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VICTOR'S NOT SO LITTLE SECRET: TRADEMARK DILUTION IS DIFFICULT BUT NOT IMPOSSIBLE TO PROVE FOLLOWING 
MOSELEY V. V. SECRET CATALOGUE, INC.

JESSICA C. KAISER*

INTRODUCTION

The United States Supreme Court in Moseley v. V. Secret Catalogue, Inc. recently interpreted when use of a mark “causes dilution” within the meaning of the Federal Trademark Dilution Act.¹ This decision made it significantly harder in some circuits for plaintiffs to prove trademark dilution (and spawned more questions than it answered); nonetheless, federal trademark dilution remains a viable cause of action post-Moseley.

Trademarks are the words and symbols that companies use to distinguish their products.² Consumers rely on the trademarks as symbols of the product, source, and quality of the goods.³ To obtain an exclusive right in a mark, a trademark owner must use the mark in commerce. Because trademark rights arise only through use, they are not rights in gross. In contrast, other forms of intellectual property do confer rights in gross. A patent holder, for example, can exclude others from making, using, or selling an invention, even though the patent holder merely obtained, but never commercially exploited, his patent registration. The rationale behind this distinction is that trademark rights exist only to protect the goodwill of the mark and prevent deception of consumers⁴ while patent rights create an incentive to innovate. Trademark rights exist as long as the owner uses the mark in commerce; therefore, they can be unlimited in duration.⁵ Tradem-

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3. Id.
4. Id. at 792.
5. Id. at 792–93.
tionally, any junior user could adopt a similar or even identical mark, so long as consumers were not confused as to the source of the good.7

Trademark dilution departs significantly from this model because dilution is designed to protect the mark itself instead of consumers. In a famous 1927 article, Professor Frank Schechter defined trademark dilution as “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.”8 This view was radical in its time, and many still consider it so today, because such a definition effectively creates trademark rights in gross. A less controversial definition of trademark dilution is “the diminishment over time of the capacity of a distinctive trademark to identify the source of goods bearing that mark.”9 In either case, the harm caused by dilution is not to consumers but instead to the trademark itself—“to its uniqueness, to its singularity, and to its capacity to identify the source of goods sold under it.”10

Courts have recognized two types of dilution: blurring and tarnishment. Blurring occurs when customers see the famous mark on many different goods and services, although these goods and services are not sold by the famous mark holder.11 These junior uses may weaken “[t]he unique and distinctive significance of the mark to identify and distinguish one source” although the junior use does not cause confusion as to the source of the goods or services.12 For example, a newly opened Tiffany restaurant may not cause confusion with the famous Tiffany jewelers. Nevertheless, the restaurant may cause dilution by blurring because consumers no longer associate Tiffany solely with the jewelry store.13 Tarnishment generally occurs when the junior user uses the mark for goods of low quality or for

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6. A junior user, as used in this Note, is someone who uses an identical or similar mark to a mark that already exists in the marketplace. First, the senior user (or the famous mark holder, once the mark has achieved the requisite level of fame) enters the marketplace and uses a mark to identify his goods. A junior user then enters the marketplace and uses an identical or similar mark to identify his goods.

7. Id. at 793. Trademark infringement occurs as a result of likelihood of confusion, such that “a reasonably prudent buyer” would think that “some connection or sponsorship existed” between the uses of the mark. 4 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 24:70 (4th ed. 2004) [hereinafter MCCARTHY]. A plaintiff can recover for dilution, even in the absence of a likelihood of confusion. Id.


10. Id.

11. MCCARTHY, supra note 7, § 24:68.

12. Id.

13. Id.
morally questionable goods, such that consumers' perception of the famous mark is changed.\(^{14}\)

Before 1996, trademark dilution was only proscribed by state statutes, and even then in only approximately half of the states.\(^{15}\) In 1947, Massachusetts adopted the first state dilution statute, and by 1996, twenty-eight states had followed suit.\(^{16}\) These state statutes typically allowed a cause of action for dilution as long as the plaintiff could show, inter alia, that the defendant's mark was likely to dilute the plaintiff's mark.\(^{17}\) A trademark owner did not have a cause of action in federal court until the Federal Trademark Dilution Act of 1995 ("FTDA").\(^{18}\) The FTDA provides a remedy for famous mark holders if a junior use "begins after the mark has become famous and causes dilution of the distinctive quality of the [famous] mark."\(^{19}\)

In *Moseley v. V. Secret Catalogue, Inc.*, the United States Supreme Court had occasion to resolve a circuit split and interpret the term "causes dilution" in the FTDA. Before *Moseley*, the Fourth and Fifth Circuits required a showing of actual economic harm while the Second, Seventh, and Sixth Circuits required only a showing of likelihood of dilution. *Moseley* radically changed how owners of famous trademarks could protect their marks from dilution by junior users because holders of famous marks must now show that the junior use caused actual dilution.

This Note will discuss how famous mark holders can successfully pursue trademark dilution claims, albeit with difficulty, after the Supreme Court's recent decision in *Moseley*. Section I provides an overview of the Federal Trademark Dilution Act of 1995. Section II reviews the cases that led to the circuit split over what Congress meant by "causes dilution." Section III explores the lower court and Supreme Court opinions in the *Mose-*

\(^{14}\) Id. § 24:69 ("[T]he effect of the defendant's unauthorized use is to tarnish, degrade, or dilute the distinctive quality of the mark."); Prager, *supra* note 9, at 124. One court has indicated that dilution through tarnishment is not proven just by showing that a junior use is a "cheap knock-off" if the junior user "is not attempting to associate [the famous mark owner's] products with obscenity or sexual or illegal activity, [and] the [junior user's] product line is neither shoddy or unwholesome." Clinique Laboratories, Inc. v. Dep Corp., 945 F. Supp. 547, 562 (S.D.N.Y. 1996).

\(^{15}\) Prager, *supra* note 9, at 123.

\(^{16}\) Klieger, *supra* note 2, at 811.

\(^{17}\) Id. at 813. Thirty states had enacted antidilution statutes by 2002. McCarthy, *supra* note 7, § 24:80 n.2. These state statutes are modeled on the 1964 or 1992 version of the United States (now International) Trademark Association Model State Trademark Bill, and the model bill uses a likelihood of dilution standard. Id. § 24:80.


\(^{19}\) 15 U.S.C. § 1125(c)(1).
ley case. Section IV argues that famous mark holders can still prove trademark dilution post-
Moseley, but that proving a federal cause of action will now be more difficult in some circuits because plaintiffs have to show actual dilution. Section IV then argues that in order to successfully pursue trademark dilution claims plaintiffs should: (1) argue that identity of the famous mark and the junior user’s mark provides evidence of actual dilution; (2) carefully craft consumer surveys that provide evidence of actual dilution; (3) forum shop to bring separate state law claims in states that only require a likelihood of dilution; and (4) argue that evidence that shows actual dilution is just beginning to occur should be sufficient to prove actual dilution.

