>Injunction; additional remedies if dilution is willful or intentional</td>
<td></td>
</tr>
<tr>
<td>Based On</td>
<td>Applies To</td>
<td>Standard of Proof</td>
<td>Level of Distinctiveness and Degree of Fame Required</td>
<td>Exceptions</td>
<td>Scope</td>
<td>Remedies</td>
</tr>
<tr>
<td>----------</td>
<td>------------</td>
<td>-------------------</td>
<td>---------------------------------------------------</td>
<td>------------</td>
<td>------</td>
<td>---------</td>
</tr>
<tr>
<td>1992 Model Bill</td>
<td>Trademarks</td>
<td>Actual dilution</td>
<td>Distinctiveness: (1) whether mark is coined or invented; (2) length of time mark has been used; (3) scope of advertising and promotion of mark; (4) nature and extent of business involved; and (5) scope of first user's reputation. Fame: (1) degree of inherent or acquired distinctiveness of the mark in the state; (2) duration and extent of use of the mark in connection with the goods and services; (3) duration and extent of advertising and publicity of the mark in the state; (4) geographical extent of the trading area in which the mark is used; (5) channels of trade for the goods or services with which the mark is used; (6) degree of recognition in the state of the mark in the registrant's trading area and channel of trade, and in the user's trading area and channel of trade; (7) nature and extent of use of the same or similar mark by third parties; and (8) whether the mark is the subject of a state or federal registration.</td>
<td>Fair use of a famous mark in comparative commercial advertising or promotion to identify the competing goods or services of the owner of the famous mark; noncommercial uses of the mark; all forms of news reporting and news commentary</td>
<td>Statute does not apply to competitors with similar or identical marks</td>
<td>Injunction; additional remedies if dilution is willful or intentional</td>
</tr>
<tr>
<td>Based On</td>
<td>Applies To</td>
<td>Standard of Proof</td>
<td>Level of Distinctiveness and Degree of Fame Required</td>
<td>Exceptions</td>
<td>Scope</td>
<td>Remedies</td>
</tr>
<tr>
<td>----------</td>
<td>------------</td>
<td>------------------</td>
<td>------------------------------------------------------</td>
<td>------------</td>
<td>-------</td>
<td>---------</td>
</tr>
<tr>
<td>INDIANA (IC 23-14-1-18)</td>
<td>1992 Model Bill</td>
<td>Applies only to fanciful marks except where other person’s use tarnishes the reputation of the famous mark</td>
<td>Actual dilution</td>
<td>Mark must be famous in the state, which court determines by looking at (1) degree of inherent or acquired distinctiveness of the mark in the state; (2) duration and extent of use of the mark in connection with the goods and services; (3) duration and extent of advertising and publicity of the mark in the state; (4) geographical extent of the trading area in which the mark is used; (5) channels of trade for the goods or services with which the mark is used; (6) degree of recognition in the state of the mark in the registrant’s trading area and channel of trade, and in the user’s trading area and channel of trade; (7) nature and extent of use of the same or similar mark by third parties; and (8) whether the mark is the subject of a state or federal registration.</td>
<td>Fair use of a famous mark in comparative commercial advertising or promotion to identify the competing goods or services of the owner of the famous mark; noncommercial uses of the mark; all forms of news reporting and news commentary</td>
<td>Injunction; court may also require payment of all profits derived from and damages suffered by reason of use of the mark in violation of this section and, in exceptional cases, may award reasonable attorney’s fees to the prevailing party</td>
</tr>
<tr>
<td>IOWA (IA. 58.17)</td>
<td>1992 Model Bill</td>
<td>Trademarks</td>
<td>Actual dilution</td>
<td>Mark must be famous in the state, which court determines by looking at (1) degree of inherent or acquired distinctiveness of the mark in the state; (2) duration and extent of use of the mark in connection with the goods and services; (3) duration and extent of advertising and publicity of the mark in the state; (4) geographical extent of the trading area in which the mark is used; (5) channels of trade for the goods or services with which the mark is used; (6) degree of recognition in the state of the mark in the registrant’s trading area and channel of trade, and in the user’s trading area and channel of trade; and (7) nature and extent of use of the same or similar mark by other persons.</td>
