

Trademark Dilution Revision Act of 2006 Improves Protection for 'Famous' Marks

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On October 6, 2006, President Bush signed the Trademark Dilution Revision Act of 2006 (TDRA), which enhances and clarifies the rights of owners of famous trademarks and amends the Federal Trademark Dilution Act of 1995 (1995 Act). The TDRA Act defines what a "famous" trademark is, clarifies the standard of proof trademark owners must meet to prove dilution of a famous trademark, defines two ways in which use by another can "dilute" a famous trademark, and makes it easier for the owner of a famous trademark to prove dilution.

Key Changes

Under TDRA, a trademark is "famous" if "it is widely recognized by the general consuming public of the United States as a designation of source of the goods or services of the mark's owner." The owner of a famous trademark can prevent use by another that "dilutes" the mark. This is important because owners of famous marks often could not meet the "likelihood of confusion" test for trademark infringement. For example, in the case that spawned TDRA, *Moseley v. V Secret Catalogue*, 537 U.S. 418 (2003), the court ruled that consumers would not likely be confused between the queen of "classy" lingerie "Victoria's Secret" and adult wear shop "Victor's Little Secret."

Defining Dilution

Under TDRA, dilution can occur by "blurring" or "tarnishing" the famous mark. Dilution by blurring is defined as the "association arising from the similarity between a mark or trade name and a famous mark that impairs the distinctiveness of the famous mark." For example, too many McSomethings out there would impair the distinctiveness of McDonalds' Mc and Mac line of products. Dilution by tarnishment is defined as the "association arising

from the similarity between a mark or trade name and a famous mark that harms the reputation of a famous mark." Therefore, unlike pre-TDRA, Victoria's Secret could stop Victor's Little Secret because its use "dilutes" the famous Victoria's Secret mark. Moreover, selling "unclassy" adult wear under a similar mark would harm the reputation for "classiness" of Victoria's Secret.

Righting a Wrong

In addition to the definitions above that clarifies the 1995 Act, TDRA also remedies the ruling in *Moseley v. V Secret Catalogue*, by requiring that the famous mark owner prove only a "likelihood of dilution" rather than proving that the competing mark actually caused dilution. This allows owners of famous marks to stop potentially diluting uses without having to prove actual economic injury.

Remedies for Dilution

TDRA provides for injunctive relief and, in certain circumstances, the recovery of damages, lost profits, treble damages, and destruction of the infringing articles. Additional remedies may still be found under state and common law dilution and unfair competition laws.

Conclusion

The Trademark Dilution Revision Act of 2006 clarifies the Federal Trademark Dilution Act of 1995. Most important for owners of famous marks, TDRA makes clear that mark owners can act to stop diluting uses without showing that the diluting use is actually causing harm. For complete text of the law see www.govtrack.us/congress/bill.xpd?bill=h109-683.