I. OVERVIEW OF THE FEDERAL TRADEMARK DILUTION ACT OF 1995

The FTDA allows the owner of a famous trademark to obtain injunctive relief against a junior user if the junior use is commercial, if the junior use began after the senior mark became famous, and if the junior use causes dilution of the distinctive quality of the famous mark. The Act 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 between the owner of the famous mark and other parties, or (2) likelihood of confusion, mistake, or deception.” The Act also provides numerous factors for use in determining whether a mark is distinctive and famous. The Act limits recovery for dilution to injunctive relief unless the junior user “willfully intended to trade on the owner’s reputation or to cause dilution of the famous mark.” The Act also provides defenses for fair use and noncommercial use, as well as an exemption for news reporting and news commentary.

20. Id.
21. Id. § 1127.
22. The factors are:
   (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.
23. Id. § 1125(c)(1). This Note does not discuss these factors in detail because the Victoria’s Secret mark at issue in Moseley was clearly famous under these factors.
24. Id. § 1125(c)(4).
Congress passed the FTDA for two main purposes. First, Congress wanted to promote national uniformity in the trademark law because famous marks are used on a national basis. Congress also worried that lack of uniformity would lead to forum-shopping. Second, Congress passed the FTDA to comply with international obligations contained in the TRIPS agreement and the Paris convention, and to assist the executive branch in its efforts to gain more protection for U.S. famous marks in foreign countries.

The rationale underlying the FTDA differs from the traditional rationale underlying trademark infringement because trademark infringement causes of action are designed to prevent consumer confusion. "Confusion leads to immediate injury, while dilution is an infection, which if allowed to spread, will inevitably destroy the advertising value of the mark." Therefore, the harm sought to be prevented by dilution under the Act is really harm to the "strong identification value of the plaintiff's mark" itself as opposed to harm to consumers caused by confusion.

II. THE LOWER COURT DECISIONS THAT LED TO THE CIRCUIT SPLIT

A circuit split arose over the correct interpretation of the phrase "causes dilution" in the FTDA. The Fourth and the Fifth Circuits held that trademark dilution under the FTDA required a showing of actual harm. These Circuits reasoned that the FTDA does not expressly state "likelihood of dilution," whereas state dilution statutes do contain such language, and because the primary aim of dilution is to protect the economic value of the mark itself. However, the Second, Seventh, and Sixth Circuits required only a likelihood of dilution. Because the available remedy under the

26. Id. at 4.
27. The Agreement on Trade-Related Aspects of Intellectual Property Rights or TRIPS Agreement provides that:

Article 6bis of the Paris Convention (1967) shall apply, mutatis mutandis, to goods or services which are not similar to those in respect of which a trademark is registered, provided that use of that trademark in relation to those goods or services would indicate a connection between those goods or services and the owner of the registered trademark and provided that the interests of the owner of the registered trademark are likely to be damaged by such use.

29. Id. at 3 (quoting Mortellito v. Nina of Cal., Inc., 335 F. Supp. 1288, 1296 (S.D.N.Y. 1972)).
30. MCCARTHY, supra note 7, § 24:70.
FTDA is injunctive relief (unless the dilution is willful), these Circuits worried that a more stringent standard would cause the famous mark holder to suffer uncompensable injury. At the same time, the courts worried that the junior user would expend resources on a mark, only to have the use of the mark later enjoined when dilution occurred.

A. Actual Harm Standard

The keystone case for the actual harm standard is Ringling Brothers-Barnum & Bailey Combined Shows, Inc. v. Utah Division of Travel Development. Ringling, owner of the “Greatest Show on Earth” mark, sued the Utah Division of Travel Development, alleging that Utah’s use of the mark “Greatest Snow on Earth” diluted “Greatest Show on Earth” under the FTDA. The district court found that Ringling had not proven dilution, and the Fourth Circuit Court of Appeals affirmed.

Ringling argued that mental association of the two marks by consumers was sufficient to prove dilution, but the court rejected Ringling’s argument that mental association alone was sufficient to establish dilution. Instead, the court adopted a standard that required actual economic harm and rejected the less stringent “likelihood of dilution” standard. The court found that the main purpose of antidilution statutes is to prevent harm to the economic value of famous marks. Additionally, the FTDA made no mention of likelihood of dilution, while such language was contained expressly in many state statutes. The FTDA defines dilution as “the lessening of the capacity of a famous mark to identify and distinguish goods and services,” and the court reasoned that the FTDA was ultimately aimed at protecting the mark’s selling power and not its distinctiveness alone.

Therefore, the court found that dilution requires proof that:

32. 170 F.3d 449 (4th Cir. 1999).
33. Id. at 451.
34. Id.
35. Id. at 453.
36. Id.
37. Id. at 457 (finding that this standard assumes that harm to a mark’s selling power cannot be proven by direct evidence and must instead be presumed from the similarity of the junior and senior marks).
38. Id. at 456.
39. Id. at 458. The court also noted that about half the states had enacted state statutes to prohibit trademark dilution and that one of the typical features of such statutes was that they proscribed likelihood of dilution. Id. at 454.
40. Id. at 458.
41. Id.
(1) a defendant has made use of a junior mark sufficiently similar to the famous mark to evoke in a relevant universe of consumers a mental association of the two that (2) has caused (3) actual economic harm to the famous mark’s economic value by lessening its former selling power as an advertising agent for its goods and services.42

B. Likelihood of Dilution Standard

Conversely, the Second, Seventh, and Sixth Circuit Courts of Appeals adopted a less stringent standard that requires the famous mark holder to prove only a likelihood of dilution. The leading case for this interpretation is Nabisco, Inc. v. PF Brands, Inc.43 PF Brands (“Pepperidge Farm”), owner of the “Goldfish” cracker trademark, sued Nabisco for trademark dilution because Nabisco manufactured “CatDog” cheese crackers, which included goldfish-shaped crackers.44 The court stated that dilution under the FTDA requires five elements: “(1) the senior mark must be famous; (2) it must be distinctive; (3) the junior use must be a commercial use in commerce; (4) it must begin after the senior mark has become famous; and (5) it must cause dilution of the distinctive quality of the senior mark.”45 To help courts determine when a senior mark has suffered dilution, the court announced a nonexclusive list of factors that courts should consider in determining dilution: (a) distinctiveness; (b) similarity of marks; (c) proximity of products and likelihood of bridging the gap; (d) interrelationship among the distinctiveness of the senior mark, the similarity of the junior mark, and the proximity of the products; (e) shared consumers and geographic limitations; (f) sophistication of consumers; (g) actual confusion; (h) adjectival or referential quality of the junior use; (i) harm to the junior user and delay by the senior user; and (j) effect of senior user’s laxity in protecting the mark.46

