

MOSELEY V. V SECRET CATALOGUE, INC.

By Brian Paul Gearing

In 1995 Congress enacted the Federal Trademark Dilution Act (“FTDA”),¹ amending § 43 of the Trademark Act of 1946 (“Lanham Act”)² to provide a remedy for the dilution of famous trademarks. Unlike traditional infringement law, this prohibition against trademark dilution is not the result of common law developments or an interest in protecting against consumer confusion.³ The FTDA’s purpose, according to the House, “is to protect famous trademarks from subsequent uses that blur the distinctiveness of the mark or tarnish or disparage it, even in the absence of a likelihood of confusion.”⁴ After enactment of the FTDA, a conflict arose among the federal circuits over interpretation of the dilution act’s statutory language.

In the recent *Victoria’s Secret* decision, the Supreme Court interpreted the FTDA for the first time while resolving a circuit split over whether a plaintiff asserting a dilution claim has to prove actual dilution or merely a likelihood of dilution.⁵ The Court held that the FTDA requires a showing of *actual dilution*.⁶ In reaching this conclusion, the Court examined the FTDA’s legislative history, the differences between state anti-dilution statutes and the FTDA, the plain text of the FTDA,⁷ and the statutory definition of the term “dilution.”⁸ The Court stated that its

¹ See 15 U.S.C. § 1125 (____).

² The Lanham Act is codified at 15 U.S.C.

³ See generally DAVID S. WELKOWITZ, TRADEMARK DILUTION (2002).

⁴ H.R. REP. NO. 104-374, *2 (1995), reprinted in 1996 U.S.C.C.A.N. 1029.

⁵ *Moseley v. V Secret Catalogue, Inc.*, 537 U.S. 418, 123 S.Ct. 1115 (2003).

⁶ *V Secret*, 537 U.S. at ___, 123 S.Ct. at 1122-25.

⁷ The Court considered the text of § 1125(c)(1), providing:

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.

(emphasis added).

⁸ Section 1127 defines dilution as:

decision does not require the plaintiff to prove the consequences of dilution, such as an actual loss of sales or profits.⁹

The Court suggests that trademark owners may use survey evidence and expert testimony to prove actual dilution and that circumstantial evidence of dilution may suffice when a famous mark and the mark alleged to cause dilution¹⁰ are identical.¹¹ But where the marks are not identical, the Court gave little guidance as to what evidence from surveys or expert testimony would prove actual dilution.¹² Furthermore, the Court failed to specify the extent of dilution the trademark owner must prove to prevail.¹³ Although *Victoria's Secret* and *amici* emphasized the difficulty in obtaining evidence of actual dilution, the Court stated that such difficulties do not allow a plaintiff to escape proof of “an essential element of a statutory violation.”¹⁴

This Note has four parts. Part I traces the origin and evolution of trademark dilution law in the United States. Part II examines the history and progression of the *Victoria's Secret* case, highlighting the main issues and the key points of the Court's decision. Part III critiques the Court's opinion, focusing on statutory interpretation, the possible consequences of the new evidentiary hurdles, and the remaining ambiguities frustrating application of the FTDA. Part IV

The term “dilution” means the lessening of the capacity of a famous mark to identify and distinguish goods or services, regardless of the presence or absence of –

- (1) competition between the owner of the famous mark and other parties, or
- (2) likelihood of confusion, mistake, or deception.

15 U.S.C. § 1127 (____).

⁹ *Id.* at ____, 123 S.Ct. at 1124.

¹⁰ In the trademark parlance, the famous mark and the accused mark are referred to as the senior and junior marks, respectively.

¹¹ *Id.* at 1125. While the Court gave no guidance on what this circumstantial evidence may be, the leading treatise on trademarks provides some useful suggestions. See 4 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 24:94.2 (West 2003). See also discussion *infra*.

¹² *V Secret*, 537 U.S. at ____, 123 S.Ct. at 1125. McCarthy provides some guidance with his discussion of expert testimony and dilution surveys. See MCCARTHY, *supra* note 11, § 24:94.2.

¹³ *V Secret*, 537 U.S. at ____, 123 S.Ct. at 1125.

¹⁴ *Id.* The Court's view on this issue is in accord with avoiding the judicial presumption of actual economic harm criticized by the Fourth Circuit: “Neither can the [FTDA] be interpreted to require proof of actual economic harm and its effective cause but permit them to be judicially presumed from proof alone of the marks' sufficient similarity.” *Ringling Bros.-Barnum & Bailey Combined Shows v. Utah Div. of Travel Dev.*, 170 F.3d 449, 459 (4th Cir. 1999). The Fourth Circuit's opinion conflicted with the Second Circuit's opinion in *Nabisco, Inc. v. PF Brands, Inc.*, 191 F.3d 208 (2d Cir. 1999), where a “likelihood of dilution” standard was approved (the *Nabisco* test).

concludes that the Note by considering the Court's decision as merely the first chapter in the FTDA's story.

I. BACKGROUND

Whereas traditional trademark infringement law protects against uses consumer confusion, trademark dilution law protects the "distinctive quality" of the mark.¹⁵ Dilution law allows a mark owner to limit uses that erode or "dilute" this distinctive quality.¹⁶

After the introduction of the dilution doctrine in the United States in 1927, many viewed its break from the traditional touchstone of consumer confusion as radical, perhaps explaining the limited judicial notice it received.¹⁷ Twenty-years later, Massachusetts enacted the first state anti-dilution law, followed by the Model State Trademark Bill in 1964.¹⁸ It was not until 1995, however, that Congress enacted the FTDA. Within the following four years, a conflict arose within the federal circuits over statutory interpretation of the FTDA.

A. Origin of Trademark Dilution in the United States

The language of dilution¹⁹ is found in cases dating back to the early twentieth century in the United States and even earlier in Great Britain.²⁰ But in the 1927 article, *The Rational Basis of Trademark Protection*, Professor Frank I. Schechter brought the concept of trademark dilution to the immediate attention of courts and legislators.²¹ Schechter reasoned that the "preservation of

¹⁵ See WELKOWITZ, *supra* note 3, at 4-5.

¹⁶ See *id.*

¹⁷ See *Ringling Bros.*, 170 F.3d at 454.

¹⁸ See generally WELKOWITZ, *supra* note 3.

¹⁹ In contrast to traditional infringement law, where consumer confusion is the touchstone, dilution protects the commercial image or goodwill of the trademark. Cases protecting a trademark from the perspective of dilution used such "language of dilution."