<td>Fair use of a famous mark in comparative commercial advertising or promotion to identify the competing goods or services of the owner of the famous mark; noncommercial uses of the mark; all forms of news reporting and news commentary</td>
<td>Injunction; additional remedies if dilution is willful or intentional</td>
</tr>
<tr>
<td>Based On</td>
<td>Applies To</td>
<td>Standard of Proof</td>
<td>Level of Distinctiveness and Degree of Fame Required</td>
<td>Exceptions</td>
<td>Scope</td>
<td>Remedies</td>
</tr>
<tr>
<td>----------</td>
<td>------------</td>
<td>-------------------</td>
<td>---------------------------------------------------</td>
<td>------------</td>
<td>-------</td>
<td>---------</td>
</tr>
<tr>
<td>KANSAS (K.S.A. 87-227)</td>
<td>1992 Model Bill</td>
<td>Trademarks and trade names</td>
<td>Actual dilution</td>
<td>Mark must be famous in the state, which court determines by looking at (1) degree of inherent or acquired distinctiveness of the mark in the state; (2) duration and extent of use of the mark in connection with the goods and services; (3) duration and extent of advertising and publicity of the mark in the state; (4) geographical extent of the trading area in which the mark is used; (5) channels of trade for the goods or services with which the mark is used; (6) degree of recognition in the state of the mark in the registrant's trading area and channel of trade, and in the user's trading area and channel of trade; (7) nature and extent of use of the same or similar mark by third parties; and (8) whether the mark is the subject of a state or federal registration.</td>
<td>Fair use of a famous mark in comparative commercial advertising or promotion to identify the competing goods or services of the owner of the famous mark; noncommercial uses of the mark; all forms of news reporting and news commentary</td>
<td>Injunction; additional remedies if dilution is willful or intentional</td>
</tr>
<tr>
<td>LOUISIANA (LSA R5 226.4)</td>
<td>1964 Model Bill</td>
<td>Trademark (Common Law or Registered) Trade Name</td>
<td>Likelihood of dilution of the distinctive quality of the mark</td>
<td>Strength of mark may be demonstrated by a showing of distinctiveness or that the mark has acquired secondary meaning</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Based On</td>
<td>Applies To</td>
<td>Standard of Proof</td>
<td>Level of Distinctiveness and Degree of Fame Required</td>
<td>Exceptions</td>
<td>Scope</td>
<td>Remedies</td>
</tr>
<tr>
<td>----------</td>
<td>------------</td>
<td>-------------------</td>
<td>---------------------------------------------------</td>
<td>------------</td>
<td>-------</td>
<td>---------</td>
</tr>
<tr>
<td>MAINE (O.M.R.S. A § 1561)</td>
<td>1964 Model Bill</td>
<td>Trademark (Common Law or Registered) Trade Name</td>
<td>Likelihood of dilution of the distinctive quality of the mark</td>
<td>Mere similarity will not afford injunctive relief; high standards required along with showing of intent to deceive</td>
<td>Injunction</td>
<td></td>
</tr>
<tr>
<td>MASSACHUSETTS (M.G.L.A. 105A § 185)</td>
<td>1964 Model Bill</td>
<td>Trademark (Common Law or Registered) Trade Name</td>
<td>Likelihood of dilution of the distinctive quality of the mark</td>
<td></td>
<td></td>
<td>Injunction</td>
</tr>
<tr>
<td>Based On</td>
<td>Applies To</td>
<td>Standard of Proof</td>
<td>Level of Distinctiveness and Degree of Fame Required</td>
<td>Exceptions</td>
<td>Scope</td>
<td>Remedies</td>
</tr>
<tr>
<td>---------</td>
<td>------------</td>
<td>-------------------</td>
<td>------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
<td>---------------------------------------------------------------------------</td>
<td>------------------------------------------------------------------------</td>
<td>--------------------------------------------------------------------------</td>
</tr>
<tr>
<td>1992</td>
<td>Trademark or trade name</td>
<td>Actual dilution</td>