The Second Circuit rejected the Fourth Circuit’s requirement that the famous mark holder prove actual, consummated harm.47 The court found that the Fourth Circuit standard relied on “excessive literalism” and that, contrary to the Fourth Circuit’s interpretation, Congress likely intended that a famous mark holder could obtain an injunction to prevent the harm before

42. Id. at 461. The Fifth Circuit Court of Appeals, in Westchester Media v. PRL USA Holdings, Inc., adopted the Fourth Circuit “actual harm” standard for proving trademark dilution because the plain meaning of the statute shows that Congress did not intend a likelihood of dilution standard. 214 F.3d 658, 671 (5th Cir. 2000).
43. 191 F.3d 208 (2d Cir. 1999).
44. Id. at 213.
45. Id. at 215.
46. Id. at 217–22.
47. Id. at 223.
it occurs. The Second Circuit also worried that an actual harm requirement would hurt junior users because a court could not enjoin the use under the FTDA until the junior user had expended resources on the new mark and caused actual economic harm. Therefore, the court adopted a likelihood of dilution standard.

The Seventh Circuit, in *Eli Lilly & Co. v. Natural Answers, Inc.*, followed the Second Circuit and adopted the likelihood of dilution standard. The Seventh Circuit adopted this standard because the FTDA only provides for injunctive relief (absent willfulness), and under an actual economic harm standard, famous mark holders would suffer uncompensable injury. Additionally, the Seventh Circuit also worried that trademark dilution would be impossible to prove under an actual economic harm standard. Additionally, the Seventh Circuit did not adopt all of the Second Circuit factors because it found that some of the factors were irrelevant to a dilution analysis. Instead, the Seventh Circuit applied only two factors, the similarity between the junior and senior marks and the renown of the senior mark.

Therefore, when the Supreme Court reviewed the *Moseley* case, it was faced with an entrenched circuit split based on two competing theories of statutory interpretation.

### III. THE SUPREME COURT *MOSELEY* DECISION

#### A. Moseley Background and Lower Court Decisions

V. Secret Catalogue and affiliated companies, owner of the “Victoria’s Secret” mark, sued Moseley for, *inter alia*, trademark dilution under the FTDA in the United States District Court for the Western District of Ken-
Victoria's Secret is a famous retailer of women's lingerie, operates over 750 stores, and distributes 400 million copies of its catalogue each year. The Moseleys opened a store called "Victor's Secret" in Elizabeth-town, KY, which sold men's and women's lingerie and other adult items. The Moseleys claimed that they were unaware of Victoria's Secret until they received a cease and desist letter from Victoria's Secret's counsel. After receiving this letter, the Moseleys changed the name of the store to "Victor's Little Secret." The district court stated that, under the FTDA, the plaintiff must show: 

"(1) its mark is famous, (2) the defendant is making a commercial use of its mark in commerce, (3) the defendant's use of its mark came after the plaintiff's mark became famous, and (4) the defendant's use of its mark dilutes the quality of the plaintiff's mark." The first three elements were not disputed. Therefore, the only issue before the district court was whether the Moseleys' use of "Victor's Little Secret" diluted the Victoria's Secret mark. The district court found that the Moseleys diluted the Victoria's Secret mark through blurring (because Victor's Little Secret was sufficiently similar to Victoria's Secret) and through tarnishment (because the Moseleys sold adult videos, sex toys, and adult novelties in their store). Therefore, the district court granted summary judgment to Victoria's Secret and enjoined the Moseleys from using the mark "Victor's Little Secret."

The Moseleys appealed the district court decision to the Sixth Circuit Court of Appeals, and the Sixth Circuit considered whether to adopt the Nabisco likelihood of dilution standard or the Ringling actual harm standard. After reviewing the Fourth Circuit's opinion in Ringling and the Second Circuit's opinion in Nabisco, the Sixth Circuit adopted the Second Circuit's likelihood of dilution standard. The Sixth Circuit concluded that

57. Id. at *1.
58. Id.
59. Id.
60. Id.
61. Id. at *5.
62. Id.
63. Id.
64. Id. at *5–6.
65. Id. at *6.
66. After the issuance of the injunction by the district court, the Moseleys changed the name of their store to "Cathy's Little Secret" without objection from Victoria's Secret. V. Secret Catalogue v. Moseley, 259 F.3d 464, 467–68 (6th Cir. 2001).
67. Id. at 472.
68. Id. at 475.
the injury that Congress was trying to prevent by enacting the FTDA was to the mark’s distinctiveness.69 The Sixth Circuit also stated that the legislative history indicated that Congress intended “to allow a remedy before dilution has actually caused economic harm to the senior mark.”70 The Sixth Circuit also worried about the difficulty of proving actual harm.71 Therefore, the Sixth Circuit applied the list of nonexclusive factors from Nabisco and found that a likelihood of dilution existed both by blurring and tarnishment, and the Sixth Circuit affirmed the district court decision.72

B. The Moseley Supreme Court Decision

The Moseleys appealed the decision of the Sixth Circuit to the U.S. Supreme Court, and the Supreme Court granted certiorari to resolve the circuit split and announce the standard for proving trademark dilution under the FTDA.73 The Court rejected the “likelihood of dilution” standard and interpreted the statute to require a showing of actual dilution.74 However, the Court declined to wholly adopt the Fourth Circuit standard, which required actual economic harm.75 The Court also found that consumers' mental association of the junior user’s mark with the famous mark is not sufficient to establish actual dilution, “at least where the marks at issue are not identical.”76

Applying the actual dilution standard to the facts of the Moseley case, the Court found that Victoria’s Secret had failed to prove dilution by either blurring or tarnishment to sufficiently support summary judgment.77 The record showed that an army officer made a mental association between

