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**THE 2006 TRADEMARK DILUTION REVISION ACT ROLLS OUT A
LUXURY CLAIM AND A PARODY EXEMPTION**

Deborah R. Gerhardt*

In 2006, Congress changed federal trademark dilution law when it enacted the Trademark Dilution Revision Act ("TDRA"). This Article first outlines the history of the dilution doctrine in the United States so that the changes enacted through the TDRA may be understood contextually. The TDRA's new provisions are then delineated and explained. The author argues that the TDRA narrows the scope of federal dilution protection. Although the TDRA lowered the burden of proof to a "likelihood of dilution" standard, the Act's new definition of fame creates a high bar that will exclude many marks from qualifying for federal dilution protection. Finally, through a case study, the Article illustrates how the TDRA's parody exemption will work as a defense against dilution by blurring and dilution by tarnishment claims.

When the 2006 Trademark Dilution Revision Act ("TDRA") became law, it marked a rare event in modern intellectual property legal history. For the first time in a while, we can point to a moment when the balance of power tilted decisively against intellectual property owners. This Article explains how the TDRA narrowed the availability of federal dilution as a claim—leaving it open only to owners whose marks are so famous that they are "widely recognized" in the United States. Famous trademark

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owners did get something in return. Once the requisite level of fame is achieved, the burden of proving dilution is lower. However, because the dilution remedy is now available to a much smaller set of marks, most trademarks will no longer qualify for federal dilution protection. Tipping the balance even further, the TDRA clarified the availability of defenses that favor consumers and the use of marks in competitive advertising. By specifically identifying parody as a defense, the TDRA delineated a wide exception for the expressive use of marks on products with a humorous twist.

Section I of this Article gives a brief summary of trademark dilution law history. Set against this background, the changes enacted with the TDRA will take meaningful shape. Section II highlights the most important new provisions in the TDRA and explains their practical implications. The TDRA expanded trademark owners' rights in three important ways. First, it lowered the burden of proof for dilution claims to a likelihood of confusion standard, freeing trademark owners from the difficult task of proving actual dilution.² Second, the TDRA clarified that dilution by tarnishment is actionable.³ And third, the TDRA stated that all distinctive marks—both inherently distinctive marks and those that become distinctive over time—may be the subject of dilution claims.⁴ Section II next examines how, on balance, the TDRA narrowed dilution protection by heightening the definition of fame and clarifying exclusions in which First Amendment concerns are given broader protection.⁵

When two conflicting constituencies are both given new rights and powers, the stage is set for dramatic conflict. The TDRA was designed to narrow dilution as a claim,⁶ and it may succeed in

¹ 15 U.S.C. § 1125(c)(2)(A) (2006).

² The type of evidence necessary to prove a likelihood of dilution remains uncertain. See Joel H. Steckel, Robert Klein & Shelley Schussheim, *Dilution Through the Looking Glass: A Marketing Look at the Trademark Dilution Revision Act of 2005*, 96 TRADEMARK REP. 616 (May–June 2006).

³ 15 U.S.C. § 1125(c)(1).

⁴ *Id.*

⁵ *Id.* § 1125(c)(3)(A)(ii).

⁶ See *infra* note 83 and accompanying text.

accomplishing this goal to a greater extent than its drafters predicted. Section III concludes with a case study of *Louis Vuitton Malletier S.A. v. Haute Diggity Dog*,⁷ the first decision to analyze the TDRA. The case illustrates how the TDRA's parody exclusion may provide dilution immunity even for parodies incorporated into commercial products. Its reasoning foreshadows a new dilution exemption for a specific type of parody: the wholesome pun.

I. A BRIEF SUMMARY OF TRADEMARK DILUTION HISTORY

All histories of the trademark dilution doctrine in the United States⁸ begin with Frank Schechter.⁹ As in-house counsel for the company that sold BVD underwear,¹⁰ Schechter believed that trademarks deserved more protection than trademark law provided at the time. In 1926, Schechter gave us a new paradigm for understanding trademark law in his groundbreaking article, the *Rational Basis of Trademark Protection* published in the *Harvard Law Review*.¹¹ In this article, Schechter created the blueprint we use today for the trademark dilution doctrine.

The brilliance of Schechter's vision is easier to understand if it is viewed in the context of trademark law at the time he was writing. Trademarks were once considered brands in the narrow literal sense of a Circle K burned into a cow—pure identifiers showing the source of a product or service.¹² Early twentieth century legal doctrine reinforced this principle by limiting the scope of trademarks according to the general rule that “there is no property in a trade-mark [sic] apart from the business or trade in

⁷ 464 F. Supp. 2d 495 (E.D. Va. 2006).

⁸ Frank Schechter, *Rational Basis of Trademark Protection*, 40 HARV. L. REV. 813, 831–32 (1926–27) (expanding on the ideas Mr. Schechter discovered in German case law).

⁹ J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS § 24:67 (4th ed. 1996).

¹⁰ Steckel, Klein & Schussheim, *supra* note 2, at 634.

¹¹ Schechter, *supra* note 8, at 813.

¹² MCCARTHY, *supra* note 9, § 5:1 (“[I]t appears that humans have used symbols to identify ownership or origin of articles for thousands of years. Probably the earliest form of marking was the branding of cattle and other animals.”).

connection with which it is employed.”¹³ Common law trademark law provided a remedy if a man sold a product disguised to look as if it came from someone else.¹⁴ If a new business copied the goods and the mark from an older business, the older business could enjoin the new use as unfair palming off. If the new business sold different goods using the same mark, there was no harm to the trade of the older business, and, generally, a court would not enjoin the use.¹⁵

Traditionally, trademark law protected a mark owner from a pirate who used the mark on a competitive good, but provided no protection against such use on a non-competitive good.¹⁶ At the beginning of the twentieth century, courts began expanding the scope of trademark rights to protect closely related goods.¹⁷ But generally, trademark infringement was thought to occur only when a new mark was used on goods that competed directly with those used in connection with the older mark.¹⁸ Even today, trademark infringement claims require proof that the unauthorized use would cause consumer confusion.¹⁹

Schechter’s fundamental insight was that the law should provide a remedy for the unauthorized use of famous marks on non-competing products, even when there is no consumer confusion, because such uses diminish the famous marks’ value.²⁰

¹³ *American Steel Foundries v. Robertson*, 269 U.S. 372, 380 (1926).

¹⁴ *Perry v. Truefitt*, 6 Beav. 66, 49 Eng. Reprint 749 (1842) (cited in *McLean v. Fleming*, 96 U.S. 245 (1878) and *Hanover Star Milling v. Metcalf*, 240 U.S. 403 (1917)) (“A man is not to sell his goods under the pretense that they are from another man.”).

¹⁵ *Id.*

¹⁶ Jessica Litman, *Breakfast with Batman: The Public Interest in the Advertising Age*, 108 YALE L.J. 1717, 1724 n.41 (May 1999) (“Courts’ construction of the requisite confusion in the early part of the century was narrow.”).