²⁰ See generally MCCARTHY, *supra* note 11, §24:67 *et seq.* (providing a critical assessment of the dilution doctrine); ROBERT P. MERGES ET AL., *INTELLECTUAL PROPERTY IN THE NEW TECHNOLOGICAL AGE* (3d ed. 2003); RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 25 (West 2003) (providing background on the incorporation of the dilution doctrine into state anti-dilution laws) [hereinafter "RESTATEMENT (THIRD)"]; DAVID S. WELKOWITZ, *TRADEMARK DILUTION* (2002) (tracing the origins and development of trademark dilution law in the United States);

²¹ Frank I. Schechter, *The Rational Basis of Trademark Protection*, 40 HARV. L. REV. 813 (1927).

the uniqueness of a trademark should constitute the only rational basis for its protection.”²² The trademark could be further protected by prohibiting “dilution” of the mark’s uniqueness: the quality from which the trademark derived its hard-earned advertising value and selling power.²³ The Schechter article focused principally on established arbitrary marks that had been “added to rather than withdrawn from the human vocabulary” and an infringer that used a mark identical to this arbitrary mark.²⁴

Schechter believed that these marks had from their introduction into the market been associated with a particular product, not with a variety of products²⁵ and had created in the public consciousness an impression of the product’s excellence.²⁶ By “dilution” Schechter did not mean the junior use of an identical or sufficiently similar mark that caused customer confusion, but instead a use that caused the “gradual whittling away or dispersion of the identity and hold upon the public mind of the mark or name by its use upon non-competing goods.”²⁷

Schechter advocated the broadest dilution protection for only “coined or fanciful marks,” as opposed to “words or phrases in common use.”²⁸ He justified this position because trademark law required that a mark be *uniquely* associated with a particular source to merit broad protection from dilution.²⁹

²² *Id.* at 831.

²³ *Id.* at 832 (borrowing the term “diluted” from a German case).

²⁴ *Id.* at 828-29.

²⁵ This language from the Schechter article appears to indicate that he intended protection from dilution to apply to a class of trademarks that were synonymous with a single product or product class. Some commentators have argued that, in situations where the senior trademark owner use their famous mark to identify a diversity of products, the owners themselves destroy the uniqueness of their mark and, thus, should lose their rights to a claim under the FTDA. See Sara Stadler Nelson, *The Wages of Ubiquity in Trademark Law*, 88 IOWA L. REV. 731, 734-35 (2003).

²⁶ Schechter, *supra* note 21, at 828-29.

²⁷ *Id.* at 825.

²⁸ *Id.* at 828.

²⁹ See *id.* at 829. Schechter apparently did not contemplate dilution protection for trade dress. He stated that “[t]he owner of a distinctive mark or name ... obtains thereby no monopoly of goods or services; these may be freely sold on their own merits and under their own trade symbols.” *Id.* at 833. When Schechter wrote, the concept of protecting product configurations (trade dress protection) was not established. See WELKOWITZ, *supra* note 3, at

Schechter's model was radical. If fully adopted, it would have essentially granted property rights in gross to owners of suitably "unique" marks. This would have made trademark similar to copyright or patent protection but without the time limits.³⁰ However, Schechter's "radical dilution proposal" received only occasional judicial notice.³¹

B. State Anti-dilution Statutes

Massachusetts enacted the first state anti-dilution statute in 1947, giving trademark owners a cause of action in state court against trademark dilution.³² The Massachusetts statute prohibited both injury to a business' reputation ("tarnishment") and dilution of a mark's distinctive quality ("blurring").³³ While the original Massachusetts bill intended to protect only a "coined or peculiar word," the statute did not expressly limit protection to such marks.³⁴ Early Massachusetts courts interpreted the statute cautiously and reluctantly enforced the statute when the trademark lacked substantial renown and consisted of fairly common terms.³⁵

7-8, n.25. However, the FTDA extends protection to famous trade dress and product configurations. *See* Sunbeam Prods. v. West Bend Co., 123 F.3d 246 (5th Cir. 1998).

³⁰ *See* *Ringling Bros.*, 170 F.3d at 456. *See, e.g.*, Robert N. Klieger, *Trademark Dilution: The Whittling Away of the Rational Basis for Trademark Protection*, 58 U. PITT. L. REV. 789, 802 (1997).

³¹ *Ringling Bros.*, 170 F.3d at 454.

³² The Massachusetts statute provided:

Likelihood of injury to business reputation or of dilution of the distinctive quality of a trade name or trademark shall be a ground for injunctive relief in cases of trade-mark infringement or unfair competition notwithstanding the absence of competition between the parties or of confusion as to the source of goods or services.

V Secret, 537 U.S. at ___, 123 S.Ct. at 1123 (quoting 1947 Mass. Acts, ch. 307, 300).

³³ *See id.* Under the dilution doctrine, tarnishment occurs when the junior use injures the reputation and goodwill of the famous senior mark, such as when the junior use is associated with poor quality goods or by parody associating the famous mark with sex or drugs. *See* WELKOWITZ, *supra* note 3, at 111. Blurring occurs when the junior use obscures or mars the identification of the famous senior mark with a particular source. *See* WELKOWITZ, *supra* note 3, at 80 (noting that blurring describes the form of dilution that most closely comports with Schechter's concept of dilution protection).

³⁴ WELKOWITZ, *supra* note 3, at 12.

³⁵ *Id.* (citing Walter J. Derenberg, *The Problem of Trademark Dilution and the Anti-dilution Statutes*, 44 CAL. L. REV. 439, 453-57 (1956)).

In the decades preceding the FTDA's passage in 1995, twenty-five states passed similar anti-dilution laws that explicitly allow claims based on likelihood of dilution.³⁶ These state statutes were the only source of dilution law prior to the FTDA.³⁷ Though these state statutes varied in detail, they typically had four consistent features: (1) they defined the class of marks eligible for dilution protection based on their "distinctive quality"; (2) they prohibited both actual dilution and a likelihood of dilution; (3) they defined dilution as diminishment of the mark's distinctiveness rather than as harm to a senior mark's economic value; and (4) they provided only injunctive relief.³⁸

C. The Model State Trademark Bill

In 1964, the United States Trademark Association added a dilution provision identical to the Massachusetts statute to its Model State Trademark Bill.³⁹ Like the state statute, the 1964 Model Bill was broadly worded – it neither defined "dilution" nor clarified what gives a mark the distinctive quality necessary for dilution protection.⁴⁰

In 1992, the dilution provisions of the 1964 Model Bill were amended to provide substantially more detail.⁴¹ The 1992 provisions protected only famous marks, provided factors to assess fame, defined the term dilution, and permitted the award of damages for certain willful

³⁶ See RESTATEMENT (THIRD), *supra* note 20, at 2, 8 (listing state anti-dilution statutes and discussing their commonalities). Interestingly, in many cases when the statutes were initially being applied, courts denied dilution claims because the plaintiff had failed to show a likelihood of confusion, notwithstanding the plain language of the statutes eliminating confusion as an element of a dilution cause of action. *See id.*

³⁷ See WELKOWITZ, *supra* note 3, at 17 (discussing in detail the state anti-dilution statutes, which exist in a total of 34 states). The FTDA became effective on January 16, 1996.

³⁸ *Ringling Bros.*, 170 F.3d at 454. *See, e.g.*, CAL. BUS. & PROF. CODE § 14330 (West 2003).

