

**Briefing Paper**  
**Trademark Dilution**

*Ringling Bros.-Barnum & Bailey Combined Shows, Inc. v. Utah Div. of Travel Development*

**I. Introduction**

In 1996, Congress supplemented existing federal trademark law by passing the Federal Trademark Dilution Act (“FTDA”), adopted into the Lanham Act as § 43(c).<sup>1</sup> The concept of trademark “dilution” is distinct from the more familiar concept of trademark “infringement.” Based largely on consumer protection, a trademark infringement claim generally requires a plaintiff to show that use of the junior mark is likely to cause confusion between its product and the product of the infringing mark. In contrast, a trademark dilution claim focuses on the “whittling away” of the “uniqueness” of a trademark and the resulting loss of economic power caused by other uses of that mark, regardless of whether such use is likely to cause confusion.<sup>2</sup> Trademark dilution represents a significant expansion of traditional trademark law, and a shift from a consumer protection model to a property rights model.<sup>3</sup>

Prior to the adoption of the FTDA, more than half of the states had already adopted some form of trademark dilution protection. However, unlike most state statutes, which allow a dilution claim if a junior mark is “likely to cause dilution,” the language of the FTDA is limited to use that “causes dilution.” Taken literally, this difference in language suggests a more limited protection for dilution under federal law. This was the issue addressed by the Fourth Circuit in

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<sup>1</sup> Lanham Act § 43(c), 15 U.S.C.A. § 1125(c) (1994).

<sup>2</sup> *e.g.* The Lanham Act defines “dilution” as a “lessening of the capacity of a famous mark to identify and distinguish goods or services, *regardless* of the presence or absence of (1) competition, . . . or (2) the likelihood of confusion, mistake, or deception.” 15 U.S.C. § 1127 (emphasis added).

<sup>3</sup> See Mark A. Lemley, *The Modern Lanham Act and the Death of Common Sense*, 108 Yale L.J. 1687, 1698 (1999) (“Because consumers need not be confused for dilution to occur, dilution laws represent a fundamental shift in the nature of trademark protection.”).

*Development*.<sup>4</sup> Ultimately, the court held that under the federal act, protection is limited to actual realized dilution, and more significantly, rather than presume dilution based on similarity of the marks, a plaintiff must prove actual dilution.<sup>5</sup>

## II. Background on Trademark Dilution

### A. Traditional Trademark Theory: Likelihood of Confusion

Traditional trademark doctrine is based on a consumer protection model. The principles underlying this model are primarily tort based, focusing on deception of the consumer, and misappropriation of the senior trademark holder's goodwill.<sup>6</sup> Under this model, trademark holders may enjoin the use of identical or similar marks only if such use is likely to result in consumer confusion over the source of the goods. As such, trademark law based on the consumer protection model does not confer "property rights" to the trademark holder, but only certain limited rights acquired through the use of a trademark in commerce.<sup>7</sup> Because a consumer would not likely be confused when a mark is used on non-competing goods, trademark law was originally limited to preventing use on competing goods.<sup>8</sup> This was later expanded to include preventing use on non-competing, but "related goods," where the ordinary consumer would be likely to think there was some connection between sellers of goods bearing a similar mark.<sup>9</sup> Nonetheless, prior to the adoption of dilution theory, trademark law did not provide a remedy for use of an identical or similar mark on non-competing, unrelated goods where there was no likelihood of consumer confusion.

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<sup>4</sup> 170 F.3d 449 (4<sup>th</sup> Cir. 1999).

<sup>5</sup> *id.* at 461.

<sup>6</sup> Robert P. Merges, et al., *Intellectual Property in the New Technological Age* 525 (1997).

<sup>7</sup> See [American Foundries v. Robertson](#), 269 U.S. 372, 380 (1926) ("There is no property in a trade-mark apart from the business or trade in connection with which it is employed."); see also Kenneth L. Port, *The "Unnatural" Expansion of Trademark Rights: Is a Federal Dilution Statute Necessary*, 18 [Seton Hall Legis. J.](#) 433, 438 n.9 (1994) ("[T]he trademark right is an exclusionary right, not a property right in the word itself.")

<sup>8</sup> See J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition*, §§ 24:2, 24:55-24:60 (1999).