¹⁷ *Aunt Jemima Mills v. Rigney*, 247 F. 407 (2d Cir. 1917) (holding that it was infringement for another company to use the well-known pancake batter mark for syrup).

¹⁸ Schechter, *supra* note 8, at 821–22 (explaining that cases like *Aunt Jemima Mills* are exceptions to the general rule that “the same trademark may be used [by others] on different classes of goods”).

¹⁹ 15 U.S.C. § 1114(f) (2006).

²⁰ Schechter, *supra* note 8, at 821–22.

For example, if I use the mark “COCA-COLA” to sell loft apartment homes to students, consumers will probably not be confused as to whether The Coca-Cola Company is the source of my residential properties. Consumers in the United States think of “COCA-COLA” as a beverage, not fancy student housing. If I am able to use “COCA-COLA” on luxury lofts, then my trainer may be more likely to use the term for her pilates classes, and someone else may feel free to use the mark for ice cream. Still, consumers would probably not be confused, and none of these uses would interfere with sales of the “COCA-COLA” soft drink. But Schechter believed that real economic harm occurred to the mark’s “selling power”²¹ and should be remedied.²² The injury was not consumer confusion, but “the whittling away or dispersion of the identity and hold upon the public mind of the mark or name by its use upon non-competing goods.”²³

This weakening of a trademark is now known as dilution. Any one of these small cuts may not kill the mark, but if all are permitted to occur, the cumulative effect will cause the mark to lose its distinctive quality and, therefore, its value.²⁴ For the trademark owner, each of these uses poses real danger.²⁵ If luxury

²¹ *Id.* at 832 (quoting Wertheimer, *Broadened Protection of Names and Trademarks in the German Law*, 20 T.M. BULL. (N.S.) 76 (1925)).

²² *Id.* at 825.

²³ *Id.*

²⁴ Dilution injury caused by the cumulative effect of numerous diluting acts has been compared to “bee stings,” Trademark Dilution Revision Act of 2005, 151 CONG. REC. H2121, 2123 (daily ed. Apr. 19, 2005) (statement of Rep. Berman), and “death by 1000 cuts,” Trademark Dilution Revision Act of 2005, H.R. REP. NO. 109-23, at 25 (2005) (statement of Rep. Berman).

²⁵ See *Dilution Revision Act of 2005: Hearing on H.R. 683 Before the Subcommittee on Courts, the Internet, and Intellectual Property of the Committee on the Judiciary House of Representatives*, 109th Cong. 18 (2005) (testimony of Mark A. Lemley).

[D]ilution is, in fact, a problem . . . [I]f you are the owner of a famous mark, you have a rather serious problem . . . I have attached some of the problems that eBay faces, a list of 186 different something-bay-dot-coms providing some variant of specialized auction services in circumstances that probably aren’t confusing to consumers, but certainly dilute the significance, the uniqueness of the eBay mark.

Id.

homes, exercise equipment, ice cream, and other goods from various sources are labeled “COCA-COLA,” the mark will lose its source identifying meaning and become a synonym for something that is cool, American-made, and youth-oriented.

In this context, it makes sense for trademark law to recognize a remedy to protect owners who have invested resources in building unique, famous brand names. Schechter observed that the economic power of a mark depends on its “uniqueness and singularity.”²⁶ The preservation of these qualities, he concluded, is “the only rational basis” for trademark protection.²⁷ In 1926, this view of protection created a new paradigm for assessing trademark value.

Schechter’s theory also marked a profound shift in trademark legal policy.²⁸ The primary justification for trademark legislation had always been to protect consumers from misrepresentations that result in deception.²⁹ Historically, trademark law applied to limited situations in which goods were produced in a way that made them look as if they came from the trademark holder, when in fact, they came from someone else.³⁰ When dilution occurs, consumers are generally not confused or deceived; rather, the primary harm is damage to the trademark owner. Therefore, dilution is predicated on a policy of protecting³¹ the mark as if it were real property being protected from trespass.³² Dilution doctrine is quite different

²⁶ Schechter, *supra* note 8, at 831.

²⁷ *Id.*

²⁸ Ringling Brothers Barnum & Bailey Combined Shows v. Utah Div. of Travel Dev., 170 F.3d 449, 454 (4th Cir. 1999) (citing Schechter, *supra* note 8) (observing that Schechter “advanced the thesis that the consumer-protection model, even in its expanded state, could not adequately accommodate the new market realities”).

²⁹ H.R. REP. NO. 109-23, at 25 (statement of Rep. Berman).

³⁰ Stacey Dogan & Mark Lemley, *Trademarks and Consumer Search Costs on the Internet*, 41 HOUSTON L. REV. 777, 789 (2004) (citing Taylor v. Carpenter, 23 F. Cas. 742, 744 (C.C.D. Mass 1844) (No. 13,784)).

³¹ Trademark Dilution Revision Act of 2005, H.R. REP. NO. 109-23, at 25 (2005) (statement of Rep. Berman) (“Protection against trademark dilutions seems, in some ways, more akin to property protection than consumer protection.”).

³² Beverly W. Patishall, *Dawning Acceptance of the Dilution Rationale for Trademark–Trade Identity Protection*, 74 TRADEMARK REP. 289, 309 (1984).

because it offers a justification for protecting a mark itself, specifically its distinctive quality or reputation.

The necessity of dilution protection seemed more pressing in the 1920's because of the strict approach courts used to evaluate trademark infringement and the absence of alternative remedies. In the early twentieth century, courts began to recognize that consumers could be confused by the unauthorized use of marks on closely related products,³³ and by the last half of the twentieth century, the likelihood of confusion analysis became so flexible that it was often applied to non-competitive goods that were not closely related.³⁴ Section 1125(a) of the Lanham Act, enacted in 1946, provided an alternative path into federal court for a "false designation of origin, or any false description or representation."³⁵ Like a dilution claim, this federal unfair competition claim

³³ See *Yale Elec. Corp. v. Robertson*, 26 F.2d 972 (2d Cir. 1928) (finding that use of "YALE" lock mark for flashlights and batteries constituted infringement); *Aunt Jemima Mills v. Rigney*, 247 F. 407 (2d Cir. 1917) (finding infringement for use of "AUNT JEMIMA" pancake batter mark on syrup).

³⁴ See, e.g., *Great Atlantic & Pacific Tea Co. v. A&P Trucking Corp.*, 149 A.2d 595 (1959) (holding the mark "A&P" for a trucking company to be confusingly similar to the same mark for grocery store services); *Quality Inns Int'l v. McDonald's Corp.*, 695 F. Supp. 198 (D. Md. 1988) (holding "McSLEEP" for hotels to be confusingly similar to the McDonald's family of marks, even though McDonald's Corporation was not in—and had no plans to enter—the hotel market); see also MCCARTHY, *supra* note 9, § 24:61.

³⁵ In 1946, Section 1125(a) provided:

- (a) Any person who shall affix, apply, or annex, or use in connection with any goods or services, or any container or containers for goods, a false designation of origin, or any false description or representation, including words or other symbols tending falsely to describe or represent the same, and shall cause such goods or services to enter into commerce, and any person who shall with knowledge of the falsity of such designation of origin or description or representation cause or procure the same to be transported or used in commerce or deliver the same to any carrier to be transported or used, shall be liable to a civil action by any person doing business in the locality falsely indicated as that of origin or in the region in which said locality is situated, or by any person who believes that he is or is likely to be damaged by the use of any such false description or representation.