³⁹ See WELKOWITZ, *supra* note 3, at 15. The purpose of the Model Bill was to provide a model promoting uniformity and greater certainty concerning trademark rights under state laws. *Id.*

⁴⁰ *Id.*

⁴¹ *Id.* at 16.

acts of infringement.⁴² However, the 1992 Model Bill still used the likelihood of injury standard adopted from the state anti-dilution statutes in 1964.⁴³

D. The Federal Trademark Dilution Act

Prior to the FTDA's enactment, the dilution doctrine had existed in the United States for almost seventy years and had provided a cause of action based on a likelihood of dilution for almost fifty years. The FTDA arose out of this backdrop. After an unsuccessful attempt to pass a dilution bill in 1988, the House and Senate passed the dilution bill creating the FTDA in 1995.⁴⁴ In contrast to the debate that surrounded the 1988 bill, Congress appeared to agree on the need for a federal dilution statute in 1995.⁴⁵

The FTDA contained a number of innovations over the previous state anti-dilution statutes. First, the FTDA requires that a mark be famous⁴⁶ and outlines eight factors to guide the court in determining a mark's famous status.⁴⁷ Second, the FTDA explicitly defines dilution as "the lessening of the capacity of a famous mark to identify and distinguish goods and services."⁴⁸ Third, the FTDA lists three specific defenses to a dilution claim: (1) fair use in comparative advertising, (2) noncommercial use, and (3) news reporting and commentary.⁴⁹ Fourth, the

⁴² *Id.*

⁴³ *Id.*

⁴⁴ WELKOWITZ, *supra* note 3, at 158. The House Report on the dilution bill, H.R. 1295, stated the purpose of the FTDA:

The purpose of H.R. 1295 is to protect famous trademarks from subsequent uses that blur the distinctiveness of the mark or tarnish or disparage it, even in the absence of a likelihood of confusion. H.R. 1295 does this by amending Section 43 of the Trademark Act of 1946 to add a new subsection (c) to provide protection against another's commercial use of a famous mark which results in dilution of such mark. Presently, the nature and extent of the remedies against trademark dilution varies from state to state and, therefore, can provide unpredictable and inadequate results for the trademark owner. The federal remedy provided in H.R. 1295 against trademark dilution will bring uniformity and consistency to the protection of famous marks and is also consistent with our international obligations in the trademark area.

H.R. REP. NO. 104-374, p.2-3 (1995), *reprinted in* 1996 U.S.C.C.A.N. 1029.

⁴⁵ WELKOWITZ, *supra* note 3, at 158.

⁴⁶ *Id.* at 163-64.

⁴⁷ *See* § 1125(c)(1)(A)-(H).

⁴⁸ § 1127 (definition of "dilution").

⁴⁹ § 1125(c)(4). While any state law patterned after the 1964 Model Bill does not contain these provisions, an analogy to the FTDA provisions may exist under the state laws. *See* WELKOWITZ, *supra* note 3, at 166; L.L. Bean,

FTDA lacks the language “likelihood of dilution” but instead only proscribes use that “causes dilution.”⁵⁰ Additionally, the FTDA allowed for damages in cases of willful violations and enabled the owner of a famous mark to oppose or cancel registrations.⁵¹

E. A Split Between the Circuits: Setting the Stage for *Victoria’s Secret*

Shortly after enactment of the FTDA, a conflict arose among the federal circuits over interpretation of the FTDA that eventually lead to the Supreme Court’s intervention in *Victoria’s Secret*. The circuits split over whether the FTDA required a plaintiff to prove actual dilution or merely the likelihood that dilution would occur.⁵² The Fourth and Fifth Circuits held that the statute required a showing of actual economic injury or actual dilution. The Second, Third, Sixth, and Seventh Circuits held that a plaintiff need only show a likelihood of harm or dilution.

The Fourth Circuit’s analysis in *Ringling Bros.-Barnum & Bailey Combined Shows v. Utah Div. of Travel Dev.* exemplifies the actual harm interpretation.⁵³ The Fourth Circuit held that under the FTDA a plaintiff must prove actual economic harm.⁵⁴ The court reasoned that the near-impossibility of proving actual economic harm did not support a judicial presumption of dilution from proof only of the marks’ sufficient similarity.⁵⁵ The Fourth Circuit suggested that actual dilution could be shown by a loss of revenues or by a skillfully constructed consumer survey.⁵⁶

Inc. v. Drake Publishers, Inc., 811 F.2d 26, 31 (1st Cir. 1987) (holding that the First Amendment required allowance of a fair use defense of parody to state anti-dilution law).

⁵⁰ § 1125(c)(1).

⁵¹ WELKOWITZ, *supra* note 3, at 164. It should be noted that the FTDA does not preempt state anti-dilution law. *Id.*

⁵² See generally Karen S. Frank & Gail I. Nevius, *Dilution: The Conflict in the Circuits*, PRACTISING L. INST., PLI Order No. G0-0124, Sept. 2002, at 513; Paul Edward Kim, *Preventing Dilution of the Federal Trademark Dilution Act: Why the FTDA Requires Actual Economic Harm*, 150 U. PA. L. REV. 719 (2001) (discussing the circuit split and arguing for an actual economic harm standard); Matthew S. Voss, *Ringling Bros.-Barnum & Bailey Combined Shows, Inc. v. Utah Division of Travel Development & Nabisco, Inc. v. PF Brands, Inc.*, 15 BERKELEY TECH. L.J. 265 (2000) (highlighting the key cases in the circuit split, the Fourth Circuit v. Second Circuit).

⁵³ See *Ringling Bros.*, 170 F.3d 449 (4th Cir. 1999).

⁵⁴ *Ringling Bros.*, 170 F.3d at 459-61.

⁵⁵ *Id.* In advocating its interpretation of the FTDA, the court stated:

The Second Circuit in *Nabisco, Inc. v. PF Brands, Inc.* rejected the Fourth Circuit's requirement of proving actual economic harm.⁵⁷ Since the FTDA provides for only an injunctive remedy, proving actual harm would force a trademark owner to wait until after harm had occurred before invoking the statute. Without a damages remedy (absent willfulness), the trademark owner would suffer an uncompensated injury. Furthermore, junior users desiring to use a new mark would be unable to seek a declaratory judgment before going to market. Thus they could invest large sums of money to introduce a mark without assurance that their use would not later be enjoined.⁵⁸ Based on this reasoning, the Second Circuit adopted a likelihood of dilution test with a non-exclusive list of ten factors.⁵⁹

II. CASE SUMMARY

A. Facts and Procedural Posture

On February 12, 1998, Victor and Cathy Moseley advertised the grand opening of their retail store – “Victor’s Secret” – in Elizabethtown, Kentucky.⁶⁰ The advertisement appeared in a weekly publication distributed to residents of the military installation at Fort Knox, Kentucky.⁶¹ An army colonel saw the advertisement as an attempt to use the “Victoria’s Secret” trademark to promote the sale of “unwholesome, tawdry merchandise.”⁶² He sent a copy of the advertisement

The difficulties of proving actual dilution by practically available means is evident ... It may have lead a few federal courts early on simply to assume, without facing up to the interpretive difficulty of doing so, that the federal Act only requires proof of a “likelihood of dilution.”