## B. Dilution Theory

### 1. Origin

The introduction of trademark dilution theory in the United States is generally traced to a 1927 article by Frank I. Schechter.<sup>10</sup> Schechter concluded that a consumer protection model was insufficient to protect the value of trademarks in modern markets.<sup>11</sup> According to Schrechter, the value of a modern trademark is its selling power, and this power derives not only from the quality of the goods on which it is used, but equally from the mark's "uniqueness and singularity."<sup>12</sup> From this, Schrechter concluded that even a non-competing, non-confusing use of a unique mark would result in a "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."<sup>13</sup> Schrechter's proposal was to abandon the consumer protection model entirely, and to confine trademark law to preventing the "dilution" of truly unique marks, identified as those employing "coined, arbitrary or fanciful words or phrases, that have . . . from the very beginning been associated in the public mind with a particular product."<sup>14</sup> Schechter's proposal, given a broad interpretation, creates a property right in gross for holders of unique marks; permitting them to enjoin any identical or similar use of that mark without regard to likelihood of confusion.<sup>15</sup>

## III. State Anti-Dilution Statutes

### A. Adoption of Anti-Dilution Statutes

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<sup>9</sup> See McCarthy *supra* at §§ 24:2, 24:55-24:60.

<sup>10</sup> See Frank I. Schechter, *The Rational Basis of Trademark Protection*, 40 Harv. L. Rev. 813 (1927).

<sup>11</sup> *id.* at 831.

<sup>12</sup> *id.*

<sup>13</sup> *id.* at 829.

<sup>14</sup> *id.*

<sup>15</sup> See [Ringling Bros.-Barnum & Bailey Combined Shows, Inc. v. Utah Div. of Travel Development](#), 170 F.3d 449, 454 (4th Cir. 1999) (Schechter's "radical proposal . . . would be to create as the whole of trademark-protection law property rights in gross in suitably unique marks"); see also Port, *supra*, at 447-49. See Lemley, *supra*, at 1699.

Early attempts to incorporate the dilution doctrine into federal law failed,<sup>16</sup> but with the urging of the International Trademark Association, states began to adopt anti-dilution statutes, beginning with Massachusetts in 1947.<sup>17</sup> Nonetheless, early consideration of state dilution statutes generally met with judicial hostility.<sup>18</sup> Between 1930 and 1977, courts remained openly hostile to the concept of dilution despite clear mandates from state legislatures.<sup>19</sup>

While state anti-dilution statutes vary in minor details, most are based on, or are similar to Section 12 of the 1964 United States Trademark Association Model State Trademark Bill (“MSTB”):

Likelihood of injury to business reputation or of dilution of the distinctive quality of a mark registered under this Act, or a mark valid at common law, or a trade name valid at common law, shall be a ground for injunctive relief notwithstanding the absence of competition between the parties or the absence of confusion as to the sources of goods or services.<sup>20</sup>

## B. State Law Dilution Claims

### 1. Types of Dilution: Blurring and Tarnishment

While not specifically provided for in anti-dilution statutes, courts have traditionally distinguished between two types of dilution: “blurring” and “tarnishment.”<sup>21</sup> Dilution through “blurring” refers to the classic dilution injury posited by Schrecker. It is the “whittling away” of a mark’s ability to serve as a unique and distinctive identifier when it is used for more than one

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<sup>16</sup> See McCarthy *supra* at § 24:68.

<sup>17</sup> See Port, *supra*, at 438.

<sup>18</sup> See Restatement (Third) of Unfair Competition § 25 comment b (1995).

<sup>19</sup> See Port, *supra*, at 440 (opining that experience with the state statutes demonstrates that legislation attempting to codify the concept creates “a remedy without a wrong”).

<sup>20</sup> Reprinted in McCarthy *supra* at § 24:80.