15 U.S.C. § 1125(a) (1946).

required no proof that the products at issue were related or that consumers were confused. State dilution laws provided another potential source of protection. In 1947, the Massachusetts legislature enacted the first state anti-dilution statute, and similar state laws were enacted in Illinois (1953) and New York (1955).³⁶ In 2004, approximately two-thirds of state legislatures had enacted dilution laws.³⁷ By the 1960's, state dilution doctrine began to recognize two specific types of dilution: dilution by blurring (injury to a mark's distinctive quality) and dilution by tarnishment (injury to a mark's reputation).³⁸ In the wake of these changes in state and federal law, a federal cause of action for dilution seemed less urgent than it did when Schechter introduced the idea in 1926.³⁹ Yet, compelling reasons justified the pursuit of federal dilution legislation. Trademark owners could not predict the breadth of protection trademark infringement claims would afford.⁴⁰ Apparent state law protection often turned out to be illusory. The state dilution statutes, in particular, were "seldom invoked and rarely resulted in findings of liability."⁴¹

In 1995, seventy years after publication of Schechter's prophetic article, Congress passed the Federal Trademark Dilution Act ("FTDA") providing a remedy for dilution of famous marks.⁴² The FTDA of 1995 was not a model of clarity. It provided that the owner of a famous mark was entitled to an injunction against someone who "causes dilution of the distinctive quality of the mark"⁴³ This language was so ambiguous that it caused splits among the federal circuits on basic issues such as the burden of

³⁶ MCCARTHY, *supra* note 9, § 24:79.

³⁷ *Id.*

³⁸ *Id.* § 24:80.

³⁹ Litman, *supra* note 16, at 1724 n.44 (noting that in this "era of corporate product diversification, such confusion would even seem reasonable").

⁴⁰ See, e.g., MCCARTHY, *supra* note 9, § 24:61 ("[A] Louisiana federal court found that there was no likelihood of confusion between "ALLSTATE" insurance and a local "ALLSTATE" mortgage broker, while a Texas federal court . . . found there was a likelihood of confusion between "ALLSTATE" insurance and a local "ALLSTATE" car wash.") (citations omitted).

⁴¹ *Id.*

⁴² Federal Trademark Dilution Act of 1995, Pub. L. No. 104-98 (1996).

⁴³ 15 U.S.C. § 1125(c) (2006).

proof,⁴⁴ the type of mark that could be protected⁴⁵ and the meaning of dilution.⁴⁶ Before the FTDA had been around for a decade, “virtually everyone—courts litigants, commentators alike—agree[d] that the law [was] a mess.”⁴⁷

The Supreme Court interpreted the statute in a way that attracted additional attention to its flaws. In *Moseley v. Victoria's Secret*,⁴⁸ the Supreme Court interpreted the FTDA to require proof of “actual dilution, rather than a likelihood of dilution.”⁴⁹ This interpretation gutted the force of the statute. The high standard of proof was criticized as “so ethereal and evanescent that it may be incapable of proof in ordinary cases.”⁵⁰ This criticism was valid.

Claims for dilution make sense only if a remedy is available to rescue the mark before actual dilution occurs. Once a mark is actually diluted and loses its source identifying meaning, recovery may be impossible as a practical matter and legally barred. The practical impossibility may be illustrated by the difference in distinctive meaning between the marks “RAY’S” and “WENDY’S.” Because Wendy’s International, Inc. has protected its fast food mark against use by others, “WENDY’S” has remained distinct and evokes a specific vision about the restaurant’s décor, menu items, cost, quality, and speed of service.

⁴⁴ Barton Beebe, *A Defense of the New Federal Trademark Antidilution Law*, 16 FORDHAM INTELL. PROP. MEDIA & ENT. L.J. 1143, 1152 (2006); see, e.g., *Ringling Brothers Barnum & Bailey Combined Shows v. Utah Div. of Travel Dev.*, 170 F.3d 449 (4th Cir. 1999) (requiring merely a likelihood of dilution); *Nabisco v. PF Brands*, 191 F.3d 208 (2d Cir. 1999) (requiring evidence of actual dilution).

⁴⁵ Beebe, *supra* note 44, at 1152; see, e.g., *TCPIP Holding Co. v. Haar Comm., Inc.*, 244 F.3d 88 (2d Cir. 2001) (denying protection to non-inherently distinctive marks).

⁴⁶ Beebe, *supra* note 44, at 1144–51.

⁴⁷ *Dilution Revision Act of 2005: Hearing on H.R. 683 Before the Subcommittee on Courts, the Internet, and Intellectual Property of the Committee on the Judiciary House of Representatives*, 109th Cong. 6 (2005) (testimony of Anne Gundelfinger, President, International Trademark Association) [hereinafter *Gundelfinger Testimony*].

⁴⁸ *Moseley v. Victoria's Secret Catalogue, Inc.*, 537 U.S. 418 (2003).

⁴⁹ *Id.* at 433.

⁵⁰ Jonathan Moskin, *Victoria's Big Secret: Whither Dilution Under the Federal Trademark Dilution Act?*, 93 TRADEMARK REP. 842, 844 (2003).

The original Ray's Pizzeria in Manhattan did not protect "RAY'S" against use by others. Now that dozens of independent "Ray's Pizza" establishments have mushroomed and coexisted for years in Manhattan,⁵¹ neither the original establishment nor any others can assert exclusive rights in the mark as a practical matter because they are not factually distinctive. Unlike "WENDY'S," the ubiquitous Ray's marks convey nothing more than the most general impression that would be evoked using descriptive words like "pizza" or "Italian food." Now that "RAY'S" has become so diluted by use on establishments that adhere to different standards, no one can recapture its distinctiveness because the mark cannot communicate a distinctive meaningful message about source or quality.

A mark that was once distinctive but that later loses its source identifying meaning may be barred as a matter of law from trademark protection. A trademark registration may be cancelled if the mark becomes a generic term.⁵² Distinctiveness may be lost if the mark loses its meaning as a source identifier by becoming the generic name for a product. For example, aspirin,⁵³ yo-yo,⁵⁴ and thermos,⁵⁵ each lost distinctive meaning as a trademark and became known to consumers as the thing itself. Once a term becomes generic, it is free for any consumer or competitor to use in any way.⁵⁶ The burden is on the trademark owner to protect its marks from dilution and genericide.⁵⁷ Owners of marks such as "ROLLERBLADE," "CHAPSTICK," "KLEENEX" and "BAND-AID" must protect their marks vigilantly so that they do not become generic terms for the goods with which they are associated.⁵⁸ Once the distinctive meaning of such a mark is lost, it

⁵¹ See Wikipedia, Ray's Pizza, http://en.wikipedia.org/wiki/Ray%27s_Pizza (last visited Apr. 12, 2007).

