COMMENT

TRADEMARK DILUTION IN A GLOBAL AGE

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1. INTRODUCTION

On June 2, 2006, Congress passed the Trademark Dilution Revision Act of 2006 ("TDRA") with the hope of providing increased protection to famous trademarks. Primarily, Congress aimed to reverse the Supreme Court's interpretation of the federal trademark statute which set an extremely high bar for plaintiffs to prove trademark dilution. The Act's proponents also claimed that it would help resolve differing interpretations of the Federal Trademark Dilution Act of 1995 ("FTDA") in lower federal courts.\(^1\) Whether the Act will achieve some of its intended aims remains uncertain. Some commentators have maintained that the TDRA will cause more confusion among federal courts than it will resolve. Others claim that the Act will undoubtedly provide increased protections to famous marks.

This comment argues for an interpretation of federal trademark dilution protection, including the TDRA, in light of foreign and international law. Proponents of the predecessor of the TDRA, the FTDA, argued that the United States was obligated under international law to enact the FTDA. As brand names become globally recognized, individuals throughout the world will come to associ-

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\(^1\) The FTDA was a 1995 amendment to the Trademark Act of 1946 (also known as the Lanham Act) and was codified in 15 U.S.C. 1125 (c).
ate the brand with a particular product and attributes. It is therefore important to consider both the United States’s obligations under international agreements and the effect our law may have on U.S.-based multi-national corporations. U.S. courts face the same difficulties applying domestic federal dilution statutes enacted in response to obligations under international law. Most notably, courts across the globe have found it difficult to distinguish trademark infringement from trademark dilution. Ultimately, I argue that rather than fighting this trend, legislatures and courts ought to embrace it: the “likelihood of confusion” standard ought to be expanded to encompass dilution. This interpretation best resolves some of the problems with providing increased protections to famous marks as required under international law. Section 2 provides a brief background of dilution law in the United States beginning with the first significant proposal for dilution protection and culminating with the TDRA. Section 3 examines international agreements relating to trademark dilution and how they have been applied in Canada, Japan, and the European Union (“EU”). Section 4 argues that the applications of trademark dilution statutes worldwide show the difficulty of distinguishing between “likelihood of confusion” and “likelihood of dilution.” I finally argue that the former ought to be expanded to include the latter so that courts both domestically and abroad can provide a more uniform protection against trademark dilution.

1. INTRODUCTION

Can trademark law protect against the use of a mark,\(^2\) such as “WB” (originally owned by Warner Bros.), on products such as potato chips, athletic equipment, or musical instruments? Under the traditional trademark infringement doctrine, the answer is probably no. As long as the consumer is not confused as to the source of the product (that is, so long as the consumer does not think that

\(\text{\textsuperscript{2}}\) I use the term trademark and mark interchangeably throughout this comment to refer to both trademarks and service marks. In the Trademark Act of 1946 (Lanham Act), a service mark is provided with the same protections as trademarks and the two are essentially interchangeable. Lanham Act § 45, 15 U.S.C. § 1127 (2001). A trademark identifies the source of goods whereas a service mark identifies the source of a service.
WB potato chips are produced by Warner Bros.), the junior mark does not infringe on the senior mark's rights. This, of course, does not mean that there is no damage to the senior mark. Trademarks have dual functions. First, they indicate the product's source. Second, trademarks have a marketing value and create a bond between the consumer and the brand. The trademark infringement doctrine addresses the first function whereas trademark dilution addresses the second. Unlike a traditional trademark infringement claim, trademark dilution does not require proof of a "likelihood of confusion" of the source of the product or service. Rather, trademark dilution claims seek to prevent "the gradual whittling away or dispersion of the identity and hold upon the public mind" of the original mark through the use of similar marks. Thus, while a consumer may not believe that Kodak bicycles are made by the same company that produces Kodak camera

3 These examples are inspired by the real-life problems of the Warner Bros. Corporation. The Vice President and Senior Intellectual Property Counsel at Warner Bros. provided a similar example to a House Subcommittee considering the Federal Trademarks Dilution Act:

[A] company selling snowboards under the name Black & White adopted the world famous WB SHIELD as its corporate logo, but merely flipped the letters WB (standing for Warner Bros.) to BW (standing for Black & White).... Now one could argue, I suppose, that because there is a slight difference in the two marks, and because it is unlikely that anybody would be literally confused that Warner Bros. would license the use of a mark such as this for a property like snowboards, that no "likelihood of confusion" is likely to result from the simultaneous use of the two marks. Obviously, from our perspective, and I hope the committee will agree, the use of the Black & White mark, regardless of any perceived lack of likelihood of confusion, would dilute the distinct quality which has been built up in the WB SHIELD for over 60 years.


4 Trademark dilution is defined as "[t]he impairment of a famous trademark's strength, effectiveness, or distinctiveness through the use of the mark on an unrelated product, usu[ally] blurring the trademark's distinctive character or tarnishing it with an unsavory association. Trademark dilution may occur even when the use is not competitive and when it creates no likelihood of confusion." BLACK'S LAW DICTIONARY 489 (8th ed. 2004).

5 See Nabisco, Inc. v. PF Brands, Inc., 191 F.3d 208, 215 (2d Cir. 1999) (defining trademark dilution based on the degree of distinctiveness).

equipment, the use of the Kodak trademark arguably decreases the ability of the Kodak mark to create a connection between it and the camera company for the consuming public.\textsuperscript{7}

Federal trademark law only recently recognized trademark dilution as a distinct claim. The FTDA,\textsuperscript{8} passed ten years ago,\textsuperscript{9} marked a significant increase in the level of protection granted to marks under federal law.\textsuperscript{10} Trademark dilution statutes are not, however, a new phenomenon. For many years prior to the passage of the FTDA, states have defended famous marks from dilution.\textsuperscript{11} There were two main reasons for the passage of the federal statute. First, it was hoped that the federal statute would provide uniform protections for famous trademarks nationwide.\textsuperscript{12} Second, proponents of the FTDA argued that the statute was necessary to put the United States in compliance with international trademark law as codified in the Trade Related Aspects of Intellectual Property Rights ("TRIPS")\textsuperscript{13} agreement.\textsuperscript{14} Many scholars question such a

\textsuperscript{7} One of the first trademark dilution cases in Great Britain dealt with a similar situation. In Eastman Photographic Materials Co. v. John Griffiths Cycle Corp., 15 R.P.C. 105 (1898) (Eng.), the plaintiff sued the maker of the "Kodak" bicycle. See also H.R. REP. NO. 104-374, at 3 (1995), reprinted in 1995 U.S.C.C.A.N. 1029, 1031 (noting that the use of the mark Kodak to sell pianos would be actionable under the FTDA).

\textsuperscript{8} Trademark Act of 1946 (Lanham Act) § 43(c), 15 U.S.C. § 1125 (c). The FTDA added § 43(c) to the Trademark Act of 1946, and codified § 43 (c) as 15 U.S.C. 1125 (c).

\textsuperscript{9} The FTDA was passed on January 16, 1996. See 15 U.S.C.A. § 1125 (c).

\textsuperscript{10} See Layne T. Smith, Tarnishment and the FTDA: Lessening the Capacity to Identify and Distinguish, 2004 BYU L. REV. 825, 831 ("The FTDA protects trademarks against a broader scope of injury than does infringement law.").

\textsuperscript{11} See DAVID S. WELKOWITZ, TRADEMARK DILUTION: FEDERAL, STATE, AND INTERNATIONAL LAW 17-21 (2002) ("The primary source of state dilution law . . . is state statutes. The federal trademark statute, the Lanham Act, contained no dilution provision when it passed in 1946.").

\textsuperscript{12} See H.R. REP. NO. 104-374, at 3 (1995) ("The federal remedy provided in H.R. 1295 against trademark dilution will bring uniformity and consistency to the protection of famous marks and is also consistent with our international obligations in the trademark area.")