<sup>21</sup> See *id.* at § 24:69. McCarthy also identifies a third type of dilution for “cybersquatting,” where courts have applied dilution to enjoin a party who obtains internet domain name registration for the sole purpose of selling it to the holder of the trademark with the same or similar name. *id.* at § 24:69.1.

product or good, regardless of the likelihood of confusion.<sup>22</sup> Oft quoted examples of blurring include “Dupont shoes, Buick aspirin, Schlitz varnish, Kodak pianos and Bulova gowns.”<sup>23</sup>

Dilution by tarnishment, on the other hand, occurs when an identical or similar junior mark is used in such a way as to “tarnish, degrade, or dilute the distinctive quality of the [senior] mark.”<sup>24</sup> Here, the concern is with the injury to the senior mark holder’s business reputation resulting from the association of the senior mark with the unwholesome, unsavory, or degrading aspects of the product using similar junior mark.<sup>25</sup>

## 2. Basic Elements: Fame, Mental Association, Causation, and Harm

### a. Presuming or Inferring Causation and Harm

The essential elements of a dilution claim are generally fame, mental association, cause, and harm. State anti-dilution statutes require only that there be “likelihood ... of dilution.” Courts applying state anti-dilution law have adopted three general approaches to determining if dilution has occurred: (1) Reflecting early judicial hostility to dilution theory, some courts required actual evidence of product diverting consumer confusion;<sup>26</sup> (2) Other courts have assumed that the essential elements of dilution – mental association, causation, and harm—could be found by inference from balancing certain factors deemed relevant;<sup>27</sup> and (3) Finally, some

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<sup>22</sup> See McCarthy *supra* at § 24:68.

<sup>23</sup> See *id.* at § 24:70.

<sup>24</sup> *id.* at § 24:69.

<sup>25</sup> *id.* at § 24:69.

<sup>26</sup> See, e.g. [Cue Publishing v. Colgate-Palmolive Co.](#), 45 Misc.2d 161, 168, 256 N.Y.S.2d 239, 245-46 (N.Y.Sup.Ct.), *aff'd*, 23 A.D.2d 829, 259 N.Y.S.2d 377 (1965).

<sup>27</sup> See e.g. [Mead Data Central, Inc. v. Toyota Motor Sales, U.S.A., Inc.](#), 875 F.2d 1026, 1035 (2d Cir. 1989) (Sweet, J., concurring) (Holding six factors must be weighed to determine likelihood of dilution: “1) similarity of the marks, 2) similarity of the products covered by the marks, 3) sophistication of consumers, 4) predatory intent, 5) renown of the senior mark, 6) renown of the junior mark”).

courts have assumed that all the basic dilution elements could be conclusively presumed merely through proof of the similarity of the two marks.<sup>28</sup>

#### b. Mental Association

At a minimum, dilution theory requires that there be some mental association or recognition in the minds of consumers “that a mark associated with the plaintiff is now also in use as an identifying symbol by another”<sup>29</sup> This is in contrast to traditional trademark infringement, which requires just the opposite: consumer confusion as to the source of the mark. The state of mind required for confusion and dilution are distinct and inconsistent. Thus, it is impossible for unauthorized use of a trademark to cause both confusion and dilution by blurring in the mind of any one person. However, a single unauthorized use may cause dilution by blurring in the minds of some people, and confusion as to source in the minds of others.<sup>30</sup>

#### c. Mark Must be Famous

Although most state anti-dilution statutes do not specifically require it, the majority of courts require as a preliminary matter that a mark be “famous” in order to qualify for dilution protection.<sup>31</sup> The fame requirement has been justified as necessary to prevent anti-competitive, monopolistic behavior.<sup>32</sup> Courts have struggled over just how much “fame” or strength a mark must obtain before it can receive dilution protection. While marks that are recognized by the majority of the national public have uniformly been held to meet the “fame” requirement,<sup>33</sup> courts have varied widely in determining whether marks that fall short of this standard are

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<sup>28</sup> See [Ringling Bros.-Barnum & Bailey Combined Shows, Inc. v. Celozzi-Ettelson Chevrolet, Inc.](#), 855 F.2d 480, 484 (7th Cir. 1988) (In applying Illinois anti-dilution statute, court opined that there was no effective way to measure dilution, but presumed likelihood of harm in upholding injunction).

<sup>29</sup> See Restatement (Third) of Unfair Competition § 25, comment f (1995).

<sup>30</sup> See *id.*

<sup>31</sup> See McCarthy *supra* at § 24:108.

<sup>32</sup> See *id.* (“Without [the fame] requirement, an anti-dilution statute becomes a rouge law that turns every trademark, no matter how weak, into an anti-competitive weapon.”).

famous. Some courts have been willing to find marks with only local recognition to be “famous.”<sup>34</sup> Others have held that a mark is famous if it “has a distinctive quality for a significant percentage of the defendant’s market.”