69. *Id.* at 475–76.
70. *Id.* at 476 (“[C]onfusion leads to immediate injury, while dilution is an infection, which if allowed to spread, will inevitably destroy the advertising value of the mark.”) (emphasis in original) (quoting H.R. REP No. 104-374, at 3 (1995), reprinted in 1995 U.S.C.C.A.N. 1029, 1030).
71. *Id.* (“[R]equire[ing] proof of actual economic harm will make bringing a successful claim under the FTDA unreasonably difficult.”).
72. *Id.* at 476–77.
73. *Moseley v. V. Secret Catalogue, Inc.*, 537 U.S. 418, 428 (2003). Justice Stevens wrote the majority opinion, which was unanimous as to the result. *Id.* at 419–20. Justice Scalia joined in all but Part III of the opinion, which detailed the legislative history, but Justice Scalia did not write separately. *Id.* at 420. Justice Kennedy wrote a separate concurring opinion. *Id.*
74. *Id.* at 433. The Supreme Court, like the Fourth Circuit, placed weight on the fact that many state statutes and other provisions in the Lanham Act referred to a likelihood of dilution, whereas the FTDA uses the language “causes dilution.” *Id.* at 432–33. The Court also looked at the definition of dilution and made a contrast between an actual “lessening of capacity of the mark” and a later reference to “likelihood of confusion, mistake, or deception.” *Id.* at 433.
75. *Id.* (holding that consequences of dilution such as actual lost sales or profits need not be proved).
76. *Id.*
77. *Id.* at 434.
Victor's Little Secret and Victoria's Secret but also that the officer did not change his impression of Victoria's Secret because of the mental association. Further, Victoria's Secret did not present any evidence showing that Victor's Little Secret lessened the capacity of Victoria's Secret to identify and distinguish goods or services. The Court noted that respondents and their amici had argued that evidence of actual lessening of capacity of the mark would be difficult to prove, but the Court found that difficulty of proof was an insufficient reason to dispense with "an essential element of a statutory violation." Therefore, the Court reversed and remanded.

Justice Kennedy filed a separate concurring opinion. Justice Kennedy stated that more attention should be given to the word "capacity" as it was used to define dilution. Justice Kennedy found, using dictionary definitions of "capacity," that dilution should be interpreted more broadly than the majority's interpretation because, in some cases, "the fact that this power [of the famous mark to identify and distinguish goods] will be diminished could suffice to show dilution." Further, Justice Kennedy, like the Second Circuit, found that injunctive relief as the exclusive remedy indicated that Congress intended for the famous mark holder to obtain relief before "the damage is done and the distinctiveness of the mark has been eroded." With these additional observations, Justice Kennedy joined the opinion of the Court.

IV. OPTIONS FOR FAMOUS MARK HOLDERS TO SUCCESSFULLY CLAIM TRADEMARK DILUTION POST-MOSELEY

The Moseley decision made trademark dilution under the FTDA more difficult to prove in those circuits that had previously adopted a likelihood of dilution standard. Conversely, the Moseley decision made dilution under the FTDA somewhat easier to prove by rejecting the requirement of actual economic harm. This section will discuss ways that famous mark owners can protect their marks by bringing dilution claims. First, dictum in

78. Id.
79. Id.
80. Id.
81. Id.
82. Id. at 435 (Kennedy, J., concurring). The FTDA defines dilution as "the lessening of the capacity of a famous mark to identify and distinguish goods or services." 15 U.S.C. § 1127 (2000).
83. Moseley, 537 U.S. at 435 (Kennedy, J., concurring).
84. Id. at 436.
85. Id.
86. Autozone, Inc. v. Tandy Corp., 373 F.3d 786, 804 (6th Cir. 2004) ("The Supreme Court in essence made it more difficult for dilution claims to succeed because plaintiffs face a much higher hurdle of demonstrating actual dilution.")
the *Moseley* decision seemed to create two classes of cases, those where the famous mark and the junior user's mark are identical and those where they are not. However, this dictum has already spawned split over what the Supreme Court meant by this dictum. Despite this split, famous mark holders should argue, if the famous mark and the junior user's mark are identical, that identity provides evidence of actual dilution. Second, famous mark holders should craft consumer surveys designed to show that the junior use has caused actual dilution. Third, famous mark holders should pursue state law dilution claims whenever possible because state laws typically only require a showing of likelihood of dilution. Finally, famous mark holders should argue that courts should require a low threshold showing of actual dilution under *Moseley* because the FTDA only provides injunctive relief unless the dilution is willful.

A. Dilution and Identical Marks: A Chink in Moseley's Armor?

Dictum in the *Moseley* decision suggests that the bar is lower for proving actual dilution when the famous mark and the junior user's mark are identical. Courts have already disagreed over the interpretation of this dictum. However, when pursuing a dilution claim, famous mark holders should argue that identity provides evidence of actual dilution.

In *Moseley*, the Supreme Court suggested that it would have reached a different result if the marks had been identical. First, the Court referenced the legislative history, which specifically stated that the use of DUPONT shoes, BUICK aspirin, and KODAK pianos, marks identical to famous marks, would be actionable under the FTDA. Further, the Court qualified its holding that mental association was insufficient to establish dilution by stating, "at least where the marks at issue are not identical." Further, the Court stated that "direct evidence of dilution such as consumer surveys will not be necessary if actual dilution can reliably be proved through circumstantial evidence—the obvious case is one where the junior and senior marks are identical." These statements show that the Court did not intend a broad interpretation of *Moseley* to apply to cases where the famous and junior marks are identical.

The Court properly created a distinction between identical marks and nonidentical marks because, when the marks are identical, actual dilution can more easily be inferred. A court can draw this inference when the

88. *Id.* at 433.
89. *Id.* at 434.
marks are identical because "consumers will view the two marks as the same mark and associate a new product with that mark." However, courts have already struggled with applying the Supreme Court's dictum about identical marks.

Some district courts have followed the approach that the identity of marks provides the required circumstantial evidence of actual dilution. Further, a prominent commentator has suggested that no circumstantial evidence beyond identity should be required when the famous mark is a "coined, fanciful mark." 92

Recently, Courts of Appeal have been following suit. In *Savin Corp. v. The Savin Group*, the district court had refashioned the *Moseley* dictum as "[a]ctual dilution may be shown through circumstantial evidence, particularly when the marks in question are identical." In deciding that more than identity is required, the court relied on the sentence following the Supreme Court's dictum regarding circumstantial evidence: "Whatever difficulties of proof may be entailed, they are not an acceptable reason for dispensing with proof of an essential element of a statutory violation." The court interpreted this to mean that additional evidence of actual dilution beyond identity was required because otherwise the court would be allowing the famous mark holder to dispense with the required element of proof merely by showing the marks are identical. 95

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91. *Am. Honda Motor Co., Inc. v. Pro-Line Protoform*, 325 F. Supp. 2d 1081, 1085 (C.D. Cal. 2004) (holding that, since defendant had used Honda's trade dress and trademarks on remote control cars, dilution could be inferred from the identical nature of the marks); *Gen. Motors Corp. v. Auto-Techs., Inc.*, 317 F. Supp. 2d 756, 763–64 (E.D. Mich. 2004) (holding that "GM's evidence establishes actual dilution in that Defendant has used marks that are identical to the world-famous GM Trademarks" and that consumer surveys were not necessary under the Supreme Court's *Moseley* decision); *7-Eleven, Inc. v. McEvoy*, 300 F. Supp. 2d 352, 357 (D. Md. 2004) (finding that no additional circumstantial evidence of actual dilution is required where the defendant uses the plaintiff's mark); *Nike Inc. v. Variety Wholesalers, Inc.*, 274 F. Supp. 2d 1352, 1372 (S.D. Ga. 2003) (applying the actual dilution requirement of *Moseley* and holding that dilution had occurred because the marks were identical or virtually identical); *Pinehurst, Inc. v. Wick*, 256 F. Supp. 2d 424, 432 (M.D.N.C. 2003) (holding that defendant's registration of the domain names, "Pinehurstresort.com" and "Pinehurstresorts.com," had diluted the plaintiff's mark, "Pinehurst Resort and Country Club," because the domain names were identical or virtually identical to the plaintiff's mark).