Id. at 464.

⁵⁶ *Id.* at 465.

⁵⁷ *Nabisco*, 191 F.3d at 224. The Second Circuit stated that the requirement of actual dilution “depends on excessive literalism to defeat the intent of the statute.” *Id.*

⁵⁸ *Id.*

⁵⁹ *See id.* at 217-24.

⁶⁰ *V Secret*, 537 U.S. at ____, 123 S.Ct. at 1119.

⁶¹ *Id.* The advertisement announced the “GRAND OPENING Just in time for Valentine’s Day!” and featured “Intimate lingerie for every woman,” “Romantic Lighting” and “Adult Novelties/Gifts.” *Id.* (emphasis in original).

⁶² *Id.* Whereas Victoria’s Secret primarily marketed “moderately priced, high quality, attractively designed lingerie,” *id.*, Victor’s Little Secret sold, among other things, novelty action clocks, patches, temporary tattoos, handcuffs, hosiery bubble machines, incense burners, lingerie, pagers, adult video tapes, and adult novelties. *Id.* at ____, 123 S.Ct. at 1120.

to the corporations that own the Victoria's Secret trademark and operate over 750 Victoria's Secret stores, two of which are in Louisville, Kentucky.⁶³ Victoria's Secret requested that the Moseleys stop using the name "Victor's Secret" and any variations; the Moseleys responded by changing the name to "Victor's Little Secret."⁶⁴ Dissatisfied with this change, Victoria's Secret filed an action under the Lanham Act in the Western District of Kentucky alleging, among other things, dilution of its trademark in violation of the FTDA.⁶⁵

In the dilution claim, Victoria's Secret alleged that the Moseley's conduct was "likely to blur and erode the distinctiveness" and "tarnish the reputation" of the Victoria's Secret trademark.⁶⁶ They supported this claim with a marketing expert's affidavit explaining the Victoria's Secret mark's value but expressing no opinion on whether the Moseleys' use would affect this value.⁶⁷

B. The District Court

Because the Moseleys acknowledged the famous status of the Victoria's Secret mark, the only question before the district court was whether using Victor's Little Secret diluted the distinctive quality of the Victoria's Secret trademark.⁶⁸ The court granted summary judgment to Victoria's Secret on the dilution claim, holding that the two marks were sufficiently similar to cause dilution and that the Victor's Little Secret mark caused dilution through its "tarnishing effect" on the Victoria's Secret mark.⁶⁹

⁶³ *Id.* at ____, 123 S.Ct. at 1119.

⁶⁴ *V Secret*, 537 U.S. at ____, 123 S.Ct. at 1119.

⁶⁵ *Id.*

⁶⁶ *Id.*

⁶⁷ *Id.* at ____, 123 S.Ct. at 1119-20.

⁶⁸ *V Secret Catalogue, Inc. v. Moseley*, No. 3:98CV-395-S, 2000 WL 370525, *5 (W.D. Ky. Feb. 9, 2000).

⁶⁹ *Id.* at *5-6.

C. The Sixth Circuit

On appeal, the Court of Appeals for the Sixth Circuit affirmed the dilution claim.⁷⁰ The Sixth Circuit had recently adopted the *Nabisco* likelihood of dilution test.⁷¹ In applying this test, the Sixth Circuit considered two additional elements not analyzed by the district court: (1) whether the Victoria's Secret mark was "distinctive," and (2) whether relief could be granted before dilution had actually occurred.⁷²

On the first issue, the court held that the Victoria's Secret trademark was distinctive because the mark "rank[ed] with those that are 'arbitrary and fanciful' and is therefore deserving of a high level of trademark protection."⁷³

On the second issue, the court held that the evidence sufficiently established dilution in light of the FTDA's legislative history and the difficulties with proving actual harm.⁷⁴ In reaching this decision, the court held that the likelihood of harm standard was sufficient to establish dilution and expressly rejected the Fourth Circuit's requirement of proof of actual harm to the famous mark's economic value.⁷⁵ The court concluded that the *Nabisco* test both "track[ed] the language of the statute and follow[ed] more closely Congress's intent in enacting the FTDA."⁷⁶ The court

⁷⁰ *V Secret Catalogue, Inc. v. Moseley*, 259 F.3d 464 (6th Cir. 2001).

⁷¹ *See Kellogg Co. v. Exxon Corp.*, 209 F.3d 562 (6th Cir. 2000).

⁷² 259 F.3d at 468-71.

⁷³ *Id.* at 470.

⁷⁴ *Id.* 475-76. The Sixth Circuit held:

While no consumer is likely to go to the Moseley's store expecting to find Victoria's Secret famed Miracle Bra, consumers who hear the name "Victor's Little Secret" are likely automatically to think of the more famous store and link it to the Moseley's adult-toy, gag gift, and lingerie shop. This, then, is a classic instance of dilution by tarnishing (associating the Victoria's Secret name with sex toys and lewd coffee mugs) and by blurring (linking the chain with a single, unauthorized establishment). Given this conclusion, it follows that Victoria's Secret would prevail in a dilution analysis, even without an exhaustive consideration of all ten of the *Nabisco* factors.

Id. at 477.

⁷⁵ *Id.* at 475. *See Ringling Bros.*, 170 F.3d 449, 464-65 (1999).

⁷⁶ 259 F.3d at 475.

determined that specific language in the House Report revealed a Congressional intent to allow a remedy before dilution had actually caused economic harm.⁷⁷

D. The Supreme Court

The Supreme Court reversed the summary judgment on the dilution claim and remanded the case for further proceedings.⁷⁸ The Court held (1) that the FTDA “unambiguously requires a showing of actual dilution, rather than a likelihood of dilution” and (2) that Victoria’s Secret failed to prove actual dilution of their famous mark absent evidence showing that the mark had lost some capacity to identify and distinguish goods or services sold in their stores or advertised in their catalogues.⁷⁹ Justice Kennedy in concurrence focused on the famous mark’s “capacity” to identify goods and services and concluded that diminishment of this capacity could be shown by the “probable consequences flowing” from the junior use.⁸⁰

1. The Court’s Reasoning

The Court discussed the legislative intent behind the FTDA by focusing on the identical language used to describe the bill in both Houses: “The purpose of [the bill] is to protect famous trademarks from subsequent uses that blur the distinctiveness of the mark or tarnish or disparage it, even in the absence of a likelihood of confusion.”⁸¹ Additionally, the Court noted that the bill passed the House unanimously and passed in the Senate without any hearings.⁸²

⁷⁷ *Id.* The court focused on the following passage in the House Report: “Confusion leads to immediate injury, while dilution is an infection, which if allowed to spread, will inevitably destroy the advertising value of the mark.” *Id.* (quoting H.R. REP. NO. 104-374, p.3 (1995), *reprinted in* 1996 U.S.C.C.A.N. 1029).