#### **IV. Federal Trademark Dilution Act of 1995**

##### **A. Enactment**

In 1996, the Lanham Act was amended to include a federal cause of action for trademark dilution.<sup>35</sup> The House Report accompanying the bill noted several reasons for the legislation. First, it sought to remedy the “patch-quilt” protection nationally famous marks had previously received under varying state laws.<sup>36</sup> The report noted that several state courts refused to issue nationwide injunctions, forcing holders of famous marks to bring several suits in different states.<sup>37</sup> The report also noted that by passing the statute, the United States would make domestic law consistent with its international obligations under GATT.<sup>38</sup> Finally, the report indicated that the federal dilution law would help the executive branch to negotiate stronger protection for famous marks owned by United States Companies which are used in other countries.<sup>39</sup>

Several key differences exist between the new federal act and the MSTB of 1964, upon which most state anti-dilution statutes are based. One significant difference is the requirement that a mark be “famous” to qualify for protection under the federal act, and the provision of

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<sup>33</sup> Such marks include TIFFINAY, POLAROID, KODAK, and COCA-COLA. *See* McCarthy *supra* at § 24:109.

<sup>34</sup> *See* Mark A. Lemley, *supra* at 1698 (“[M]arks such as Intermatic, Gazette, Dennison, Nailtiques, TeleTech, Wedgewood (for new homes, not china), Papal Visit 99, and Wawa have been declared famous.”).

<sup>35</sup> Trademark Dilution Act of 1995, Pub.L. No. 104-98, 109 Stat. 985 (codified at 15 U.S.C. §§ 1125, 1127).

<sup>36</sup> *See* H.R. Rep. No. 104-374, at 3 (1995), reprinted in U.S.C.C.A.N. 1029, 1030.

<sup>37</sup> *See id.* at 3-4.

<sup>38</sup> *See id.* at 4.

<sup>39</sup> *See id.*

detailed factors to be weighed in determining fame under the federal act.<sup>40</sup> Another difference is the absence of the “Likelihood of . . . dilution” language in the federal act, which provides a remedy only for use which actually “causes dilution.”<sup>41</sup> This difference suggests that, unlike the state anti-dilution statutes, the plaintiff must prove an actual consummated injury to receive relief under the federal act.<sup>42</sup> Another significant difference is that relief is only granted under the federal act for “commercial use of a mark or trade name.”

## B. Prima Facia Elements

Lanham Act § 43(c)(1) provides the following elements for a prima-facia case that a plaintiff must plead and prove to establish trademark dilution under the act:

1. The plaintiff is the owner of a mark which qualifies as a “[distinctive and] famous” mark as measured by the totality of the eight factors listed in § 43(c)(1),
2. The defendant is making commercial use,
3. In interstate commerce,
4. Of a mark or trade name,
5. And defendant’s use began after the plaintiff’s mark became famous,
6. And defendant’s use causes dilution by lessening the capacity of the plaintiff’s mark to identify and distinguish goods or services.<sup>43</sup>

The two most critical and contentious elements are (1) “fame” and (6) “causes dilution.”

### 1. “Distinctive and Famous”

A primary difference between the MSTB and the federal statute is that only “famous” marks receive protection under the federal statute. The fame requirement was intended as a substantial barrier to claims of dilution brought under the Act. The legislative history of the Act

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<sup>40</sup> Lanham Act § 43(c)(1), 15 U.S.C.A. § 1125(c)(1).

<sup>41</sup> Lanham Act § 43(c)(1), 15 U.S.C.A. § 1125(c)(1).

<sup>42</sup> See McCarthy, *supra* at § 24:90 (opining that the definition of “dilution” in the act as the “lessening of *capacity* of a famous mark to identify and distinguish” is a “likelihood or probability test built right into the definition of what constitutes dilution. According to the author, such an interpretation is “more in accord with traditional anti-dilution law.”).