\textsuperscript{14} See, e.g., H.R. REP. NO. 104-374, at 4 (1995) ("... [t]he recently concluded Agreement on Trade-Related Aspects of Intellectual Property Rights... ("TRIPS")... includes a provision designed to provide dilution protection to famous marks. Thus, enactment of the bill will be consistent with the terms of the agreement... "). See also 141 CONG. REC. S19306-10, S19310 (daily ed.
Nevertheless, lawmakers, practitioners, and scholars have used international treaties and customary laws as evidence that the United States must protect marks against dilution.

In recent years, interpretations of the FTDA have been increasingly contentious. The law has been called "dauntingly elusive," controversial, and has been accused of giving rise to an "exceedingly abstract and vague claim." U.S. judges have had a wide va-

Dec. 29, 1995) (statement of Sen. Hatch) [hereinafter Hatch] (... [t]he GATT agreement includes a provision designed to provide dilution protection to famous marks. Thus, enactment of this bill will be consistent with the terms of the agreement ... "). See also 141 CONG. REC. S19312-01 (daily ed. Dec. 29, 1995) (statement of Sen. Leahy) [hereinafter Leahy] ("... [p]assage of this bill is part of our effort to improve intellectual property protection around the world. I hope that it will serve to improve trademark enforcement domestically and serve as a model for our trading partners overseas."). See generally J. H. Reichman, Universal Minimum Standards of Intellectual Property Protection Under the TRIPS Component of the WTO Agreement, 29 INT'L L. 345, 361 (1995) (discussing the background of international regulation of trademarks).


16 See, e.g., Hatch, supra note 14, at S19310 (propagating the passage of FTDA to comply with international agreements); Leahy, supra note 14, at S19312 (suggesting that international sources are indicative of the importance of protecting marks against dilution).


21 Monica Hof Wallace, Using the Past to Predict the Future: Refocusing the Analysis of a Federal Dilution Claim, 73 U. CIN. L. REV. 945, 945 n.5 (2005).
riety of interpretations of the statute, sometimes erroneously applying the "likelihood of confusion" standard despite the fact that confusion is not necessary for a dilution claim. Even lawmakers deciding on the future of the FTDA find it difficult to separate the traditional trademark infringement claim, requiring a showing of a "likelihood of confusion," with a trademark dilution claim, which does not require proof of a "likelihood of confusion."

In the recent Supreme Court case *Moseley v. V Secret Catalogue, Inc.*, the Court resolved some of the conflicting interpretations of the FTDA and simultaneously created even more questions. Many believed the *Moseley* decision destroyed many of the rights the FTDA was intended to protect. Moreover, the Court failed to create a clear delineation between the traditional trademark infringement doctrine and trademark dilution.

Following the *Moseley* decision, industry officials called for an amendment to the FTDA to strengthen its protections and to clarify the terms that have caused confusion in the courts. Specifically, the President of the International Trademarks Association called for Congress to provide protections without any showing of actual dilution. In response, the U.S. House introduced the TDRA in 2006.

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22 See, e.g., Pharmacia Corp. v. Alcon Labs., Inc., 201 F.Supp. 2d 335, 379 (D.N.J. 2002) ("The Court recognizes that Pharmacia's claim for dilution is separate and distinct from its claim for confusion. Nevertheless, dilution is not a 'fallback protection' for invalid infringement claims. It is 'up to the judiciary to apply . . . potent [anti-dilution] laws with care and common sense lest they damage the competitive system they are designed to enhance.'") (internal citations omitted); Rock and Roll Hall of Fame and Museum, Inc. v. Gentile Prods., 134 F.3d 749, 753-56 (6th Cir. 1998) (vacating an injunction without mentioning the plaintiff's dilution claim).

23 In the subcommittee hearing on amendments to the FTDA, Congressman Howard Berman asked why, in reference to the *Moseley* case, Victor's Little Secret should be prevented from using their mark under the FTDA since, he "[could not] imagine anyone who [would be] confused by it." *Trademark Dilution Revision Act of 2005: Hearing on H.R. 683 Before the Subcomm. on Courts, the Internet, and Intellectual Property of the H. Comm. on the Judiciary, 109th Cong., 40 (2005) (statement of Howard Berman, Member, Subcomm. on Courts, the Internet, and Intellectual Property) [hereinafter Subcommittee Hearing]. Congressman Berman's statement is not out of the ordinary and shows how difficult it has been to distinguish the trademark dilution doctrine from traditional trademark infringement claims.