⁷⁸ Justice Stevens delivered a decision that was unanimous for all parts except for Part III, which examined the legislative history of the FTDA. *See V Secret*, 537 U.S. at ___, 123 S.Ct. at 1123-24. Justice Kennedy filed a concurring opinion. *See id.* at ___, 123 S.Ct. at 1125-26 (Kennedy, J., concurring).

⁷⁹ *Id.* at ___, 123 S.Ct. at 1124-25.

⁸⁰ *Id.* at ___, 123 S.Ct. at 1125-26 (Kennedy, J., concurring).

⁸¹ *Id.* at ___, 123 S.Ct. at 1123 (quoting H.R. REP. NO. 104-374, p.2 (1995), *reprinted in* 1996 U.S.C.C.A.N. 1029).

⁸² *Id.*

The Court then focused on the contrast between the state anti-dilution statutes and the FTDA to elucidate whether actual harm must be shown for an actionable dilution claim.⁸³ While the state statutes repeatedly refer to a “likelihood” of harm, the FTDA only provides relief when the diluter’s commercial use of a trademark “*causes dilution* of the distinctive quality” of the famous mark.⁸⁴ In support of its interpretation, the Court focused on the definition of the term “dilution.”⁸⁵ The Court concluded that the FTDA’s text unambiguously requires a showing of actual dilution, rather than merely a likelihood of dilution.⁸⁶

The Court stated that its holding does not require that a plaintiff always show actual losses in sales or profits.⁸⁷ The Court suggested that proof of actual dilution may be established by survey evidence and expert testimony, and that, in instances such as when the junior and senior marks are identical, circumstantial evidence of dilution may suffice.⁸⁸

2. *Concurring Opinion*

In his concurring opinion, Justice Kennedy focused on the word “capacity” in the definition of dilution as the “lessening of the capacity of a famous mark to identify and distinguish goods or services.”⁸⁹ Justice Kennedy stated that there are circumstances where dilution can be found based on the *probable consequences* a competing mark’s commercial use would have on a famous mark’s capacity to function.⁹⁰ In this situation, the word capacity “imports into the dilution inquiry both the present and the potential power of the famous mark to identify and

⁸³ *V Secret*, 537 U.S. at ___, 123 S.Ct. at 1124.

⁸⁴ *Id.* (quoting § 1125(c)(1))(emphasis in original).

⁸⁵ *Id.* The definition of dilution is given in *supra* note 8. The Court stated that the contrast between the initial reference to an actual lessening of the mark’s capacity and the later reference of a “likelihood of ...” in the second caveat confirms the interpretation that actual dilution must be established. *Id.*

⁸⁶ *Id.* The Court presumably reached this decision in light of the history of dilution law, the legislative history and intent of the FTDA, and the suggested narrower reading of the FTDA compared to state anti-dilution laws with respect to blurring and tarnishment. However, the Court provided no explicit bearing of these factors upon their interpretation of the statutory language. *See id.*

⁸⁷ *V Secret*, 537 U.S. at ___, 123 S.Ct. at 1124.

⁸⁸ *Id.* at ___, 123 S.Ct. at 1125.

⁸⁹ *Id.* (Kennedy, J., concurring) (quoting § 1127).

⁹⁰ *Id.* (emphasis added).

distinguish goods,” and in some cases the fact that this potential power will be diminished could suffice to prove actual dilution.⁹¹ Therefore, in line with injunctive relief, the holder of a famous mark threatened by diminishment of the mark’s capacity would not be forced “to wait until the damage is done and the distinctiveness of the mark has been eroded.”⁹²

III. DISCUSSION

Although the Court resolved a conflict over the FTDA’s statutory interpretation, the Court reached a result that squarely contradicts the FTDA’s purpose. The Court’s decision as it stands presents numerous evidentiary hurdles that may cripple many dilution claims. Furthermore, the Court’s holding viewed within the context of the existing ambiguities surrounding the FTDA is merely a first-step in interpreting the federal dilution law.

A. The Court’s Holding Contradicts the FTDA’s Purpose

The Court likely arrived at the wrong result in interpreting the FTDA. In analyzing the plain statutory language “causes dilution,” the Court reached a result in contradiction to the FTDA’s purpose.⁹³ Furthermore, the fifty years of state anti-dilution statutes prior to the FTDA, the Model State Trademark Bill, and the courts’ ability to effectively apply complicated balancing tests⁹⁴ all support having a likelihood of dilution standard.

⁹¹ *Id.*

⁹² *Id.* at 1126.

⁹³ *See generally* William N. Eskridge & Philip P. Frickey, *Statutory Interpretation as Practical Reasoning*, 42 STAN. L. REV. 321 (1990) (providing a critical assessment of traditional approaches to statutory interpretation and formulating a new approach to statutory interpretation). *See also* Amicus Curiae Brief of Intellectual Property Law Professors in Support of Respondents, 2002 WL 1967938 (August 21, 2002) [hereinafter “Brief of IP Law Professors”]; Brief of the American Bar Association as Amicus Curiae Supporting Respondents, 2002 WL 1929517 (August 16, 2002).

⁹⁴ *See, e.g.*, *AMF Inc. v. Sleekcraft Boats*, 599 F.2d 341 (9th Cir. 1979) (laying out the eight *Sleekcraft* factors for likelihood of confusion in a trademark infringement claim).

1. Statutory Interpretation Favors a Likelihood of Dilution Standard

In interpreting the statutory phrase “causes dilution,”⁹⁵ the Court ultimately followed a strict textualist approach⁹⁶ that was reinforced by the contrast between the FTDA and the text of the state statutes which require a likelihood of dilution.⁹⁷ Although, the Court briefly discussed the legislative history behind the FTDA and indicated the legislative intent by reviewing comments in both the House and the Senate,⁹⁸ neither the legislative intent nor federal legislative history elucidate the meaning of the phrase “causes dilution” in the FTDA.⁹⁹ Indeed, the Court failed to explicitly link the legislative background to their statutory interpretation by neither providing apposite evidence of legislative intent nor considering how their interpretation of “causes dilution” is supported by the legislative record.¹⁰⁰

This textualist approach, however, fails to consider the context provided by the statutory language as well as the context of what the legislature considered important with regard to dilution law.¹⁰¹ The essential role of injunctive relief is to “prevent future wrong, although no right has yet been violated.”¹⁰² Forcing a trademark owner to wait until a provable level of harm has occurred makes the injunctive remedy of the statute futile: it will not remedy actual harm suffered prior to winning an injunction.¹⁰³ Furthermore, the provable amount of harm may be far

⁹⁵ § 1125(c)(1).