92. *McCarthy*, supra note 7, § 24:94.2 (No additional evidence should be required if the famous mark is a "coined, fanciful mark" such as Exxon, but if the mark is not a "coined, fanciful mark" such as Saturn then some additional evidence should be required.).


94. *Id. at *14–15 (quoting Moseley v. V. Secret Catalogue, Inc.*, 537 U.S. 418, 434 (2003)).

95. *Id.* Since the plaintiff had provided no additional evidence of actual dilution, the court granted summary judgment in favor of the defendant. *Id.*
The Second Circuit Court of Appeals disagreed with the district court's interpretation: "We interpret Moseley to mean that where a plaintiff who owns a famous senior mark can show the commercial use of an identical junior mark, such a showing constitutes circumstantial evidence of the actual-dilution element of an FTDA claim." The Second Circuit, however, created a strict identity rule, where the marks must be identical and not just similar. The court also stated that the marks must be identical in context, looking not just at the words but also at the "font, size, color, etc." The Eighth Circuit has also indicated that it will follow this approach.

Other courts, however, have reasoned that the Moseley dictum requires the famous mark holder to provide additional circumstantial evidence beyond the marks being identical. In *Ty Inc. v. Softbelly's, Inc.*, Judge Posner stated that "[t]he Court did not explain and no one seems to know what that 'circumstantial evidence' might be." While Judge Posner did not directly address this issue because the marks in *Ty* were not identical, he indicated that, if faced with this issue, he would require evidence beyond identity of marks to find that actual dilution had occurred. A few district courts have also indicated that they would require a showing beyond identity to prove actual dilution.

Despite this split, famous mark holders should argue that courts should resolve this confusion by limiting the Moseley requirements to cases where the marks are not identical. Courts should find dilution without an explicit showing of actual dilution where the famous mark and the junior

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97. *Id.* at 453 ("In other words, a mere similarity in the marks—even a close similarity—will not suffice to establish per se evidence of actual dilution.").
98. *Id.* Since the district court had not made a clear finding as to the marks' identity, the Second Circuit remanded the case to the district court to determine whether the marks were identical. *Id.* at 454.
99. Everest Capital Ltd. v. Everest Funds Mgmt., LLC, 393 F.3d 755, 763 (8th Cir. 2005). The Eighth Circuit wrote:
   On appeal, Everest Capital argues that it proved actual dilution as a matter of law because "the names and marks at issue are identical for purposes of trademark law." Based upon our visual examination of the marks, this contention is frivolous. See Savin Corp. v. Savin Group, 391 F.3d 439, 453 (2d Cir. 2004) ("a mere similarity in the marks—even a close similarity—will not suffice to establish per se evidence of actual dilution").
100. 353 F.3d 528, 536 (7th Cir. 2003).
101. *Id.* ("Neither 'Beanies' nor 'Beanie Babies' is identical to 'Screenie Beanies.'").
102. *Id.*
103. See Lee Middleton Original Dolls, Inc. v. Seymour Mann, Inc., 299 F. Supp. 2d 892, 902 (E.D. Wis. 2004) (citing cases where courts found that additional evidence beyond identity was necessary but denying summary judgment and allowing plaintiff to present its dilution claim to the jury); Nike, Inc. v. Circle Group Internet, Inc., 318 F. Supp. 2d 688, 695 (N.D. Ill. 2004) (declining to decide the issue but recognizing that identity along with evidence of mental association was sufficient).
user's mark are identical or virtually identical because this approach is consistent with the Supreme Court's language in *Moseley* and because this approach supports the policies behind the FTDA. This approach will ensure that trademark dilution remains a viable way for famous mark holders to protect the value of their marks from identical or nearly identical variants of the famous marks. This approach will also give effect to Justice Kennedy's concurrence; he stated that showing that the junior use will diminish the power of the mark to identify and distinguish goods and services should, in some cases, be sufficient to establish dilution. Further, this approach will allow, at least in cases of identical or nearly identical junior uses, the injunctive relief authorized by the statute to be an effective remedy to famous mark holders, ensuring that they will not suffer damage to their mark that can never be compensated.

However, even when "identity equals dilution," the famous mark holder must still show that consumers make a mental association between the junior use and the famous mark. Without this mental association, an inference of actual dilution based solely on identity could not be drawn. Consider Town X, a tiny rural community. In Town X, people have no access to media, and people only leave Town X to visit relatives in neighboring rural communities. Town X is off the beaten path, and so no tourists have been to visit Town X. Victoria, a resident of Town X, opens a small shop at her home to sell cloth, and she calls her shop Victoria's Secret, which she thinks is clever. An executive of the famous Victoria's Secret drives along a small country road, and his car breaks down near Town X. The executive walks to the nearest farm for help, and he learns about the local Victoria's Secret. The company sues to enjoin the use of the name under the FTDA.

In this hypothetical, no inference of actual dilution could be drawn from the identical nature of the names. The junior use of Victoria's Secret creates no actual dilution because the residents of Town X never knew the famous Victoria's Secret, and because people outside of Town X have never heard of the junior Victoria's Secret. However, the "identity equals dilution" argument again makes sense if Victoria opens stores in towns where consumers are aware of Victoria's Secret.

Therefore, any argument that identical marks provide evidence of actual dilution must be bolstered with evidence that consumers are aware of both the famous mark and the junior use and evidence that consumers make a mental association between the two.
B. Uncertainty of Proof for Nonidentical Marks After Moseley: The Consumer Survey Lives On

For nonidentical marks, the most effective means of proving actual dilution post-Moseley will be a well-crafted consumer survey, although Moseley did not make entirely clear what such a survey must show. Actual dilution after Moseley may be difficult to prove, even with a consumer survey, because dilution often occurs in many small steps instead of all at once. This uncertainty has arisen because the Supreme Court in Moseley did not clearly define what a famous mark holder must show to establish actual dilution; instead, the Supreme Court only established outer bounds. Famous mark holders now know that mere mental association between their famous mark and the junior user's mark is insufficient to establish trademark dilution. However, famous mark holders are not required to suffer actual loss of sales or profits to show that actual dilution has occurred.