⁵² 15 U.S.C. § 1064(3) (2006).

⁵³ Bayer Co. v. United Drug Co., 272 F. 505 (D.N.Y. 1921).

⁵⁴ Donald F. Duncan, Inc. v. Royal Tops Mfg. Co., 343 F.2d 655 (7th Cir. 1965).

⁵⁵ King Seeley Thermos Co. v. Aladdin Industries Inc., 321 F.2d 577 (2d Cir. 1963).

⁵⁶ *Gundelfinger Testimony*, *supra* note 47, at 26.

⁵⁷ *Id.*

⁵⁸ *Id.*

cannot be regained. Therefore, dilution must be stopped at its inception, before actual dilution has occurred.

In the FTDA, Congress did not use Schechter's precise language in identifying the type of mark that could be diluted (and still has not used it).⁵⁹ Instead of protecting marks that were unique⁶⁰ and singular,⁶¹ the FTDA extended protection more broadly to all "famous" marks.⁶² Remedies were available against one who "causes dilution of the *distinctive* quality of the mark."⁶³ The Second Circuit read this language to mean that a mark must be inherently distinctive before it could be protected under the FTDA.⁶⁴ In the Second Circuit, marks that had acquired distinctiveness⁶⁵ after they were first adopted did not qualify for federal dilution protection.⁶⁶

By failing to specify the types of dilution that could be the subject of an 1125(c) claim, the FTDA created additional confusion. Dilution by blurring, a claim for impairment to the distinctiveness of a mark, clearly appeared within the bounds of the FTDA. Blurring by tarnishment impairs a mark's reputation, and not necessarily its distinctive quality. The language of the FTDA arguably did not extend that far. In *Moseley*, the Supreme Court indicated in dicta that the FTDA may not recognize dilution by tarnishment.⁶⁷ After 2003, some courts and commentators interpreted the FTDA to cover only dilution by blurring.⁶⁸

⁵⁹ Beebe, *supra* note 44, at 1147.

⁶⁰ Schechter, *supra* note 8, at 831.

⁶¹ *Id.*

⁶² 15 U.S.C. § 1125 (2000 & Supp. 2004).

⁶³ *Id.* § 1125(c)(1) (emphasis added).

⁶⁴ "Inherently distinctive" marks are symbols that are so distinctive that legal protection is granted immediately upon adoption and use. Fanciful, arbitrary, and suggestive marks are immediately identifiable as source identifiers, and therefore, are considered inherently distinctive. In contrast, a descriptive mark must acquire distinctive source identifying meaning through use before it may be federally registered. MCCARTHY, *supra* note 9, § 16:3. Inherently distinctive symbols do not require proof of secondary meaning for protection. *Id.*

⁶⁵ TCPIP Holding Co. v. Haar Comm., Inc., 244 F.3d 88, 94–95 (2d Cir. 2001).

⁶⁶ *Id.*

⁶⁷ *Moseley v. Victoria's Secret Catalogue, Inc.*, 537 U.S. 418, 432 (2003).

⁶⁸ MCCARTHY, *supra* note 9, § 24:95.

Congress set out to clean up all of these ambiguities a decade later in a revised dilution statute.

II. TRADEMARK DILUTION REVISION ACT

The Trademark Dilution Revision Act ("TDRA") became effective on October 6, 2006, a little more than a decade after the first federal dilution statute, the FTDA, became law.⁶⁹ The TDRA fulfilled its mission of resolving many of the FTDA's ambiguities.⁷⁰ Much recent federal legislation has tipped the intellectual property balance in favor of intellectual property owners, shrinking the public domain and public access rights.⁷¹ One of the most striking features about the new act is that although it broadens dilution claims in some ways, it recreates dilution as a luxury claim available only to the most famous marks. The TDRA also provides broader fair use defenses.

The TDRA resolved the FTDA's ambiguities about the scope of dilution, by specifying that both dilution by blurring and dilution by tarnishment may be the subject of a claim. The TDRA then defines each cause of action:

⁶⁹ Trademark Dilution Revision Act of 2006, Pub. L. No. 109-312 (2006); Federal Trademark Dilution Act of 1995, Pub. L. No. 104-98 (1996).

⁷⁰ See 152 CONG. REC. H6963, 6964 (daily ed. Sept. 25, 2006) (remarks of Rep. Sensenbrenner) ("Enactment of this bill will eliminate confusion on key dilution issues that have increased litigation and resulted in uncertainty among the regional circuits.").

⁷¹ See, e.g., Digital Millennium Copyright Act of 1998, 17 U.S.C. § 1201 (2006) (providing copyright owners with remedies against production and dissemination of technology, devices, or services that are used to circumvent measures that control access to copyrighted works); Sonny Bono Copyright Term Extension Act of 1998, 17 U.S.C. § 302 (2006) (extending copyright term from life of the author plus fifty years to life of the author plus seventy years). See generally LARRY LESSIG, FREE CULTURE: HOW BIG MEDIA USES TECHNOLOGY AND THE LAW TO LOCK DOWN CULTURE AND CONTROL CREATIVITY (Penguin Press 2004); JAMES BOYLE, SHAMANS, SOFTWARE, AND SPLEENS: LAW AND THE CONSTRUCTION OF THE INFORMATION SOCIETY (Harvard Univ. Press 1996).

“Dilution by blurring” is association arising from the similarity between a mark or trade name and a famous mark that impairs the distinctiveness of the famous mark.

“Dilution by tarnishment” is association arising from the similarity between a mark or trade name and a famous mark that harms the reputation of the famous mark.⁷²

This clarification arguably broadens the potential scope of federal dilution law, because the door to dilution by tarnishment claims, shut by the Supreme Court in *Moseley*, is now wide open. Whether this addition to the statute turns out to make a difference in practice is another question, and one that will be exceedingly interesting to watch as it evolves. As discussed below, the actual power of this claim is likely to be a function of the way courts interpret the broad defenses that come later in the statute.

The TDRA relegated *Moseley* to a wrong turn⁷³ on the path of trademark legal history by lowering the burden of proof from actual dilution to a likelihood of dilution.⁷⁴ Because the harm created by dilution occurs over time as a result of multiple consumer experiences, the evidence that would satisfy even this lower burden will require skill and substantial cost to assemble.⁷⁵ “[U]nlike a bandaged thumb or a shattered light bulb, a diluted trademark’s appearance does not change after the injury.”⁷⁶ Harm

⁷² 15 U.S.C. § 1125(c)(2)(B)–(C) (2006).

⁷³ In commenting on the TDRA, Senator Leahy stated, “As an original author and sponsor of the act, I know firsthand that this is contrary to what Congress intended when it passed the dilution statute [sic]. What we did intend was to stop diluting before actual harm could be realized and the value of any reputable trademark debased.” 152 CONG. REC. S1921, 1923 (daily ed. Mar. 8, 2006) (statement of Sen. Leahy).

⁷⁴ The TDRA specifies:

[T]he 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)(2)(C) (emphasis added).

⁷⁵ For an interesting discussion of how a consumer survey may be designed to meet this burden of proof, see Steckel, Klein & Schussheim, *supra* note 2.