<td>Mark must be famous in the state, which court determines by looking at (1) degree of inherent or acquired distinctiveness of the mark in the state; (2) duration and extent of use of the mark in connection with the goods and services; (3) duration and extent of advertising and publicity of the mark in the state; (4) geographical extent of the trading area in which the mark is used; (5) channels of trade for the goods or services with which the mark is used; (6) degree of recognition in the state of the mark in the registrant's trading area and channel of trade, and in the user's trading area and channel of trade; (7) nature and extent of use of the same or similar mark by third parties; and (8) whether the mark is the subject of a state or federal registration.</td>
<td>Fair use of a famous mark in comparative commercial advertising or promotion to identify the competing goods or services of the owner of the famous mark; noncommercial uses of the mark; all forms of news reporting and news commentary</td>
<td>Injunction; additional remedies if dilution is willful or intentional</td>
<td></td>
</tr>
</tbody>
</table>

**MISSISSIPPI (H.B. 293 AND S. 753-75)**

<p>| 1992    | Trademarks | Actual dilution | Mark must be famous in the state, which court determines by looking at (1) degree of inherent or acquired distinctiveness of the mark in the state; (2) duration and extent of use of the mark in connection with the goods and services; (3) duration and extent of advertising and publicity of the mark in the state; (4) geographical extent of the trading area in which the mark is used; (5) channels of trade for the goods or services with which the mark is used; (6) degree of recognition in the state of the mark in the registrant's trading area and channel of trade, and in the user's trading area and channel of trade; and (7) nature and extent of use of the same or similar mark by third parties; |                                                                  | Injunction; additional remedies if dilution is willful or intentional |                                                                       |</p>
<table>
<thead>
<tr>
<th>Based On</th>
<th>Applies To</th>
<th>Standard of Proof</th>
<th>Level of Distinctiveness and Degree of Fame Required</th>
<th>Exceptions</th>
<th>Scope</th>
<th>Remedies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Missouri (R.L. S. 177-05)</td>
<td>Trademark (Common Law or Registered) Trade Name</td>
<td>Likelihood of dilution of the distinctive quality of the mark</td>
<td>Proof of mark’s strength sufficient for federal TM infringement purposes not necessarily sufficient to sustain dilution by blurring claim under MO law; Mark must be “particularly strong”; dilution only applicable if mark is arbitrary, coined, fanciful or has become distinctive by acquiring secondary meaning</td>
<td></td>
<td></td>
<td>Injunction</td>
</tr>
<tr>
<td>Montana (MCA 80-43-334)</td>
<td>Trademarks and trade names</td>
<td>Actual dilution</td>
<td>Mark must be famous in the state, which court determines by looking at (1) degree of inherent or acquired distinctiveness of the mark in the state; (2) duration and extent of use of the mark in connection with the goods and services; (3) duration and extent of advertising and publicity of the mark in the state; (4) geographical extent of the trading area in which the mark is used; (5) channels of trade for the goods or services with which the mark is used; (6) degree of recognition in the state of the mark in the registrant’s trading area and channel of trade, and in the user’s trading area and channel of trade; (7) nature and extent of use of the same or similar mark by third parties; and (8) whether the mark is the subject of a state or federal registration.</td>
<td>Fair use of a famous mark in comparative commercial advertising or promotion to identify the competing goods or services of the owner of the famous mark; noncommercial uses of the mark; all forms of news reporting and news commentary</td>
<td></td>
<td>Injunction; additional remedies if dilution is willful or intentional</td>
</tr>
<tr>
<td>Based On</td>
<td>Applies To</td>
<td>Standard of Proof</td>
<td>Level of Distinctiveness and Degree of Fame Required</td>
<td>Exceptions</td>
<td>Scope</td>
<td>Remedies</td>
</tr>
<tr>
<td>----------</td>
<td>------------</td>
<td>-------------------</td>