Between these outer bounds, the Supreme Court did not specifically state what famous mark holders must show to prove actual dilution, and therefore, famous mark holders may have some difficulty crafting effective consumer surveys. However, the Court seemed to indicate that consumer surveys would be sufficient to prove actual dilution if they show that a junior use has created not only a mental association in consumers but also a tendency for consumers to identify the famous mark less strongly with the famous mark holder (for blurring) or a change in perception towards the famous mark holder (for tarnishment).

104. Moseley v. V. Secret Catalogue, Inc., 537 U.S. 418, 433 (2003) ("[A]t least where the marks at issue are not identical, the mere fact that consumers mentally associate the junior user's mark with a famous mark is not sufficient to establish actionable dilution."). In Starbucks Corp. v. Lundberg, No. CV 02-948-HA, 2004 WL 1784753, at *4 (D. Or. Aug. 10, 2004), the court applied the Supreme Court's Moseley decision and held that consumers' mental association between Starbucks and Sam- buck's was insufficient to support a claim for federal trademark dilution.

105. Moseley, 537 U.S. at 433 ("Actual dilution must be established. Of course, that does not mean that the consequences of dilution, such as actual loss of sales or profits, must also be proved.").

106. Id. at 433-34 The Court discussed the facts of Ringling and stated that: even though Utah drivers may be reminded of the circus when they see a license plate referring to the "greatest snow on earth," it by no means follows that they will associate "the greatest show on earth" with skiing or snow sports, or associate it less strongly or exclusively with the circus.

Id. The Supreme Court did not specifically address tarnishment, and some commentators have suggested that dilution by tarnishment did not survive Moseley. See, e.g., Jonathan Moskin, Victoria's Big Secret: Whither Dilution Under the Federal Dilution Act?, 93 TRADEMARK REP. 842, 855 (2003).
1. Consumer surveys can assist in a showing of actual dilution.

Although the Supreme Court did not specifically state what a famous mark holder must show to prove actual dilution, consumer surveys remain a viable method of proving dilution post-Moseley under the FTDA.\(^{107}\)

To prove actual dilution, famous mark holders must consider two critical components in crafting consumer surveys: the universe of the survey and the methodology of the survey.\(^{108}\) The universe of the survey is the population being asked the survey questions, and usually consists of the famous mark holder's customers, the junior user's customers, or both.\(^{109}\) The methodology refers to the type of questions and controls used in the survey.\(^{110}\) Both components must be carefully considered when developing a survey so that the results will carry weight in proving that actual dilution occurred.\(^{111}\)

Since famous mark holders often pursue both trademark infringement and dilution claims, famous mark holders should be aware that the survey methodology to prove these claims likely will differ.\(^{112}\) In crafting a consumer survey, famous mark holders must remember that the standards for dilution and infringement are different and that consumer surveys will need to include questions directed toward consumer confusion to prove infringement and questions directed toward actual dilution to prove dilution.

The Ninth Circuit recently recognized that a famous mark holder had shown likelihood of dilution by blurring by introducing evidence "suggesting that a significant number of Internet users assume that advertisements are sponsored or somehow affiliated with [the famous mark holder] after a search using [the famous marks]."\(^{113}\) This evidence consisted of a survey where participants were shown internet search results for the famous marks, and a significant number of participants believed that the famous marks, and a significant number of participants believed that the famous

107. Although this method of proof is viable, judges and commentators have expressed concerns over the ability of famous mark holders to craft questions that would elicit meaningful responses from consumers. Ty Inc. v. Softbelly's, Inc., 353 F.3d 528, 535 (7th Cir. 2003) (citing Moskin, supra note 106, at 853; McCarthy, supra note 7, § 29:94.2).
109. Id.
110. Id.
111. Id. Surveys may also be necessary to prove that the mark is famous, as required by the FTDA. However, the Moseley decision did not address the fame of the mark. Therefore, this Note does not address surveys used to prove fame.
112. Id.
113. Playboy Enters., Inc. v. Netscape Communications Corp., 354 F.3d 1020, 1033 (9th Cir. 2004). The court also discussed likelihood of tarnishment, but neither the Ninth Circuit nor the district court below detailed the type of evidence used to show tarnishment. Id.
mark holder sponsored or was associated with the banner ads at issue.\textsuperscript{114} However, the court remanded the case to re-open discovery on the issue of dilution because the evidence would not meet the \textit{Moseley} actual dilution requirement.\textsuperscript{115} Although the court did not provide any reasoning to support its conclusion that this evidence would not satisfy an actual dilution standard, this case shows that famous mark holders must use care when crafting their surveys because survey responses tending to show confusion will not necessarily also show dilution. Instead, these responses may only show mere mental association between the famous mark and the junior user's mark. The consumer survey must therefore ask questions specifically designed to show "the lessening of the capacity of a famous mark to identify and distinguish goods or services."\textsuperscript{116}

Various survey methods have been suggested to prove trademark dilution, although case law evidencing effective consumer surveys for dilution is relatively scarce. The United States Solicitor General filed an amicus brief in the \textit{Moseley} case advocating an actual dilution standard but not an actual economic harm standard.\textsuperscript{117} The government discussed potential ways that Victoria's Secret could have made a showing of actual dilution using consumer survey evidence.\textsuperscript{118} These consumer surveys that were suggested by the government remain a viable method of proving dilution after \textit{Moseley}.

First, the government suggested a type of consumer survey to prove dilution by blurring. The government suggested that Victoria's Secret could have surveyed two groups of consumers, one that was aware of Victor's Little Secret and one that was not. Both groups would then be asked what goods they associate with Victoria's Secret. If consumers aware of Victor's Little Secret stated that they associated Victoria's Secret both with lingerie and sex toys, while consumers unaware of Victor's Little Secret only associated Victoria's Secret with lingerie, then such responses could be used to show actual dilution by blurring.\textsuperscript{119}

\begin{thebibliography}{99}
\bibitem{114} Id. at 1026.
\bibitem{115} Id. at 1034.
\bibitem{117} U.S. Amicus Brief, \textit{supra} note 90, at 9.
\bibitem{118} Id. at 22.
\bibitem{119} Id.; \textit{McCarthy}, \textit{supra} note 7, § 24.92.2; Patrick M. Bible, \textit{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, 329–30 (1999) (Bible calls this increased "typicality" of the famous mark.). A commentator has also suggested that a variant of this survey was discussed by the government. When asked the same question, if those aware of Victor's Little Secret were less likely to associate Victoria's Secret with women's lingerie than those not aware of Victor's Little Secret, then the disparity could be used as evidence of actual dilution by blurring. \textit{McCarthy}, \textit{supra} note 7, § 24.94.2 (citing U.S. Amicus Brief, \textit{supra} note 90, at 22–24; Bible, \textit{supra}).
\end{thebibliography}
The government also discussed two types of surveys that could be used to show dilution by tarnishment. First, Victoria’s Secret could have asked consumers to give the positive and negative attributes of the Victoria’s Secret mark. If consumers aware of Victor’s Little Secret gave more negative attributes and fewer positive attributes than those not aware of Victor’s Little Secret, then these responses could be used as evidence of actual dilution by tarnishment. \(^{120}\) Second, consumers could be asked to rate a quality of the famous mark, such as tastefulness, on a scale of one being tasteless and ten being tasteful. If those aware of Victor’s Little Secret gave rating closer to tasteless than those not familiar with Victor’s Little Secret, this result could be used as evidence of actual dilution. \(^{121}\)