⁷⁶ *Id.* at 618.

to reputation and to distinctiveness is difficult to measure from visual inspection. In order to assess this harm, cultural perceptions of trademarks will take on greater importance.⁷⁷

The lowered burden of proof and the broadened definition may be viewed as significant expansions of federal dilution claims, but these expansions will be counter-balanced by the TDRA's changes affecting the type of mark that may be the subject of a federal dilution claim. Although the FTDA did not expressly limit trademark rights to inherently distinctive marks, the Act was vague enough that the Second Circuit read this limitation into the statute.⁷⁸ The TDRA clarifies that any "famous mark that is distinctive, inherently or through acquired distinctiveness" may be the subject of a dilution claim.⁷⁹ Yet, the degree of distinctiveness remains one of the factors relevant to a determination of dilution by blurring.⁸⁰

A second, more important change can be seen in the substantially narrower definition of fame articulated in the TDRA. Like the FTDA, the TDRA requires that a mark must be "famous" before its owner can assert a federal dilution claim. However, this bar has much more meaning in the TDRA. The FTDA identified fame as a requirement, but listed the degree of consumer recognition of the mark as only one of eight factors that may be considered to establish fame.⁸¹

⁷⁷ For a provocative, thoughtful discussion of how consumer communication about brands should affect the interpretation of trademark law, see *Online Word of Mouth and Its Implications for Trademark Law*, in TRADEMARK LAW AND THEORY: A HANDBOOK OF CONTEMPORARY RESEARCH (Graeme B. Dinwoodie & Mark D. Janis eds., Edward Elgar Press 2007).

⁷⁸ TCPIP Holding Co., Inc. v. Haar Commc'ns. Inc., 244 F.3d 88 (2d Cir. 2001) (holding that the FTDA applies to inherently distinctive marks).

⁷⁹ 15 U.S.C. § 1125(c)(1) (2006).

⁸⁰ *Id.* § 1125(c)(2)(B)(ii).

⁸¹ The FTDA provided:

The owner of a famous mark shall be entitled, subject to the principles of equity and upon such terms as the court deems reasonable, to an injunction against another person's commercial use in commerce of a mark or trade name, if such use begins after the mark has become famous and causes dilution of the distinctive quality of the mark, and to obtain such other relief as is provided in this subsection. In

Under the TDRA, only those who own marks that are “widely recognized by the general consuming public of the United States”⁸² may assert federal dilution claims. This change will end dilution as a remedy for marks not known outside of specialized “niche” markets.⁸³ For example, although virtually every lawyer or law student would recognize the trademarks BARBRI and PMBR, the general consuming public is less likely to be familiar with these marks.⁸⁴ Under the FTDA, they would have been sufficiently famous to support a dilution claim because they are so well known in the legal market. Under the new TDRA standard, it would be much more difficult to prove that these marks are “widely recognized by the general consuming public.”⁸⁵ By changing the definition of what qualifies as a “famous” mark, the TDRA

determining whether a mark is distinctive and famous, a court may consider factors such as, but not limited to—

- (A) the degree of inherent or acquired distinctiveness of the mark;
- (B) the duration and extent of use of the mark in connection with the goods or services with which the mark is used;
- (C) the duration and extent of advertising and publicity of the mark;
- (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 the trading areas and channels of trade used by the mark’s owner and the person against whom the injunction is sought;
- (G) the nature and extent of use of the same or similar marks by third parties; and
- (H) whether the mark was registered under the Act of March 3, 1881, or the Act of February 20, 1905, or on the principal register.

15 U.S.C. § 1125(c)(1) (2000).

⁸² 15 U.S.C. § 1125(c)(2)(A) (2006).

⁸³ Trademark Dilution Revision Act of 2005, H.R. REP. NO. 109-23, at 8 (2005) (“[T]he legislation expands the threshold of ‘fame’ and thereby denies protection for marks that are famous only in ‘niche’ markets.”).

⁸⁴ See *Mead Data Cent., Inc. v. Toyota Motor Sales, Inc.*, 875 F.2d 1026 (2d Cir. 1989) (applying the New York anti-dilution statute, the Second Circuit held that “LEXUS” did not dilute the mark “LEXIS,” relying in part on the finding that only 1% of the general public thought of LEXIS as a mark).

⁸⁵ 15 U.S.C. § 1125(c)(2)(A) (2006).

enacted a significant gate-keeping device that is likely to reduce the number of marks that are strong enough to meet this new definition of “fame.”

After enactment of the FTDA (but perhaps to a lesser extent after *Moseley* was decided), dilution claims were routinely added on to federal trademark infringement complaints.⁸⁶ If the likelihood of confusion analysis seemed to be a close call, especially if the parties’ products were sold in different markets, a dilution count often would be included if the mark was arguably famous to any identifiable group. Even Anne Gundelfinger, the President of the International Trademark Association conceded that dilution protection was not meant to be this broad.⁸⁷ She explained in testimony before Congress, “[d]ilution protection was never meant for the average trademark. It was intended to provide extraordinary protection for extraordinary marks.”⁸⁸ The TDRA’s heightened threshold for fame will change dilution practice dramatically, because only marks that are well known to the general public will be proper subjects for federal dilution claims.

This definitional change has tremendous significance. Consumer recognition of the mark is no longer one factor in determining fame.⁸⁹ It is a requirement. The definition on its face recognizes that fame comes from more than years of use and a large advertising budget. It is also a result of many consumer conversations. Fueled by globalization and the Internet economy,

⁸⁶ H.R. REP. NO. 109-23, at 25 (statement of Rep. Berman) (“With these changes, it is our hope that the dilution remedy will be used in the rare circumstance and not as the alternative pleading.”).

⁸⁷ *Gundelfinger Testimony*, *supra* note 47, at 6.

⁸⁸ *Id.*

⁸⁹ Compare 15 U.S.C. § 1125(c)(1)(F) (2000) (listing “the degree of recognition” as one of eight factors a court may consider in analyzing whether a mark is famous), with Trademark Dilution Revision Act of 2005, 15 U.S.C. § 1125(c)(2)(B)(1) (2006) (designating 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 service of the mark’s owner” and then listing “the extent of actual recognition” as one relevant factor in determining whether dilution by blurring has occurred).

the potential value of trademarks is increasing dramatically.⁹⁰ The potential for quick fame has also increased. The YouTube phenomenon demonstrates that in cyberspace, fame sufficient to meet the TDRA definition may be acquired in less than two years.⁹¹ Federal law will protect marks from dilution only if the trademark has become well integrated into our national consciousness. Federal dilution has become a luxury claim, rewarding trademark owners for becoming so deeply integrated into our culture that their marks have meaning to the general public. The statute also rewards the public by protecting the meaning of symbols we choose to make prominent in cultural discourse.