⁹⁶ See Eskridge, *supra* note 93, at 340-45.

⁹⁷ *V Secret*, 537 U.S. at ___, 123 S.Ct. 1124.

⁹⁸ See *id.* at ___, 123 S.Ct. at 1123. The comments, however, only indicate a desire to “protect famous trademarks from subsequent uses that blur the distinctiveness of the mark or tarnish or disparage it, even in the absence of a likelihood of confusion.” *Id.* These comments do not shed light on the statutory phrase “causes dilution” in § 1125(c)(1).

⁹⁹ § 1125(c)(1).

¹⁰⁰ See *V Secret*, 537 U.S. at ___, 123 S.Ct. 1124.

¹⁰¹ See generally Eskridge, *supra* note 93, at 341-42.

¹⁰² *V Secret*, 537 U.S. at ___, 123 S.Ct. 1125 (Kennedy, J., concurring) (quoting *Swift & Co. v. United States*, 276 U.S. 311, 326 (1928)).

¹⁰³ The harm prior to an injunction likely will never be compensated. See Brief of IP Law Professors, *supra* note 93, at *5-8.

less in comparison to the amount that the senior user continues to endure. Such an unjust result diminishes the dilution protection guaranteed by the FTDA.

Furthermore, while Justice Kennedy's concurrence focuses on the statutory use of the word "capacity,"¹⁰⁴ his analysis achieves a somewhat contradictory result. Justice Kennedy states that "[a] holder of a famous mark threatened with diminishment of the mark's capacity to serve its purpose should not be forced to wait until the damage is done and the distinctiveness of the mark has been eroded."¹⁰⁵ But, it is unclear whether the *threat* of diminishment would be associated with actual economic harm due to dilution or, rather, more properly associated with a likelihood of such harm. In the latter situation, proof of actual harm remains unsatisfied and, therefore, contrary to Justice Kennedy's assertions, the holder of a famous mark would necessarily be "forced to wait until [at least a provable amount of] damage is done and the distinctiveness of the mark has [thus] been eroded."¹⁰⁶

With respect to the context on a policy level, the FTDA protects senior mark owners from uses that reduce the distinctiveness of the famous mark (blurring) or disparage it (tarnishment). By adopting a standard of actual dilution, the Court permits either or both of these forms of dilution to occur *before* the senior user may seek relief.¹⁰⁷ This result contradicts the legislature's original intent to protect famous marks from blurring and tarnishment. Additionally, the Court's interpretation forces junior users to incur potentially large costs without judicial assurance that their use will not be later enjoined and their investment wasted.¹⁰⁸

¹⁰⁴ § 1127 (defining dilution as the "the lessening of the capacity of a famous mark to identify goods or services").

¹⁰⁵ *V Secret*, 537 U.S. at ___, 123 S.Ct. 1125 (Kennedy, J., concurring).

¹⁰⁶ *Id.*

¹⁰⁷ *See Nabisco*, 191 F.3d at 223-35; Brief of IP Law Professors, *supra* note 93, at *5-7.

¹⁰⁸ *See Nabisco*, 191 F.3d at 224.

The fundamental approaches to statutory interpretation provide a safety valve when a result is absurd or clearly contradicts a statute's purpose.¹⁰⁹ But in *Victoria's Secret*, the Court failed to activate this safety valve and apply these approaches to statutory interpretation.

2. *State Statutes and the Model State Trademark Bill Require a Likelihood of*

Dilution Standard

When Congress passed the FTDA, no court had interpreted a state anti-dilution statute to require proof of actual economic harm.¹¹⁰ As well, the Model State Trademark Bill explicitly allowed plaintiffs to show a likelihood of harm.¹¹¹ Within this context, Congress enacted the FTDA. Because around twenty-five states had anti-dilution laws in effect, Congress felt that protection of famous marks from dilution was only available on a "patch-quilt system of protection."¹¹² Therefore, a federal dilution statute was necessary to overcome inconsistent court decisions on state laws and the reluctance of state courts to grant nationwide injunctions when only half of the states had anti-dilution laws.¹¹³

If the FTDA protects only against actual dilution, then federal dilution law sharply contrasts with nearly fifty-years of state law and the Model State Trademark Bill. It seems unlikely that Congress, striving to bring uniformity and predictability to the protection of famous marks from

¹⁰⁹ See generally Eskridge, *supra* note 93. In commenting on this contradiction, Mark A. Lemley *et al.* in Brief of IP Law Professors, *supra* note 93, at *7 state:

The fact that a statute is limited to injunctive relief in most cases belies the arguments for the actual dilution standard. Surely Congress didn't intend to require proof of damage and then refuse to compensate it. Such a reading would render the protections of the FTDA hollow indeed. It would also strain the equity powers of the courts.

Not surprisingly, the Moseleys argued exclusively for a plain language interpretation of "causes dilution." See Petitioner's Reply Brief on the Merits, 2002 WL 31156489 (September 23, 2002).

¹¹⁰ See, e.g., WELKOWITZ, *supra* note 3, at 17-21; Klieger, *supra* note 30, at 813-14.

¹¹¹ See, e.g., WELKOWITZ, *supra* note 3, at 17-18.

¹¹² H.R. REP. NO. 104-374, p.3-4 (1995).

¹¹³ *Id.* A federal cause of action also prevented forum shopping.

dilution, would not have relied on the fifty-years of anti-dilution precedence.¹¹⁴ It is highly implausible that Congress intended the FTDA to require proof of actual dilution.¹¹⁵

3. *Courts are Accustomed to Applying Complex Balancing Tests*

In reaching its decision, the Court overlooked the expertise of the lower courts in applying complex balancing test to draw logical inferences from other established facts.¹¹⁶ Given the uncertainties and potential for manipulation inherent in customer surveys¹¹⁷ as well as the difficulties in measuring actual dilution,¹¹⁸ it appears that an actual dilution standard may render a dilution claim prohibitively difficult to prevail upon. So although both the likelihood of dilution and actual dilution approaches have their difficulties, a balancing test, such as the *Nabisco* test,¹¹⁹ would perhaps allow for a more viable dilution claim, giving the court the ability to exercise its expertise without the introduction of potentially misleading or manipulated evidence. The Court's interpretation of the FTDA should have been tempered by these additional considerations.

B. The Court Issued a Resolution Beleaguered by Ambiguity

While the Court resolved a circuit split over statutory interpretation, it failed to resolve ambiguities involving the types of evidence and threshold of harm sufficient to show actual dilution.¹²⁰

¹¹⁴ See Brief of IP Law Professors, *supra* note 93, at *12.

¹¹⁵ See *id.*

¹¹⁶ See, e.g., *Nabisco*, 191 F.3d at 224. See also *Sleekcraft*, 599 F.2d 341 (laying out the eight *Sleekcraft* factors for likelihood of confusion in a trademark infringement claim).

¹¹⁷ See discussion *infra*.