25 See, e.g., *Oversight Hearing, supra* note 17 (proposing the requirement to show the likelihood of dilution as an alternative to that of showing actual dilution).

International law has been used as a justification for the FTDA. Surprisingly, discussions concerning international and foreign law are noticeably absent from the hearings on the TDRA. This comment fills that void. As brand names become globally recognized, individuals throughout the world will come to associate the brands with particular products and attributes. It is therefore important to consider both the United States's obligations under international agreements and the effect our law may have on U.S.-based multinational corporations. Specifically, I argue that trademark dilution statutes enacted in other nations have been burdened with similar problems. Most notably, courts across the globe have found it difficult to distinguish trademark infringement from trademark dilution. Ultimately, I argue that rather than fighting this trend, legislatures and courts ought to embrace it: the "likelihood of confusion" standard ought to be expanded to encompass dilution. Section 2 provides a brief background of dilution law in the United States beginning with the first significant proposal for dilution protection and culminating with the TDRA. Section 3 examines international agreements relating to trademark dilution and how they have been applied in Canada, Japan, and the EU. Section 4 argues that the applications of trademark dilution statutes worldwide show the difficulty of distinguishing between "likelihood of confusion" and "likelihood of dilution." I further argue that the former ought to be expanded to include the latter so that courts both domestically and abroad can provide more uniform protection against trademark dilution.

2. TRADEMARK DILUTION IN THE UNITED STATES

2.1. Origins of Trademark Dilution

Trademark dilution theory began in Europe and was introduced to a U.S. audience in Frank Schechter's seminal article, *The Rational Basis of Trademark Protection*. Schechter argued that a mark creates a favorable impression in the public mind which prompts the public to buy goods sold by that mark. The use of that mark or a similar mark on other goods would decrease the ability of the mark to have selling power; in effect it would lead to 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-

27 Schechter, *supra* note 6, at 827.
28 *Id.* at 818-19.
competing goods.” He suggested that lawmakers and judges in the U.S. adopt a dilution doctrine similar to that used in European countries.

2.2. State Law

At least thirty states have enacted trademark dilution statutes and two have recognized dilution protection in common law. Nearly all of those states, with one exception, have followed one of three versions of the Model State Trademark Bill: 1964, 1992, or 1996.

State courts generally recognized two different actions in their anti-dilution statutes: blurring and tarnishment. Blurring occurs when the junior mark reduces the power of the senior mark's ability to call to mind certain products or services. As one court put it, "dilution by 'blurring' may occur where the defendant uses or modifies the plaintiff's trademark to identify the defendant's goods and services, raising the possibility that the mark will lose its ability to serve as a unique identifier of the plaintiff's product." For example, allowing Kodak bicycles, athletic equipment, and appliances would reduce the uniqueness of the Kodak mark and its ability to call to mind the original camera and film company. While customers may not be confused as to the source of the products as in trademark infringement, they may begin to associate the mark with the new products or services. Tarnishment, on the other hand, involves associating the mark with unsavory things such as

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29 Id. at 825.
30 Id. at 830-33.
33 See WELKOWITZ, supra note 11, at 19 n.129 (noting that Washington's statute followed the 1987 U.S. Trademark Association proposed federal law).
35 Deere & Co. v. MTD Prods., Inc., 41 F.3d 39, 43 (2d Cir. 1994) (emphasis omitted).
illegal acts, pornography, or drugs.\textsuperscript{36} A tarnishment action requires proof that the junior mark linked the senior mark "to products of shoddy quality, or is portrayed in an unwholesome or unsavory context."\textsuperscript{37}

While many of the statutes are similar, there are important differences between them as well. State laws that follow the 1992 or 1996 versions of the Model Bill require the senior mark to be "famous."\textsuperscript{38} There is no consensus among these states as to how to determine fame.\textsuperscript{39} Also, since the FTDA did not preempt state laws, some states provide protection for marks that are locally famous.\textsuperscript{40} State laws modeled on the 1964 Model Bill require only that the senior mark is distinctive.\textsuperscript{41}

The lack of enforcement in some states along with the vast differences in state statutes prompted Congress to pass the FTDA. Industry officials testified in favor of the bill, arguing that it would provide some nationwide uniformity and "harmonize U.S. law with that of other nations and provide additional leverage to our trade negotiators when seeking greater protection in other countries for famous marks owned by U.S. companies."\textsuperscript{42}

While the FTDA did provide protections nationwide, it did not provide the level of uniformity and predictability for which some had hoped.