The TDRA also may be viewed as fuel for consumer and competitive discourse because it articulated relatively broad fair use provisions. The fair use amendments were intended to “more clearly protect traditional [F]irst [A]mendment uses, such as parody and criticism . . . [and to] balance . . . the law by strengthening traditional fair-use [sic] defenses.”⁹² A decade earlier, the FTDA created trademark infringement defenses for identification of marks in advertising and promotion, noncommercial use, news reporting and news commentary.⁹³ The

⁹⁰ See, e.g., Alan Riding, *The Louvre's Art: Priceless. The Louvre's Name: Expensive*, N. Y. TIMES, Mar. 7, 2007, at B1 (announcing that the United Arab Emirates has agreed to pay France \$520,000,000 for the right to use “Louvre” on a new art museum); Julie Bosman, *Lesson for Murdoch: Keep the Bloggers Happy*, N. Y. TIMES, Jan. 2, 2006, at C7 (stating that, in July 2005, Rupert Murdoch’s News Corporation bought MySpace for \$580,000,000); Miguel Helft & Geraldine Fabrikant, *WhoseTube?: Viacom Sues Google Over Video Clips on Its Sharing Web Site*, N. Y. TIMES, Mar. 14, 2007, at C1 (mentioning that, in October 2006, Google bought YouTube for \$1.65 billion).

⁹¹ Paul R. LaMonica, *Google to Buy YouTube for \$1.65 Billion*, CNNMONEY.COM Oct. 9, 2006, http://money.cnn.com/2006/10/09/technology/googleyoutube_deal/ (describing the purchase of YouTube by Google, Inc. before YouTube had even been in existence for two years).

⁹² 152 CONG. REC. H6963, 6965 (daily ed. Sept. 25, 2006) (remarks of Rep. Smith).

⁹³ Section 1125(c)(4) provided:

The following shall not be actionable under this section:

TDRA broadened this provision to include “any fair use, including nominative or descriptive fair use identifying and parodying, criticizing, or commenting upon the famous mark owner or the goods or services of the famous mark owner.”⁹⁴ In doing so, the TDRA became the first federal statute to codify exclusions for several unauthorized uses courts consider to be fair. One interesting trend to watch will be how frequently the 1125(c)(2)(C)(3)(A)(ii) exclusions succeed in defeating federal dilution claims.

The interpretation of the parody exclusion should be especially interesting because one person’s parody is likely to be grounds for a trademark owner’s dilution by tarnishment claim. The following section explores this potential conflict through a case study of *Louis Vuitton Malletier S.A. v. Haute Diggity Dog, LLC*.⁹⁵ If this first decision to analyze the TDRA’s parody exemption is upheld

(A) Fair use of a famous mark by another person in comparative commercial advertising or promotion to identify the competing goods or services of the owner of the famous mark.

(B) Noncommercial use of a mark.

(C) All forms of news reporting and news commentary.

15 U.S.C. § 1125(c)(4) (2000).

⁹⁴ The TDRA specifies a longer and more detailed list of exclusions:

The following shall not be actionable as dilution by blurring or dilution by tarnishment under this subsection:

(A) Any fair use, including a nominative or descriptive fair use, or facilitation of such fair use, of a famous mark by another person other than as a designation of source for the person's own goods or services, including use in connection with—

(i) advertising or promotion that permits consumers to compare goods or services; or

(ii) identifying and parodying, criticizing, or commenting upon the famous mark owner or the goods or services of the famous mark owner.

(B) All forms of news reporting and news commentary.

(C) Any noncommercial use of a mark.

15 U.S.C. § 1125(c)(2)(C)(3)(A)(ii) (2006).

⁹⁵ *Louis Vuitton Malletier S.A. v. Haute Diggity Dog, LLC* (*Haute Diggity Dog*), 464 F. Supp. 2d 495 (E.D.Va. 2006).

and proves to be influential, its reasoning may minimize the power of dilution as a viable claim in similar contexts.⁹⁶

III. *LOUIS VUITTON V. HAUTE DIGGITY DOG*: A CASE STUDY OF THE FEDERAL DILUTION PARODY EXCLUSION

In 1896, Louis Vuitton Malletier S.A. (“Louis Vuitton”) began selling luxury leather goods in connection with its famous trademark composed of an interlocking L and V design in a repeated motif that includes four-pointed stars.⁹⁷ In 2002, Louis Vuitton commissioned the popular Japanese designer Takashi Murakami to create a new version of the two-toned brown motif.⁹⁸ Takashi’s design is a variation on the classic pattern incorporating four petal flowers and stylized diamonds all in bright pastel colors on a white background.⁹⁹ An example of the Murakami design¹⁰⁰ is illustrated below:



⁹⁶ Although the court indicates it is applying the TDRA, it relies heavily on FTDA precedent, especially *Tommy Hilfiger Licensing, Inc. v. Nature Labs, LLC*, 221 F. Supp. 2d 410 (S.D.N.Y. 2002), in which “TOMMY HOLEDIGGER” for a pet perfume was held not to infringe or dilute the famous “TOMMY HILFIGER” brand.

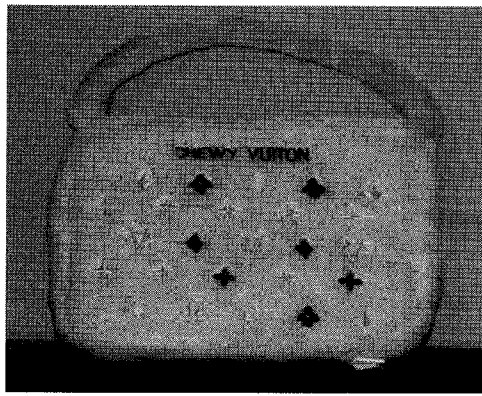
⁹⁷ *Haute Diggity Dog*, 464 F. Supp. 2d at 495.

⁹⁸ *Id.*

⁹⁹ *Id.* at 500.

¹⁰⁰ eLuxury, Louis Vuitton Monogram Multicolore Aurelia, http://www.eluxury.com/browse/product_detail.jhtml?SectionID=6000&styleid=11226208 (source of Murakami design photograph) (last visited Apr. 11, 2007).

The product that provoked the first reported decision on the TDRA was a plush toy handbag for a dog. It sported the mark “CHEWY VUITON,” a pastel colored design on a white background, an interlocking “C” and “V” (for “chewy” and “vuiton”) and a pattern incorporating four pointed stars, four petal flowers and diamonds, in a pattern that evokes the Murakami design:¹⁰¹



Louis Vuitton sued the company selling these stuffed dog toys, alleging trademark infringement, trademark dilution and copyright infringement.¹⁰² Notwithstanding the clear similarities between the designs, the district court granted the defendant’s motion for summary judgment on all of the plaintiff’s claims.¹⁰³ The court’s assessment of the dog toy as a humorous parody heavily influenced its decision.¹⁰⁴

On the first count for trademark infringement, the court applied the Fourth Circuit’s *Pizzeria Uno*¹⁰⁵ factors and the Second Circuit’s quality and sophistication factors¹⁰⁶ and concluded that no

¹⁰¹ The photograph of the “CHEWY VUITON” dog toy was created by the author.

¹⁰² *Haute Diggity Dog*, 464 F. Supp. 2d 495, 498 (E.D.Va. 2006).