<td>-----------------------------------------------------</td>
<td>-------------</td>
<td>-------</td>
<td>----------</td>
</tr>
<tr>
<td>NEBRASKA (N.D. REV. STAT. § 13.94)</td>
<td>1992 Model Bill</td>
<td>Trademarks and trade names</td>
<td>Actual dilution</td>
<td>Mark must be famous in the state, which court determines by looking at (1) degree of inherent or acquired distinctiveness of the mark in the state; (2) duration and extent of use of the mark in connection with the goods and services; (3) duration and extent of advertising and publicity of the mark in the state; (4) geographical extent of the trading area in which the mark is used; (5) channels of trade for the goods or services with which the mark is used; (6) degree of recognition in the state of the mark in the registrant's trading area and channel of trade, and in the user's trading area and channel of trade; (7) nature and extent of use of the same or similar mark by third parties; and (8) whether the mark is the subject of a state or federal registration.</td>
<td>Fair use of a famous mark in comparative commercial advertising or promotion to identify the competing goods or services of the owner of the famous mark; noncommercial uses of the mark; all forms of news reporting and news commentary</td>
<td>Injunction; additional remedies if dilution is willful or intentional</td>
</tr>
<tr>
<td>Based On</td>
<td>Applies To</td>
<td>Standard of Proof</td>
<td>Level of Distinctiveness and Degree of Fame Required</td>
<td>Exceptions</td>
<td>Scope</td>
<td>Remedies</td>
</tr>
<tr>
<td>----------</td>
<td>------------</td>
<td>-------------------</td>
<td>----------------------------------------------------</td>
<td>------------</td>
<td>-------</td>
<td>---------</td>
</tr>
<tr>
<td>NEVADA: N.R.S. 600.435</td>
<td>Trademark</td>
<td>Actual dilution</td>
<td>Mark must be famous in the state, which court determines by looking at (1) degree of inherent or acquired distinctiveness of the mark in the state; (2) duration and extent of use of the mark in connection with the goods and services; (3) duration and extent of advertising and publicity of the mark in the state; (4) geographical extent of the trading area in which the mark is used; (5) channels of trade for the goods or services with which the mark is used; (6) degree of recognition in the state of the mark in the registrant's trading area and channel of trade, and in the user's trading area and channel of trade; (7) nature and extent of use of the same or similar mark by third parties; and (8) whether the mark is the subject of a state or federal registration.</td>
<td>Fair use of a famous mark in comparative commercial advertising or promotion to identify the competing goods or services of the owner of the famous mark</td>
<td>Not limited to cases involving noncompeting products</td>
<td>Injunction; additional remedies if dilution is willful or intentional</td>
</tr>
<tr>
<td>NEW JERSEY: N.J.S.A. 56:8-13.26</td>
<td>Trademark</td>
<td>Actual dilution</td>
<td>Mark must be famous in the state, which court determines by looking at (1) degree of inherent or acquired distinctiveness of the mark in the state; (2) duration and extent of use of the mark in connection with the goods and services; (3) duration and extent of advertising and publicity of the mark in the state; (4) geographical extent of the trading area in which the mark is used; (5) channels of trade for the goods or services with which the mark is used; (6) degree of recognition in the state of the mark in the registrant's trading area and channel of trade, and in the user's trading area and channel of trade; (7) nature and extent of use of the same or similar mark by third parties;</td>
<td></td>
<td></td>
<td>Injunction; additional remedies if dilution is willful or intentional</td>
</tr>
<tr>
<td>Based On</td>
<td>Applies To</td>
<td>Standard of Proof</td>
<td>Level of Distinctiveness and Degree of Fame Required</td>
<td>Exceptions</td>
<td>Scope</td>
<td>Remedies</td>
</tr>
<tr>
<td>----------</td>
<td>------------</td>
<td>-------------------</td>
<td>--------------------------------------------------</td>
<td>------------</td>
<td>-------</td>
<td>----------</td>
</tr>
<tr>
<td>NEW MEXICO (N.M.S.A. 1978, § 57-3B-15)</td>
<td>1992 Model Bill</td>
<td>Trademark</td>