<sup>43</sup> See McCarthy *supra* at § 24:89. McCarthy leaves out “distinctiveness” in the “fame” despite the Lanham Act’s requirement that a mark be both “distinctive and famous.” § 43(c)(1). McCarthy argues the term was hyperbole left

indicates that Congress intended the courts to be highly selective in categorizing marks as “famous” in order to qualify for federal trademark dilution protection.<sup>44</sup> Section 43(c)(1)(A)-(H) of the Lanham Act provides a non-exhaustive list of eight factors courts may weigh in determining whether a mark is “distinctive and famous:”

- (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 marks' 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.<sup>45</sup>

## 2. “Causes Dilution”

While the Lanham Act provides some guidance for determining whether or not a mark is famous, neither the language of the act, nor the legislative history provides guidance in determining whether a defendant’s use of a mark “causes dilution.” The Act simply defines “dilution” as the “lessening of the capacity of a famous mark to identify and distinguish goods or services, regardless of the presence or absence of (1) competition, . . . or (2) the likelihood of confusion, mistake, or deception.”

Given this sparse statutory language, courts have relied in part on experience with state anti-dilution statutes in determining dilution under the federal act. As outlined previously, at least three different methods for establishing “likelihood of dilution” have been employed by the courts applying state anti-dilution laws. Given the difference in language between the federal act

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from an earlier version of the statute. *See* McCarthy *supra*, § 24:91. Nonetheless, some courts have used the distinctiveness factor to limit dilution protection., thus warranting inclusion here. *See e.g.*

<sup>44</sup> *See* McCarthy *supra* at § 24:92.

and the state statutes, it should be no surprise that there has developed a substantial split between the Federal Circuit Courts of Appeal over the proper test for dilution under the federal act. As with the state anti-dilution statutes, there now exists at least two methods for establishing dilution by blurring under the federal statute.

### C. Two Different Tests for Dilution

#### 1. Dilution Through Inference: “Mead” Factors

Following the lead of Second Circuit Judge Sweet’s concurring opinion in *Mead Data Central, Inc. v. Toyota Motor Sales, U.S.A., Inc.*,<sup>46</sup> which proposed a multi-factor test by which “likelihood of dilution” could be inferred under New York’s anti-dilution statute, some courts have adopted a similar test to infer “likelihood of dilution” under the federal act.<sup>47</sup> The six factors Judge Sweet proposed were: “Similarity of the marks”; “Similarity of the products covered by the marks”; “Sophistication of consumers”; “Predatory intent”; “Renown of the senior mark”; and “Renown of the junior mark.”<sup>48</sup>

This approach has been criticized by both proponents and opponents of dilution theory as confusing elements of traditional trademark confusion with the much different injury of dilution, and ultimately having very little to do with likelihood of dilution.<sup>49</sup> Despite such criticism, and recent rejection of the use of “mead” factors for determining dilution under the federal act by the Fourth Circuit, the Second Circuit has continued to use this approach. In *Nabisco, Inc. v. PF*

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<sup>45</sup> Lanham Act § 43(c)(1)(A)-(H), 15 U.S.C.A. § 1125(c)(1)(A)-(H). See Lanham Act § 43(c) (App. A)

<sup>46</sup> 875 F.2d 1026, 1035 (2d Cir. 1989) (Sweet, J., concurring).

<sup>47</sup> e.g. *Ringling Bros.-Barnum & Bailey Combined Shows, Inc. v. B.E. Windows Corp.*, 937 F.Supp. 204, 209, 211 (S.D.N.Y.1996); *Wawa Dairy Farms v. Haaf*, 40 U.S.P.Q.2d 1629 (E.D. Pa. 1996), aff’d, 116 F.3d 471 (3d Cir. 1997) (WAWA for markets held diluted by the defendant’s HAHA market in Pennsylvania).

<sup>48</sup> *Mead Data, supra*, at 1035- (2d Cir. 1989) (Sweet, J., concurring).

<sup>49</sup> For a proponent see *McCarthy, supra*, at § 24:94.1 (“[I]n the author’s view, these factors are the offspring of classical likelihood of confusion analysis and are not particularly relevant or helpful in resolving the issues of dilution by blurring. . . . factors (2), (3), (4), and (6) have little if any relevance in a case brought under federal law.”), and for an opponent criticizing the test see

*Brands, Inc.*<sup>50</sup> the Second Circuit shrugged off this criticism, and declined to adopt the Fourth Circuit’s interpretation requiring proof of actual economic harm,<sup>51</sup> the court instead deemed the federal act as “essentially the same” as the New York anti-dilution statute, and applied a substantially expanded version of the “mead” factors to find “likelihood of dilution” in a trade dress case.<sup>52</sup>