¹⁰³ *Id.* at 497.

¹⁰⁴ *See id.* at 499 (citing *Tommy Hilfiger Licensing v. Nature Labs, LLC*, 221 F. Supp. 2d 410, 416 (S.D.N.Y. 2002)).

¹⁰⁵ *Id.* at 500–01 (citing *Pizzeria Uno Corp. v. Temple*, 747 F.2d 1522, 1527 (4th Cir. 1984)).

¹⁰⁶ *Id.* at 503 (citing *Polaroid Corp. v. Polaroid Elecs. Corp.*, 287 F.2d 492, 495 (2d Cir. 1961)).

reasonable trier of fact would find a likelihood of confusion.¹⁰⁷ The court explained that the “lack of actual confusion and bad faith, coupled with the considerations of parody, substantially outweigh the factors that favor the plaintiff.”¹⁰⁸ Contrary to the general rule that strong marks generally fare better in trademark infringement cases,¹⁰⁹ the court reasoned that if the defendant’s work can be seen as a parody, “the opposite can be true.”¹¹⁰ It indicated that, “in cases of parody, a strong mark’s fame and popularity is precisely the mechanism by which likelihood of confusion is avoided.”¹¹¹

In the court’s analysis of the dilution and copyright claims, the parodic nature also had a decisive impact. The district court defined parody as a “simple form of entertainment conveyed by juxtaposing the irreverent representation of the trademark with the idealized image created by the mark’s owner. A parody must ‘convey two simultaneous—and contradictory—messages: that it is the original, but also that it is *not* the original and is instead a parody.’”¹¹² By comparing the images set forth above, it is easy to identify elements the defendant copied from the famous Louis Vuitton design. Identifying the parodic element—why this particular copying triggers the parody exclusion—is not as easy. The district court explained the specific parodic element as follows:

¹⁰⁷ *Id.* at 502.

¹⁰⁸ *Id.* at 503.

¹⁰⁹ *See, e.g.,* Pizzeria Uno Corp. v. Temple, 747 F.2d 1522, 1527 (4th Cir. 1984).

¹¹⁰ *Haute Diggity Dog*, 464 F. Supp. 2d 495, 499 (E.D.Va. 2006) (citing *Tommy Hilfiger Licensing, Inc. v. Nature Labs, LLC*, 221 F. Supp. 2d 410, 416 (S.D.N.Y. 2002)).

¹¹¹ *Id.* (citations omitted).

¹¹² *Id.* (quoting *People for Ethical Treatment of Animals v. Doughney*, 263 F.3d 359, 366 (4th Cir. 2001)).

[T]he use of similar marks and name in a line of dog chew toys and beds parodies the high-end fashion status of LVM's products in a market that LVM does not participate—the market for pet toys and beds. This Court finds that the use of similar markings and colors to those copyrighted by LVM for Chewy Vuiton products is a parody

In this case, the name “Chewy Vuiton” is an obvious wordplay on the name Louis Vuitton, and the superimposed C and V on the logo are intended to “conjure up” enough of the Louis Vuitton logo in order to make the object of its wit—a humorous play on Louis Vuitton's high-end image in the form of dog toys—recognizable. The parody is not possible unless the logo and name are similar to those of Plaintiff, and therefore such parody constitutes a fair use in this respect.¹¹³

The parodic elements appeared to be a combination of the unexpected context (inexpensive toys for dogs instead of luxury bags for women) and the word play on the mark (Chewy Vuiton instead of Louis Vuitton).¹¹⁴ Of these two elements, the pun is more important. Without it, the dog toy would reflect mere copying of the mark. It is the expressive pun that triggers the application of the parody exclusion.

This case marks the first time that parody was used as an effective shield against a TDRA dilution claim, and the case illustrates why such an exclusion, codified for the first time in the TDRA, is necessary to keep the dilution doctrine within its proper scope. When a parody works, it does not blur the trademark it copies. To succeed on a dilution by blurring claim, the mark owner must show that the use is likely to create mental “clutter”¹¹⁵ in the consumer's mind that detracts from the clear expressive message of the mark. A parody that works does not diminish the force of the original trademark's story. Rather, it reinforces the famous mark's narrative by juxtaposing it with a second distinct image. This second image—the parody—is only funny to the

¹¹³ *Id.* at 507.

¹¹⁴ In *Haute Diggity Dog*, the trade name of defendant's company, Haute Diggity Dog, may have added to the positive humorous atmospherics that tilted the court towards a finding of parody instead of piracy. *Id.*

¹¹⁵ M.A. Lemley, *The Modern Lanham Act and the Death of Common Sense*, 108 YALE L.J. 1687, 1704 n.90 (1999) (“The information consumers can obtain and process is in part a function of how clear the association between mark and product remains in their minds; ‘clutter’ therefore imposes real costs on consumers.”).

viewer if both the original image and the parody remain clear in the consumer's mind. Applying this reasoning, the court correctly concluded that the Chewy Vuitton stuffed dog toy did not blur the famous¹¹⁶ Louis Vuitton design mark.

Viewed in perspective with dilution history, the *Haute Diggity Dog* decision appears, at first glance, to have strong ironies. Schechter envisioned a dilution doctrine that would provide the broadest protection for the strongest marks. He explained, "[t]he more distinctive or unique the mark, the deeper is its impress upon the public consciousness and the greater its need for protection against vitiation or dissociation from the particular product in connection with which it has been used."¹¹⁷ The TDRA revived Frank Schechter's vision of dilution as a remedy for superior marks by shrinking federal protection to only the most famous marks.¹¹⁸ Yet, in *Haute Diggity Dog*, the court reasoned that the fame of the mark was a factor that weighed against a finding of dilution.¹¹⁹

In the parody context, the irony is dissipated because no loss of distinctiveness to the famous mark has occurred.¹²⁰ In *Haute Diggity Dog*, the court correctly found that, for true parodies, fame could weigh against a finding of dilution. When a mark is used in a parody that copies but simultaneously proclaims its differences, dilution by blurring does not occur. For a parody to succeed, it

¹¹⁶ The defendant did not dispute that Louis Vuitton's mark met the TDRA's heightened threshold for fame. *Haute Diggity Dog*, 464 F. Supp. 2d 495, 499 (E.D.Va. 2006).

¹¹⁷ Schechter, *supra* note 8, at 825.

¹¹⁸ *Trademark Dilution Revision Act of 2005: Hearing on H.R. 683 Before the House Committee on the Judiciary*, 109th Cong. 49 (2005) (statement of Rep. Berman).

The goal here is to protect only the very famous trademark from subsequent uses that blur the distinctiveness of the mark or tarnish or disparage it. Therefore dilution applies when an unauthorized use of a famous mark reduces the public's perception that the mark signifies something unique, singular, or particular.

Id.

¹¹⁹ *Haute Diggity Dog*, 464 F. Supp. 2d at 505.