<td>Actual dilution</td>
<td>Mark must be famous in the state, which court determines by looking at (1) degree of inherent or acquired distinctiveness of the mark in the state; (2) duration and extent of use of the mark in connection with the goods and services; (3) duration and extent of advertising and publicity of the mark in the state; (4) geographical extent of the trading area in which the mark is used; (5) channels of trade for the goods or services with which the mark is used; (6) degree of recognition in the state of the mark in the registrant's trading area and channel of trade, and in the user's trading area and channel of trade; (7) nature and extent of use of the same or similar mark by third parties;</td>
<td></td>
<td>Injunction; additional remedies if dilution is willful or intentional</td>
</tr>
<tr>
<td>NEW YORK (New York McKinney's General Business Law § 388-a)</td>
<td>1964 Model Bill</td>
<td>Trademark (Common Law or Registered); Trade Name; Trade Dress</td>
<td>Likelihood of dilution of the distinctive quality of the mark</td>
<td>Protects only extremely strong marks; gives protection against dilution to marks that are distinctive as a result of acquired secondary meaning as well as to those that are inherently distinctive; mark must have distinctive quality capable of dilution outside of limited market</td>
<td></td>
<td>Marks at issue must be &quot;very&quot; or &quot;substantially&quot; similar, even &quot;confusingly similar&quot;</td>
</tr>
<tr>
<td>OHIO</td>
<td>Common Law</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Injunction</td>
</tr>
<tr>
<td>Based On</td>
<td>Applies To</td>
<td>Standard of Proof</td>
<td>Level of Distinctiveness and Degree of Fame Required</td>
<td>Exceptions</td>
<td>Scope</td>
<td>Remedies</td>
</tr>
<tr>
<td>----------</td>
<td>------------</td>
<td>-------------------</td>
<td>---------------------------------------------------</td>
<td>------------</td>
<td>-------</td>
<td>---------</td>
</tr>
<tr>
<td>Oregon (O.S. S.B. 104)</td>
<td>Trademark (Common Law or Registered); Trade Name</td>
<td>Likelihood of dilution of the distinctive quality of the mark</td>
<td>Trademark or trade name must be &quot;distinctive&quot;</td>
<td></td>
<td></td>
<td>Injunction</td>
</tr>
<tr>
<td>Pennsylvania (S.B. 634)</td>
<td>Trademark or trade name</td>
<td>Actual dilution</td>
<td>Distinctiveness: mark must have distinctive quality, which may be accomplished by demonstrating acquisition of secondary meaning; Fame: Mark must be famous in the state, which court determines by looking at (1) degree of inherent or acquired distinctiveness of the mark in the state; (2) duration and extent of use of the mark in connection with the goods and services; (3) duration and extent of advertising and publicity of the mark in the state; (4) geographical extent of the trading area in which the mark is used; (5) channels of trade for the goods or services with which the mark is used; (6) degree of recognition in the state of the mark in the registrant's trading area and channel of trade, and in the user's trading area and channel of trade; (7) nature and extent of use of the same or similar mark by third parties; and (8) whether the mark is the subject of a state or federal registration.</td>
<td>Fair use of a famous mark in comparative commercial advertising or promotion to identify the competing goods or services of the owner of the famous mark; noncommercial uses of the mark; all forms of news reporting and news commentary</td>
<td></td>
<td>Injunction; additional remedies if dilution is willful or intentional</td>
</tr>
<tr>
<td>Based On</td>
<td>Applies To</td>
<td>Standard of Proof</td>
<td>Level of Distinctiveness and Degree of Fame Required</td>
<td>Exceptions</td>
<td>Scope</td>
<td>Remedies</td>
</tr>
<tr>
<td>---------------</td>
<td>---------------------</td>
<td>----------------------------------------------------------------------------------</td>
<td>----------------------------------------------------------------------------------------------------------------------</td>
<td>------------</td>
<td>-------</td>
<td>-----------------------------------------------</td>
</tr>
<tr>
<td>RHODE ISLAND</td>
<td>Trademark (Common Law or Registered), Trade Name</td>