These types of surveys were suggested by commentators before Moseley, as well as to the Supreme Court directly in the Solicitor General’s amicus brief. Nothing in the Moseley opinion suggests that these types of surveys are not still viable means of proving dilution under the actual dilution standard. Such survey results would show that consumers not only made a mental association between the junior user’s mark and the famous mark, but also that the junior user’s mark lessened the ability of the famous mark to identify goods and services or that the junior user’s mark negatively changed consumers’ perception of the famous mark.

2. Surveys Used Before Moseley that are Unlikely to Satisfy an Actual Dilution Requirement

The Moseley decision did render certain types of consumer surveys ineffective. Certain survey questions may elicit responses that will only show mental association between the famous mark and the junior user’s mark. This mental association alone is not sufficient post-Moseley to prove actual dilution.

For example, the survey used in Wawa, Inc. v. Haaf \(^{122}\) would likely be unsuccessful in proving dilution post-Moseley. In Wawa, the Wawa mark was used as the name of over 500 convenience stores, while Haaf’s HAHA mark was used as the name of one convenience store. \(^{123}\) Wawa claimed

\(^{120}\) U.S. Amicus Brief, supra note 90, at 22–23; William G. Barber, How to Do a Trademark Dilution Survey (or Perhaps How Not to Do One), 89 TRADEMARK REP. 616, 630 (1999); Prager, supra note 9, at 132. Such other attributes might include, among others, wholesome, family-oriented, and good value. Prager, supra note 9, at 132.

\(^{121}\) U.S. Amicus Brief, supra note 90, at 23; Bible, supra note 119, at 328–29. Bible says this type of survey shows how the junior use has affected the “brand equity” of the famous mark.


\(^{123}\) Id. at 1631.
that HAHA caused dilution by blurring.\textsuperscript{124} Wawa introduced survey evidence that showed that 29% of persons surveyed in the neighborhood of the HAHA convenience store associated the HAHA store with the Wawa store.\textsuperscript{125} The court found this evidence persuasive of dilution. After Moseley, however, such survey evidence would likely not prove actual dilution. This evidence only shows that consumers made a mental association between Wawa and HAHA, and under Moseley, such an association is insufficient to prove actual dilution, particularly when the marks are not identical.

Additionally, the survey used in Ringling\textsuperscript{126} would be insufficient to establish actual dilution post-Moseley. In Ringling, Ringling interviewed consumers at shopping malls, including one in Utah.\textsuperscript{127} Consumers were given the statement: "THE GREATEST ____ ON EARTH" and asked what words they would use to fill in the blank.\textsuperscript{128} The consumers were also asked with whom they associated the completed phrase.\textsuperscript{129} In Utah, 25% of the consumers answered "show" and associated it with the circus; 24% of consumers answered "snow" and associated it with Utah; and 21% of consumers answered both but associated "show" with the circus and "snow" with Utah.\textsuperscript{130} Outside of Utah, 41% of the consumers answered "show" and associated it with the circus; 0% of consumers answered "snow" and associated it with Utah; and less than 0.5% of consumers answered both.\textsuperscript{131}

The district court concluded that this consumer evidence did not show that consumers even made a mental association between "Greatest Show on Earth" and "Greatest Snow on Earth" because consumers associated the circus only with "show" and Utah only with "snow."\textsuperscript{132} The district court further found that the survey failed to prove that Utah's use caused any "lessening of the capacity of Ringling's trademark slogan to identify and distinguish its circus as the mark's subject."\textsuperscript{133} The court noted that more consumers in Utah (46% total) had associated show with the circus than in the rest of the country (41% total) and that all consumers associated the

\textsuperscript{124} Id. at 1631–32.
\textsuperscript{125} Id. at 1632.
\textsuperscript{126} 170 F.3d 449 (4th Cir. 1999).
\textsuperscript{127} Id. at 462.
\textsuperscript{128} Id.
\textsuperscript{129} Id.
\textsuperscript{130} Id.
\textsuperscript{131} Id.
\textsuperscript{132} Id. (discussing Ringling Bros.-Barnum & Bailey Combined Shows, Inc. v. Utah Div. of Travel Dev., 955 F. Supp. 605 (E.D. Va. 1997)).
\textsuperscript{133} Id. at 463 (internal quotation marks omitted).
Greatest Show on Earth mark with Ringling alone. The Fourth Circuit affirmed the district court findings.

The main flaw in this fill-in-the-blank survey was that the survey did not attempt to show a connection between the famous mark and the junior user's mark. The survey only showed that people in Utah were aware of the Utah slogan, and not that this awareness lessened the capacity of Ringling's mark to identify its circus. To show even a mental association, the survey should have asked Utahans if the phrase "Greatest Show on Earth" reminded them of any other slogans. However, under Moseley, mental association alone is insufficient to prove actual dilution, and Ringling should have also used one of the approaches later suggested by the Solicitor General to show blurring. Therefore, fill-in-the-blank surveys, such as the one used in Ringling, are not alone sufficient to prove actual dilution.

Post-Moseley, the consumer survey remains the most powerful tool that famous mark holders can use to prove that nonidentical junior uses have caused actual dilution. Famous mark holders must use care in crafting the survey so that the results will show not only that consumers made a mental association between the famous mark and the junior user's mark, but also that consumers tend to identify the famous mark less strongly with the famous mark holder or that consumers tend to view the famous mark less favorably as a result of the junior user's mark.

C. The Revival of State Law Dilution Claims: Back to Forum-Shopping?

Famous mark holders should also pursue state law dilution claims, if available, post-Moseley. As noted by both the Supreme Court and the Fourth Circuit, many state dilution laws expressly require only a likelihood of dilution. The legislative history of the FTDA makes clear that Con-

134. Id.
135. Id. The Ringling court noted that:

While we might have some concern with the implicit finding that this evidence does not even show the requisite threshold "mental association" of the two marks within the consumer market surveyed, we have no concern respecting the specific finding that the survey evidence does not show that use of Utah's junior mark had caused any actual harm to Ringling's mark in the form of a lessening of that mark's former capacity to identify and distinguish Ringling's circus as its subject.