¹²⁰ However, outside the context of parody, we should be cautious about applying this reasoning that fame makes dilution less likely.

must evoke the specific narrative of the mark and then present a silly “twin.”¹²¹ Parody is possible only with the most famous marks because if the audience does not have the dominant mark in mind, it will see no humor in the twin. When a parody succeeds, dilution by blurring does not occur because the owner’s narrative is specifically evoked. In parody, two distinct images are clear in the consumer’s mind, the senior mark and the funny parodic version that comments on the original.¹²² When the parody presents two distinct images in the consumer’s mind and the parody reinforces the specific narrative of the borrowed mark, identifying a more substantive parodic element in the trademark dilution context is not necessary.¹²³ For this reason, the district court correctly granted summary judgment on the claim of dilution blurring.

¹²¹ See *People for Ethical Treatment of Animals v. Doughney*, 263 F.3d 359, 366 (4th Cir. 2001) (borrowing “twin” from *Campbell v. Acuff Rose Music, Inc.*, 510 U.S. 569, 588 (1994)).

¹²² See *Campbell*, 510 U.S. at 588.

¹²³ In the opinion, the Court’s strong view that the Defendant’s product was a parody for trademark purposes seemed to compel the conclusion that the copyright claim should be dismissed on this ground as well. *Haute Diggity Dog*, 464 F. Supp. 2d 495, 505–08 (E.D.Va. 2006). However, the fair use analysis in copyright claims requires a more thorough analysis where the copying itself—as opposed to dilution—is the underlying harm. Accordingly, the *Haute Diggity Dog* court reserved its specific identification of the parodic element to the section in which it disposed of the copyright claim. *Id.* at 506–08. Copyright jurisprudence generally treats satire differently from parody. *Campbell*, 510 U.S. at 580–81. Satire comments on the absurdities in our politics and culture. *Id.* Parody is a type of satire that comments both on some societal foible and the original work it copies. *Id.* The commentary on the original is thought to justify the copying and, therefore, when the parodic element is present, more copying will be permitted. See *id.* at 580–81. Therefore, in the copyright context, satires are less likely to be considered fair use than parodies because a satire may borrow the subject matter of another work to attract an audience, but contain no comment on the borrowed work itself. The Supreme Court explained in *Campbell* that “the heart of any parodist’s claim to quote from existing material, is the use of some elements of a prior author’s composition to create a new one that, at least in part, comments on that author’s works.” *Id.* at 580. In analyzing parody as a defense against copyright infringement, identifying a specific parodic element is necessary before arriving at the finding of fair use, because only that expressive message justifies the greater amount of copying than would be permitted in other contexts.

The court disposed of the dilution by tarnishment claim in one short paragraph on the grounds that nothing but the most “flimsy” evidence supported the contention that the Chewy Vuiton dog toy would harm Louis Vuitton’s reputation.¹²⁴ Generally, dilution by tarnishment claims are most likely to succeed if the court considers the subject matter unsavory. These scenarios often incorporate sexually explicit, profane or illegal content.¹²⁵ Tarnishment claims succeed far less often if the mark is changed in some way that is humorous. A good clean pun appears to be a near certain defense against dilution by tarnishment.¹²⁶

CONCLUSION

The Trademark Dilution Revision Act brought dilution law closer to Frank Schechter’s vision by crafting a remedy to protect the distinctiveness and reputation of only the most famous marks. By eliminating dilution protection for all marks not well known to United States consumers, the TDRA created luxury protection for iconic marks and eliminated protection for those that are not generally known. Although the FTDA was widely criticized as a mess, in the hearing to revise it, no one testified that federal dilution protection is not needed.¹²⁷ Reports from the trademark litigation trenches confirm that dilution protection remains

¹²⁴ *Haute Diggity Dog*, 464 F. Supp. 2d at 505.

¹²⁵ See, e.g., *Annheuser-Busch, Inc. v. Andy’s Sportswear, Inc.*, 40 U.S.P.Q.2d (BNA) 1542 (N.D. Cal. 1996) (finding that “Buttweiser” T-shirt is dilution by tarnishment); *Coca-Cola v. Alma Leo USA*, 719 F. Supp. 725 (N.D. Ill. 1989) (holding that white powder in a bottle similar to that of a Coca-Cola bottle was dilution by tarnishment).

¹²⁶ See, e.g., *Tommy Hilfiger Licensing, Inc. v. Nature Labs, LLC*, 221 F. Supp. 2d 410 (S.D.N.Y. 2002) (holding that humorous pet products with labels like “If You Like Tommy Hilfiger, Your Pet Will Love Timmy Holedigger” do not dilute “TOMMY HILFIGER”); *Toho Co., Ltd. v. Sears, Roebuck & Co.*, 645 F.2d 788 (Cal. 1981) (holding that garbage bag seller’s use of “Bagzilla” “monstrously strong bags” posed no likelihood of confusion with creators of Godzilla character); *Jordach Enters. v. Hoff Wyld Ltd.*, 828 F.2d 1482 (10th Cir. 1987) (finding that parodic use of LARDASHE for blue jeans for larger women does not dilute the “JORDACHE” mark for blue jeans).

¹²⁷ See the legislative history of the Trademark Dilution Revision Act of 2005.

necessary to protect famous marks.¹²⁸ Many reported cases confirm that dilution occurs even when confusion is absent or much less likely to occur.¹²⁹ True dilution results in real economic damage to famous trademark owners,¹³⁰ and the TDRA is well crafted to remedy this harm.

Dilution protection for famous marks benefits consumers as well. When a famous mark is diluted, consumers will be forced to expend more resources searching for the product or service they identify with the mark.¹³¹ Trademark dilution also may cause consumers to lose cultural currency. In our networked world, trademarks are touchstones of common experience that create a shared connection with strangers and make them seem like friends. The new parody exclusion, in practice, will help litigants and the courts keep dilution claims within their proper scope: focused on the specific harms of blurring and tarnishment defined in the TDRA. If blurring and tarnishment have not happened, and no consumer confusion or deception are found, trademark law permits consumers to use marks in expressive works, even if those works, like the Chewy Vuiton stuffed doggy bag, are sold commercially. The *Haute Diggity Dog* decision demonstrates how the TDRA has already been applied to tilt the balance of trademark rights away from owners and in favor of consumers and competitors. This new balance affirms that consumer interests in marks extend beyond the right to be protected from confusion and embrace the right to use marks as meaningful symbols in public discourse.

¹²⁸ Telephone interview with Robert P. Ducatman, Partner, Jones Day, in Cleveland, Ohio (Mar. 17, 2007) (confirming that dilution is of vital importance in protecting famous marks); *see also supra* notes 31, 40 and accompanying text.

¹²⁹ *See, e.g.*, cases discussed in MCCARTHY, *supra* note 9, § 24:102.

¹³⁰ *See supra* notes 21–25 and accompanying text.

¹³¹ Lemley, *supra* note 115, at 1704 n.90 (1999) (“The information consumers can obtain and process is in part a function of how clear the association between mark and product remains in their minds; ‘clutter’ therefore imposes real costs on consumers.”); WILLIAM M. LANDES & RICHARD A. POSNER, *THE ECONOMIC STRUCTURE OF INTELLECTUAL PROPERTY LAW* 207 (Harvard Univ. Press 2003).