<td>Likelihood of dilution of the distinctive quality of the mark; Likelihood of confusion sufficient to demonstrate injury</td>
<td></td>
<td></td>
<td></td>
<td>Injunction</td>
</tr>
<tr>
<td>1964 Model Bill</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SOUTH CAROLINA</td>
<td>Trademark</td>
<td>Actual dilution</td>
<td>Mark must be famous in the state, which court determines by looking at (1) degree of inherent or acquired distinctiveness of the mark in the state; (2) duration and extent of use of the mark in connection with the goods and services; (3) duration and extent of advertising and publicity of the mark in the state; (4) geographical extent of the trading area in which the mark is used; (5) channels of trade for the goods or services with which the mark is used; (6) degree of recognition in the state of the mark in the registrant's trading area and channel of trade, and in the user's trading area and channel of trade; (7) nature and extent of use of the same or similar mark by third parties;</td>
<td></td>
<td></td>
<td>Injunction; additional remedies if dilution is willful or intentional</td>
</tr>
<tr>
<td>1992 Model Bill</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Based On</td>
<td>Applies To</td>
<td>Standard of Proof</td>
<td>Level of Distinctiveness and Degree of Fame Required</td>
<td>Exceptions</td>
<td>Scope</td>
<td>Remedies</td>
</tr>
<tr>
<td>----------</td>
<td>------------</td>
<td>-------------------</td>
<td>----------------------------------------------------</td>
<td>-------------</td>
<td>-------</td>
<td>----------</td>
</tr>
<tr>
<td>TENNESSEE (T.C.A. 56.79.25-13)</td>
<td>1992 Model Bill Trademark or trade name</td>
<td>Actual dilution</td>
<td>Mark must be distinctive or unique. Mark must be famous in the state, which court determines by looking at (1) degree of inherent or acquired distinctiveness of the mark in the state; (2) duration and extent of use of the mark in connection with the goods and services; (3) duration and extent of advertising and publicity of the mark in the state; (4) geographical extent of the trading area in which the mark is used; (5) channels of trade for the goods or services with which the mark is used; (6) degree of recognition in the state of the mark in the registrant's trading area and channel of trade, and in the user's trading area and channel of trade; (7) nature and extent of use of the same or similar mark by third parties; and (8) whether the mark is the subject of a state or federal registration.</td>
<td>Fair use of a famous mark in comparative commercial advertising or promotion to identify the competing goods or services of the owner of the famous mark; noncommercial uses of the mark; all forms of news reporting and news commentary</td>
<td></td>
<td>Injunction; additional remedies if dilution is willful or intentional</td>
</tr>
<tr>
<td>TEXAS (CIV. 1998 § 18.79)</td>
<td>1964 Model Bill Trademark (Common Law or Registered); Trade Name; Trade Dress</td>
<td>Likelihood of dilution of the distinctive quality of the mark</td>
<td>Strong, distinctive, unique marks or marks that have acquired secondary meaning; there is no requirement that the mark be famous</td>
<td></td>
<td></td>
<td>Injunction</td>
</tr>
<tr>
<td>Based On</td>
<td>Applies To</td>
<td>Standard of Proof</td>
<td>Level of Distinctiveness and Degree of Fame Required</td>
<td>Exceptions</td>
<td>Scope</td>
<td>Remedies</td>
</tr>
<tr>
<td>----------</td>
<td>------------</td>
<td>-------------------</td>
<td>-----------------------------------------------</td>
<td>------------</td>
<td>-------</td>
<td>----------</td>
</tr>
<tr>
<td>1992 Model Bill</td>
<td>Trademark</td>
<td>Actual dilution</td>
<td>Mark must be famous in the state, which court determines by looking at (1) degree of inherent or acquired distinctiveness of the mark in the state; (2) duration and extent of use of the mark in connection with the goods and services; (3) duration and extent of advertising and publicity of the mark in the state; (4) geographical extent of the trading area in which the mark is used; (5) channels of trade for the goods or services with which the mark is used; (6) degree of recognition in the state of the mark in the registrant's trading area and channel of trade, and in the user's trading area and channel of trade; (7) nature and extent of use of the same or similar mark by third parties; and (8) whether the mark is the subject of a state or federal registration.</td>