¹¹⁸ See discussion *infra*.

¹¹⁹ See *Nabisco*, 191 F.3d 217-22.

¹²⁰ Indeed, in *Ringling Bros.*, the Fourth Circuit conceded that the difficulties of proving actual dilution may have lead a few federal courts to assume, "without facing up to the interpretive difficulty of doing so," that the FTDA only requires a "likelihood of dilution." *Ringling Bros.*, 170 F.3d at 464.

1. *The Effectiveness of the Suggested Means of Proof is Questionable*

The initial question to consider is whether anyone can reliably measure dilution. The FTDA defines dilution as “the lessening of the capacity of a famous mark to identify goods and services.”¹²¹ To show dilution at trial, some commentators advocate using expert testimony and a skillfully constructed consumer survey.¹²² But others note the manipulability of surveys and the possibility that dilution may occur, but may be vanishingly small.¹²³

Indeed, at the incipient stages of dilution, the harm to the famous mark may be immeasurably small.¹²⁴ If the harm is practically immeasurable,¹²⁵ then winning a nationwide injunction against a diluting mark may be impossible under the Court’s actual dilution requirement. For example if multiple junior uses were to occur non-contemporaneously, then even assuming that the dilutive effects of a junior use may be statistically factored out of the survey evidence, the quantity of measured dilution may be too insignificant to allow for a viable dilution claim against this single junior user. Such a result would allow dilution to spread like an infection as more and more junior users benefit from the goodwill of the senior mark, irreparably damaging the famous trademark.¹²⁶

The Court should have assumed that in most situations actual harm would be vanishingly small. Under this assumption, a likelihood of dilution standard is the only pragmatic way to

¹²¹ § 1127.

¹²² See, e.g., Patrick M. Bible, *Defining and Quantifying Dilution Under the Federal Trademark Dilution Act of 1995: Using Survey Evidence to Show Actual Dilution*, 70 U. COLO. L. REV. 295 (1999); MCCARTHY, *supra* note 11, § 24:94.2; Adam Omar Shanti, *Measuring Fame: The Use of Empirical Evidence in Dilution Actions*, 5 MARQ. INTELL. PROP. L. REV. 177 (2001).

¹²³ See, e.g., *Nabisco*, 191 F.3d at 223-24; *V Secret Catalogue, Inc. v. Moseley*, 259 F.3d 464, 476 (stating that customer surveys to show dilution are “unwieldy at best”).

¹²⁴ See *Nabisco*, 191 F.3d at 223-24.

¹²⁵ Clearly, momentarily putting aside “the principle” of the matter in *Victoria’s Secret*, if the profits (as one potential indicator of actual harm) lost to *Victoria’s Secret* due to dilution by blurring or tarnishment by *Victor’s Little Secret* were taken relative to the total profits of the company, the result would likely be a rather small percentage.

¹²⁶ See H.R. REP. NO. 104-374, *2 (1995), *reprinted in* 1996 U.S.C.C.A.N. 1029 (“Confusion leads to immediate injury, while dilution is an infection, which if allowed to spread, will inevitably destroy the advertising value of the mark.”).

protect the senior user from harm due to dilution. That the Court's actual dilution standard fails to account for the difficulty in showing proof of dilution casts additional doubt on the Court's interpretation of the FTDA.

2. *The Quantity of Harm Necessary to Show Actual Dilution is Uncertain*

Assuming that surveys or expert testimony can reliably show some dilution, the Court's opinion leaves uncertain how much harm a plaintiff must show. At least one commentator has suggested that the Court's holding does not require an expert witness to quantify the damage to a senior mark's marketing strength.¹²⁷ Instead, the marketing or advertising expert need only explain that the value of a senior mark has been lessened to some extent, and in the case of tarnishment, the expert need only explain that the junior use will in fact cause tarnishment.¹²⁸

While this lessens concern with showing a certain quantity of dilution, it is unclear how the expert would support an opinion on actual dilution. If the expert employs dilution surveys, then the infirmities associated with such surveys¹²⁹ necessarily would adulterate her testimony. Furthermore, if the expert presents testimony based on her analysis of the case's facts, and if the quantity of dilution need to be shown, then the expert would potentially perform an analysis tantamount to a judge's application of a likelihood of dilution test.

With respect to survey evidence, even assuming that dilution may be measured and quantified, the quantity necessary for a viable dilution claim remains uncertain.¹³⁰ Ultimately, the lower federal courts will have to struggle to set an appropriate threshold level for actual dilution. The Court could have avoided this additional uncertainty with a likelihood of dilution standard.

¹²⁷ See MCCARTHY, *supra* note 11, § 24:94.2.

¹²⁸ *Id.*

¹²⁹ See discussion *supra*.

¹³⁰ Perhaps an analogy may be drawn to customer surveys in trademark infringement analysis, where a threshold typically around 20% suffices to prove customer confusion.

C. The *Victoria's Secret* Decision is the First Chapter in the Story of the FTDA

Moving beyond the *Victoria's Secret* decision, many ambiguities involving interpretation of the FTDA continue to frustrate its application. For example, courts have not yet resolved the role of distinctiveness in qualifying for dilution protection, the proper measure of fame for marks, and the extension of dilution protection to trade dress.¹³¹ Therefore, the *Victoria's Secret* decision merely begins the first chapter in FTDA interpretation.

1. *Distinctiveness*

When a trademark is capable of immediately identifying a product's source, the mark is labeled "inherently distinctive."¹³² These marks are further divided into arbitrary, fanciful, and suggestive marks.¹³³ For all other marks, the Lanham Act requires proof of secondary meaning to secure trademark rights.¹³⁴ Once secondary meaning is established, the mark is deemed to have acquired distinctiveness.¹³⁵

The FTDA provides dilution protection to owners of famous marks. However, the FTDA lists factors to determine whether a mark is "distinctive and famous."¹³⁶ Courts and commentators are divided over whether the addition of the word "distinctive" indicates an additional element of a dilution claim.¹³⁷ While courts have struggled with the role of a mark's

¹³¹ Other questions surrounding the FTDA involve what constitutes fair use under the FTDA, *see* § 1125(c)(4)(A), and whether dilution is applicable where the goods or services are in competition. *See* MCCARTHY, *supra* note 11, § 24:72 (observing that the FTDA on its face is capable of application to competitive situations); *Deere & Co. v. MTD Prods., Inc.*, 41 F.3d 39 (2d Cir. 1994).

¹³² *See, e.g.*, MERGES ET AL., *supra* note 20.

¹³³ *Id.*

¹³⁴ *Id.*

¹³⁵ *Id.*

¹³⁶ *See* § 1125(c)(1)(A)-(H).