Id.
136. See supra notes 119–21 and accompanying text.
137. See supra notes 15–17 and accompanying text. Courts have also stated that the Supreme Court's decision in Moseley did not impact the tests for finding dilution under state law. See, e.g., Playtex Prods., Inc. v. Georgia-Pacific Corp., 390 F.3d 158, 167 n.6 (2d Cir. 2004) (stating in dictum that "New York state law may not require actual dilution, even after Moseley"); Pfizer, Inc. v. Y2K Shipping & Trading, Inc., No. 00 CV 5304(SJ), 2004 WL 896952, at *8 n.8 (E.D.N.Y. Mar. 26, 2004) (holding that plaintiff was entitled to summary judgment on its dilution claim under New York's state dilution law). Indeed, legal trade journals have begun to recommend state law claims as the best way to
gress did not intend to preempt existing state dilution law because "federal trademark law presently coexists with state trademark law, and it is to be expected that a federal dilution statute should similarly coexist with state dilution law."\textsuperscript{138} State law claims will be particularly attractive when the junior use is limited to one state, as in Moseley, because the famous mark holder will not need the nationwide injunction available under the FTDA. Given the greater potential for success in a state action, famous mark holders should forum-shop to bring their action in a state with a dilution statute.

Famous mark holders must also be aware that the FTDA provides a complete bar to a state law dilution action if the junior user has a valid federal trademark registration for the mark.\textsuperscript{139} Thus, famous mark holders must scrutinize trademark applications to preserve their right to bring state dilution claims. The Patent & Trademark Office can refuse to register a mark if the mark, when used, would cause dilution and if the famous mark holder brings an opposition action to the trademark registration.\textsuperscript{140} These provisions require famous mark holders to be especially vigilant in monitoring trademark application filings that may dilute their famous marks if trademark owners wish to preserve their state law dilution claims.\textsuperscript{141}

While famous mark holders can and should once again pursue state dilution law claims, this consequence of the Moseley decision goes directly against Congress' intent in passing the FTDA—to bring national uniformity to trademark dilution law. In fact, the legislative history of the FTDA shows that Congress did not intend such a result because Congress specifically wanted to prevent forum-shopping.\textsuperscript{142} Now, instead of forum-shopping for a jurisdiction where a remedy for dilution is available, famous

\textsuperscript{141} Famous mark holders still face an uphill battle in opposing trademark registration based only on dilution. A claim of dilution is a ground for an inter partes proceeding of opposition or cancellation. 15 U.S.C. § 1063(a) (2000). However, the Trademark Board has placed a higher standard on those opposing registration based on dilution than the standard necessary when the opposition is based on infringement. See Toro Co. v. Torohed, Inc., 61 U.S.P.Q.2d 1164, 1174 (T.T.A.B. 2001) ("[U]nlike in likelihood of confusion cases, we will not resolve doubts in favor of the party claiming dilution."). Additionally, the Trademark Board has required that the marks be "virtually identical" for a successful opposition based on dilution. Dream Merchant Co., KFT. v. Fremonster Theatrical, Opposition No. 91152686, 2004 WL 1427397, at *8 (T.T.A.B. June 17, 2004) (holder of the Cirque du Soleil mark opposed the registration of the mark Cirque de Flambe).
\textsuperscript{142} H.R. REP. NO. 104-374, at 4 ("Protection for famous marks should not depend on whether the forum where suit is filed has a dilution statute. This simply encourages forum-shopping and increases the amount of litigation.").
mark owners will be forum-shopping for the jurisdiction where the most favorable relief is available.

In the end, famous mark holders likely will pursue an FTDA claim only when no state law claim is available, when the famous mark holder wants to receive injunction that has nationwide scope, or when the junior use is the subject of a valid federal trademark registration.

D. Additional Problems of Proof and Injury Left Unsolved After Moseley

Many serious questions remain for famous mark holders after Moseley. Significantly, a famous mark holder may be unable to prove actual dilution, even through a well-crafted consumer survey, by a small and geographically isolated junior use. Moreover, if many small junior uses occur, then actual dilution may occur in the aggregate, but the famous mark holder will be left without a remedy.

Additionally, while famous mark holders may be able to prove trademark dilution through consumer surveys, survey results that show actual dilution likely will be unavailable until the junior use has taken some hold of the consumer consciousness. Requiring the famous user to wait until this occurs could cause serious damage to the distinctiveness of the famous mark. This result is especially troubling since the FTDA only provides for injunctive relief if the junior use is not willful. Therefore, requiring this type of evidence necessarily means that famous mark holders, who later show trademark dilution by a junior use, will suffer an injury to the value of their mark that can never be compensated.143

To minimize these negative effects (which Congress clearly placed a value on protecting), courts should find actual dilution where the evidence shows that actual dilution is beginning to occur. In other words, courts should require direct evidence showing only a minimal impact and not a substantial impact on the distinctiveness of the famous mark.144 Absent such relaxed standards, famous mark holders will be largely without relief until the distinctiveness of their marks have been significantly damaged. Because the statute only allows for injunctive relief, under a more stringent standard, famous mark owners will not be compensated for the damages suffered by commercial use of their famous marks.

144. McCarthy, supra note 7, § 24:94 ("The theory of dilution by blurring is that if one small user can blur the sharp focus of the famous mark to uniquely signify one source, then another and another small user can and will do so. Like being stung by a hundred bees, significant injury is caused by the cumulative effect, not by just one.").
CONCLUSION

The Supreme Court decision in Moseley made relief for famous trademark holders difficult under the Federal Trademark Dilution Act. Famous mark holders, however, are not without options.

First, famous mark holders can argue that the Moseley opinion suggests that an identical junior use supports an inference of actual dilution. Courts have already split on this issue, but limiting Moseley to nonidentical marks allows courts to draw reasonable inferences that further the Congressional purposes that underlie the FTDA. Congress clearly intended the FTDA to protect against identical junior uses, and identical uses are more likely to diminish the distinctiveness of the famous mark. Second, famous mark holders can use consumer survey evidence to show either dilution by blurring or tarnishment post-Moseley. However, the survey must be crafted in a way that shows an actual lessening of the capacity of the famous mark to identify goods. Third, famous mark holders should pursue state law dilution actions where state statutes require only likelihood of dilution, if the mark holders can establish jurisdiction and if the junior use is not the subject of a valid federal trademark registration. Finally, because only injunctive relief is available under the FTDA, famous mark holders should argue that evidence that shows that actual dilution is beginning to occur should be sufficient to prove actual dilution. Therefore, Moseley has made relief for trademark dilution under the FTDA more difficult, but not impossible, to obtain.