## 2. Requiring Proof of Actual Dilution

Following the recent decision by the Fourth Circuit in *Ringling Bros.-Barnum & Bailey Combined Shows, Inc. v. Utah Div. of Travel Development*, some courts have begun to require that in order to establish dilution under the federal act, a plaintiff must prove that defendant’s use “is the effective cause of . . . an actual lessening of the senior mark’s selling power . . .” In reaching this test, the court emphasized key differences between the federal act and the state anti-dilution statutes; most importantly, the lack of “likelihood” language in the federal act.<sup>53</sup> The court interpreted the act as requiring proof of actual, rather than “likely” harm. Under this interpretation, it criticized the use of “mead” factors as too uncertain to substantiate actual harm.<sup>54</sup> It also dismissed Ringling’s proposed test that dilution could be shown simply by the similarity of the mark as creating a property right in gross – an expansion too large to warrant without explicit Congressional action.<sup>55</sup>

Arguing that the difficulty in proving dilution under its interpretation does not create a statute with no enforceable meaning, the court, in dicta, offered three possible means of proving

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<sup>50</sup> 1999 WL 672575 (2nd Cir. 1999).

<sup>51</sup> id. p. 11-12 (Finding the requirement of proof actual harm an “arbitrary and unwarranted limitation on the methods of proof. . . .’Contextual factors’ have long been used to establish infringement. We see no reason why they should not be used to prove dilution.”) .

<sup>52</sup> id. at p. 12.

<sup>53</sup> 170 F.3d 449, 458 (4<sup>th</sup> Cir. 1999).

<sup>54</sup> id. at 458-59

<sup>55</sup> id.

dilution as a loss of economic selling power: (1) proof of an actual loss of revenues, and proof of replicating cause by elimination of other causes, (2) a skillfully constructed consumer survey designed to show mental association, and consumer impressions from which actual harm and cause might rationally be inferred, and (3) relevant contextual factors such as the extent of the junior mark's exposure, the similarity of the marks, the firmness of the senior mark's as indirect evidence that might compliment other proof.<sup>56</sup>

Undoubtedly, the rule adopted by Fourth Circuit erects a substantial barrier to potential dilution plaintiffs. Despite the assurances of the court, proving actual dilution as a loss of economic power will be no easy task.

#### D. Criticism of Dilution Theory

Since its proposal by Schechter, criticism of trademark dilution theory has been plentiful and strong. Opponents have attacked the basis of dilution theory as an unjustified creation of property rights in gross, unsupportable under principals of trademark law.<sup>57</sup> As a remedy without a wrong which skews the careful balance between free trade and fair trade too much away from free trade. Even those who accept a dilution doctrine narrowly tailored to those nationally famous marks most likely to suffer dilution by blurring decry the unwarranted expansion of dilution doctrine to aid holders of obscure marks by dispensing with the need to demonstrate confusion, and use of trade dress dilution to create quasi-patents unlimited in time.<sup>58</sup>

The two methods of establishing dilution under the federal act can be placed on a spectrum ranging from relatively easy to establish, to extremely difficult. It is no coincidence

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<sup>56</sup> 170 F.3d 449, 464 (4<sup>th</sup> Cir. 1999).

<sup>57</sup> See Port, *supra*, at 438.

<sup>58</sup> See Lemley, *supra*, at 1698-1700.

therefore, that the method chosen by a given court depends largely on the court's hostility towards dilution doctrine.

## Appendix A

15 U.S.C. § 1125(c), Lanham Act § 43(c):

### (c) Remedies for dilution of famous marks

(1) 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 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 marks' 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.

(2) In an action brought under this subsection, the owner of the famous mark shall be entitled only to injunctive relief unless the person against whom the injunction is sought willfully intended to trade on the owner's reputation or to cause dilution of the famous mark. If such willful intent is proven, the owner of the famous mark shall also be entitled to the remedies set forth in sections 1117(a) and 1118 of this title, subject to the discretion of the court and the principles of equity.

(3) The ownership by a person of a valid registration under the Act of March 3, 1881, or the Act of February 20, 1905, or on the principal register shall be a complete bar to an action against that person, with respect to that mark, that is brought by another person under the common law or a statute of a State and that seeks to prevent dilution of the distinctiveness of a mark, label, or form of advertisement.

(4) The following shall not be actionable under this section:

- (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.