<td>Fair use of a famous mark in comparative commercial advertising or promotion to identify the competing goods or services of the owner of the famous mark; noncommercial uses of the mark; all forms of news reporting and news commentary</td>
<td>Injunction; additional remedies if dilution is willful or intentional</td>
<td></td>
</tr>
<tr>
<td>Based On</td>
<td>Applies To</td>
<td>Standard of Proof</td>
<td>Level of Distinctiveness and Degree of Fame Required</td>
<td>Exceptions</td>
<td>Scope</td>
<td>Remedies</td>
</tr>
<tr>
<td>----------</td>
<td>------------</td>
<td>-------------------</td>
<td>----------------------------------------------------</td>
<td>----------</td>
<td>-------</td>
<td>---------</td>
</tr>
<tr>
<td>WASHINGTON (Washington Week, 1977, 188)</td>
<td>1992 Model Bill</td>
<td>Trademark Actual dilution</td>
<td>Mark must be famous in the state, which court determines by looking at (1) degree of inherent or acquired distinctiveness of the mark in the state; (2) duration and extent of use of the mark in connection with the goods and services; (3) duration and extent of advertising and publicity of the mark in the state; (4) geographical extent of the trading area in which the mark is used; (5) channels of trade for the goods or services with which the mark is used; (6) degree of recognition in the state of the mark in the registrant's trading area and channel of trade, and in the user's trading area and channel of trade; (7) nature and extent of use of the same or similar mark by third parties; and (8) whether the mark is the subject of a state or federal registration.</td>
<td>Fair use of a famous mark in comparative commercial advertising or promotion to identify the competing goods or services of the owner of the famous mark; noncommercial uses of the mark; all forms of news reporting and news commentary</td>
<td></td>
<td>Injunction and other remedies</td>
</tr>
<tr>
<td>WEST VIRGINIA (W. Va. Code § 24-3-10)</td>
<td>1992 Model Bill</td>
<td>Trademark Actual dilution</td>
<td>Mark must be famous in the state, which court determines by looking at (1) degree of inherent or acquired distinctiveness of the mark in the state; (2) duration and extent of use of the mark in connection with the goods and services; (3) duration and extent of advertising and publicity of the mark in the state; (4) geographical extent of the trading area in which the mark is used; (5) channels of trade for the goods or services with which the mark is used; (6) degree of recognition in the state of the mark in the registrant's trading area and channel of trade, and in the user's trading area and channel of trade; (7) nature and extent of use of the same or similar mark by third parties;</td>
<td></td>
<td></td>
<td>Injunction; additional remedies if dilution is willful or intentional</td>
</tr>
<tr>
<td>Based On</td>
<td>Applies To</td>
<td>Standard of Proof</td>
<td>Level of Distinctiveness and Degree of Fame Required</td>
<td>Exceptions</td>
<td>Scope</td>
<td>Remedies</td>
</tr>
<tr>
<td>----------</td>
<td>------------</td>
<td>-------------------</td>
<td>---------------------------------------------------</td>
<td>-------------</td>
<td>-------</td>
<td>----------</td>
</tr>
<tr>
<td>1992 Model Bill</td>
<td>Trademark</td>
<td>Actual dilution</td>
<td>Mark must be famous in the state, which court determines by looking at (1) degree of inherent or acquired distinctiveness of the mark in the state; (2) duration and extent of use of the mark in connection with the goods and services; (3) duration and extent of advertising and publicity of the mark in the state; (4) geographical extent of the trading area in which the mark is used; (5) channels of trade for the goods or services with which the mark is used; (6) degree of recognition in the state of the mark in the registrant's trading area and channel of trade, and in the user's trading area and channel of trade; (7) nature and extent of use of the same or similar mark by third parties;</td>
<td>Injunction; additional remedies if dilution is willful or intentional</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
RONALD T. COLEMAN, JR.