¹³⁷ *See Nabisco*, 191 F.3d at 217 (noting that distinctiveness serves two functions – first, it is a threshold statutory element and second "the degree of distinctiveness of the senior mark has a considerable bearing on the question whether a junior use will have a diluting effect"). *But see* *Times Mirror Magazines, Inc. v. Las Vegas Sports News, LLC*, 212 F.3d 157, 164 (3d Cir. 2000) (stating that distinctiveness is not a separate element); MCCARTHY, *supra* note 11, § 24:91 (suggesting that the term "distinctive" was supposed to be dropped from the statute before enactment and was inadvertently "left floating in the statute, unmoored to either any statutory requirement or underlying policy goal").

distinctiveness in applying the FTDA, the *Victoria's Secret* Court provided, albeit in dicta, insight into this conflict. In a footnote, the Court approvingly cited language from the Schechter's 1927 article that directly supports the Second Circuit.¹³⁸ Although this language tends to emphasize the importance of distinctiveness in a dilution analysis, it remains unclear whether a mark that has acquired distinctiveness solely through secondary meaning deserves dilution protection.¹³⁹

2. *Fame*

In addition to the confusion over the role of distinctiveness in applying the FTDA, courts and commentators have struggled with how to determine the famousness of a mark.¹⁴⁰ The FTDA provides a list of nonexclusive factors for courts to consider in determining whether a mark is distinctive and famous.¹⁴¹ Congress presumably provided this guidance to ensure that dilution would be confined to truly famous marks as envisioned by Schechter. Furthermore, since

¹³⁸ In footnote 10, the Court quoted from Schechter:

The rule that arbitrary, coined or fanciful marks or names should be given a much broader degree of protection than symbols, words or phrases in common use would appear to be entirely sound. Such trademarks or tradenames as 'Blue Ribbon,' used, with or without registration, for all kinds of commodities or services, more than sixty times; 'Star' as far back as 1898, nearly four hundred times; 'Anchor,' already registered over one hundred fifty times in 1898 ... all these marks and names have, at this late date, *very little distinctiveness* in the public mind, and in most cases suggest merit, prominence or other qualities of goods or services in general, rather than the fact that the product or service, in connection with which the mark or name is used, emanates from a particular source. On the other hand, 'Rolls-Royce,' 'Aunt Jemima's,' 'Kodak,' 'Mazda,' 'Corona,' 'Nujol,' and 'Blue Goose,' are *coined, arbitrary or fanciful words or phrases* that have been added rather than withdrawn from the human vocabulary by their owners, and have, from the very beginning, been associated in the public mind with a particular product, not with a variety of products, and have created in the public consciousness an impression or symbol of the excellence of the particular product in question.

V Secret, 537 U.S. at n.10 (quoting Schechter, *supra* note 21, at 828-29)(emphasis added).

¹³⁹ *See, e.g.*, *New York Stock Exch., Inc. v. New York, New York Hotel, LLC*, 1999 WL 787195, *10 (S.D.N.Y. 1999) ("[A] famous mark that has acquired secondary meaning is not 'distinctive' as that term is used in the federal anti-dilution statute, and is thus not entitled to protection thereunder.").

¹⁴⁰ *See, e.g.*, Mark A. Lemley, *The Modern Lanham Act and the Death of Common Sense*, 108 Yale L.J. 1687, 1698 (1999) (discussing how some courts applying the FTDA have expanded the scope of "famous" marks to include the marks of a local favorite and obscure companies); MCCARTHY, *supra* note 11, § 24.112.1 (stating that the FTDA does not require courts to recognize niche fame).

¹⁴¹ *See* § 1125(c)(1)(A)-(H).

dilution is a federal cause of action, marks possessing fame in a local market – niche fame – are clearly not eligible for dilution protection.¹⁴²

It is likely that the somewhat odd findings of fame¹⁴³ were merely fleeting growing pains as the courts adjusted to application of the FTDA. Additionally, since dilution cases concerning domain names became the province of the Anticybersquatting Consumer Protection Act¹⁴⁴ in 1999, ambiguities in applying the FTDA have been reduced.

3. *Extension of Dilution Protection to Trade Dress*

Courts and commentators are also divided on whether the FTDA covers trade dress.¹⁴⁵ Because the Lanham Act § 45 defines “mark” to mean “any trademark, service mark, collective mark or certification mark,” trade dress is a candidate for protection under the FTDA.¹⁴⁶ However, granting exclusive rights to a product shape would cause a constitutional conflict between the Lanham Act – founded on the Commerce Clause – and design patent law – founded on the Patent/Copyright Clause.¹⁴⁷ Thus, applying the FTDA to trade dress gives patent-like protection without the time limits constitutionally prescribed in Article I, § 8, clause 8 of the Constitution.¹⁴⁸

¹⁴² See MCCARTHY, *supra* note 11, at § 24.112.1 (“[R]ecognition of niche fame is an improper application of the federal act, is an unnecessary and superfluous legal theory and improperly displaces the traditional balance of competitive rights reflected in the likelihood of confusion test.”).

¹⁴³ See Lemley, *supra* note 140, at 1698-99 (listing a number of the “rather obscure” marks that have been accorded famous status by court applying the FTDA).

¹⁴⁴ See 15 U.S.C. § 1125(d) (____).

¹⁴⁵ Compare *Nabisco*, 191 F.3d 208 (applying dilution to protect Pepperidge Farm’s fish-shaped GOLDFISH crackers) with *Planet Hollywood, Inc. v. Hollywood Casino Corp.*, 80 F. Supp. 2d 815, 901 (“The [c]ourt concludes that Section 43(c) was not intended to provide a cause of action for trade dress dilution ...”).

¹⁴⁶ See MCCARTHY, *supra* note 11, § 24:90.1.

¹⁴⁷ *Id.*

¹⁴⁸ *Id.*

IV. CONCLUSION

Although the *Victoria's Secret* Court resolved a conflict over the FTDA's statutory interpretation, the Court reached a result that contradicts the FTDA's purpose. The Court's decision presents numerous evidentiary hurdles that may cripple many dilution claims. In particular, the effectiveness of the suggested means of proof to show dilution – customer surveys and expert testimony – is at best questionable. Furthermore, it is unclear whether dilution can be reliably measured. Even assuming that dilution can be measured and quantified, the required quantity of harm to prevail on a dilution claim is uncertain.

While the Court's decision in *Victoria's Secret* suffers some infirmities, it does fix one constraint in the dilution puzzle. The ramifications of the decision will, of course, be forthcoming.¹⁴⁹ When considered in the context of the numerous points of contention frustrating application of the FTDA, *Victoria's Secret* is most properly viewed as merely the first chapter in the FTDA's story.

¹⁴⁹ An initial reaction was given by Judge Rice of the Southern District of Ohio: "However, [plaintiffs] are no doubt entitled to an opportunity to make their [dilution] case on the merits, the [c]ourt will note that it is *extremely difficult to prevail* on such [dilution claim] under the Lanham Act." *Reed Elsevier, Inc. v. TheLaw.net Corp.*, 269 F. Supp. 2d 942, WL p. 11 (S.D. Ohio 2003) (emphasis added).