Ronald T. Coleman, Jr. is a litigation partner with Parker, Hudson, Rainer & Dobbs in Atlanta, Georgia. He focuses his practice on complex business litigation, particularly in the areas of franchise, intellectual property, and trade regulation litigation. Mr. Coleman regularly represents franchise clients in a wide variety of matters, including cases involving breach of franchise agreements, good faith and fair dealing, fraud, RICO and antitrust claims, constitutional challenges to state statutes, enforcement of terminations, and intellectual property rights. He also has represented clients in numerous arbitrations, mediations, mini-trials, and other types of ADR processes.

Mr. Coleman was selected as one of Georgia's “Super Lawyers” in the area of business litigation by Law & Politics Media in 2004-2007, based on a survey of other lawyers and evaluation by an independent panel. He was named one of Georgia's “Legal Elite” by Georgia Trend magazine in December 2004. He is also listed in The International Who's Who of Business Lawyers for the franchise area, and was selected as one of the top 100 "Legal Eagles" by Franchise Times in 2004.

Mr. Coleman has written and spoken extensively on topics in the franchise, intellectual property, and general litigation areas. Mr. Coleman is a member of the American Bar Association's Sections of Litigation and Intellectual Property Law, and the ABA's Forum Committee on Franchising. He has served as a member of the Steering Committee of the Forum on Franchising's Litigation and Dispute Resolution Division and as a member of the 2006 nominating committee for the Forum's Board of Governors. He is currently a topic and article editor of the Franchise Law Journal.

Mr. Coleman received his A.B. degree, cum laude, from Duke University in 1983 and his J.D. degree, with honors, in 1986 from the Duke University School of Law, where he was a member of the Editorial Board of the Duke Law Journal. He served as a law clerk to the Honorable James C. Hill, United States Court of Appeals for the Eleventh Circuit in 1986-1987.
CORBY C. ANDERSON

Corby Anderson is a litigation partner in the Charlotte, North Carolina office of Helms Mulliss & Wicker, PLLC. Her practice focuses on intellectual property, franchising, media law, and commercial litigation. She has represented business clients and others, from rap artists to race car drivers, in trial and appellate litigation involving trademark, copyright, and patent infringement claims, trade secret claims, and contract and business tort disputes. Ms. Anderson has defended clients in nationwide class action litigation over the administration of franchise advertising funds, the syndication of limited partnerships in the cable television industry, and the calculation of reasonable and customary medical charges. She regularly counsels clients on intellectual property, advertising, Internet, and franchise and distribution matters.

Ms. Anderson has co-authored articles for the ABA Franchise Law Journal on Franchise (& Distribution) Currents, the Initial Interest Confusion Doctrine, and the Antitrust Risks of Information Sharing, and she is currently a Topic and Article Editor for the Franchise Law Journal. She has written about Right of Publicity for the ABA First Amendment and Media Litigation Newsletter. She is co-author of the North Carolina and Fourth Circuit chapters of the Media Law Resource Center’s annual 50-State Survey of Libel Law. She has written and spoken on media law topics ranging from libel to confidential sources to wiretapping and privacy. She is a frequent author in state and local bar journals, writing most recently about NASCAR and the different kinds of legal work associated with motorsports.

Ms. Anderson worked for 12 years as a reporter, editor, and publisher for a Washington, D.C.-based legal publisher before attending law school. After a clerkship on the U.S. Court of Federal Claims for the Honorable Eric G. Bruggink, she was appointed a special master to resolve discovery disputes in Boeing Co. v. United States, a major government contract case. Ms. Anderson earned a B.A. magna cum laude from the College of William and Mary and a J.D. from the University of Virginia School of Law.