\textbf{2.3. The Confusing FTDA}

Since the passage of the FTDA, it has been applied in varying ways, providing little guidance to trademark owners. For example, the Fourth Circuit requires trademark owners to show actual

\textsuperscript{36} Tarnishment is defined as "a form of dilution that occurs when a trademark's unauthorized use degrades the mark and diminishes its distinctive quality." \textit{Black's Law Dictionary}, \textit{supra} note 4, at 1495.

\textsuperscript{37} \textit{Deere & Co.}, 41 F.3d at 43.

\textsuperscript{38} \textit{Welkowitz, supra} note 11, at 30.

\textsuperscript{39} \textit{Id.} (noting that most state laws determine fame based on factors specified in the FTDA).

\textsuperscript{40} \textit{Id.} ("The FTDA was not preemptive of state laws, in part to allow locally famous marks to claim protection under state law.").

\textsuperscript{41} \textit{Id.} at 31 (indicating that under state laws modeled on the 1964 Model Bill, "one may obtain an injunction against the 'likelihood of dilution' of 'the distinctive quality' of the mark").

\textsuperscript{42} Summary of Testimony of the International Trademark Association on H.R. 1295 and H.R. 1270, \textit{available at} \url{http://www.judiciary.house.gov/legacy/481.htm} (last visited Oct. 26, 2006) (reproducing the testimony of Mary Ann Alford, Executive Vice President, the International Trademark Association).
economic harm before granting an injunction. The Second and Seventh Circuits, on the other hand, required only that the plaintiff show a likelihood of dilution. Furthermore, and most significantly, many courts will conflate a claim of trademark infringement with that of trademark dilution making it difficult to differentiate the required elements of each claim. Courts were also divided on how to measure blurring, whether there is a separate claim for tarnishment under the Act, and whether direct evidence is required to prove a dilution claim. Finally, federal courts have had difficulty determining if a mark is famous. For example, six federal circuits have allowed for a niche market theory of fame, "which allows owners to protect trademarks from dilution if they can prove fame in a particular consumer market or localized area."

2.4. The Moseley Decision: The Beginning of the End of the FTDA

The Moseley case was the first Supreme Court case to address the FTDA. Petitioners owned a small store in Kentucky called "Victor's Secret" (which was later changed to "Victor's Little Secret") selling lingerie, pagers, and adult novelty toys. Respondents owned the Victoria's Secret trademark and over 750 Victoria's Secret stores nationwide. In Victoria's Secret's claim for trademark dilution under the FTDA, respondents argued that the Moseleys' mark was "likely to blur and erode the distinctiveness' and 'tarnish the reputation' of the Victoria's Secret trade-

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43 See Nguyen, supra note 34, at 214-15 (citing the Fourth Circuit's imposition of a requirement to show actual dilution).

44 See Eli Lilly & Co. v. Natural Answers, Inc., 233 F.3d 456, 468 (7th Cir. 2000) ("We therefore side with the Second Circuit and hold that proof of a mere 'likelihood of dilution' is sufficient to satisfy the 'causes dilution' element .... ").

45 See, e.g., Sunbeam Products, Inc. v. West Bend Co., 123 F.3d 246, 259-60 (5th Cir. 1997) (affirming the district court's injunction without considering the dilution claim); Gazette Newspapers, Inc. v. New Paper, Inc., 934 F. Supp. 688, 696 (D. Md. 1996) ("The factors to be considered under that subsection are in large part the same factors I have already considered in evaluating plaintiff's claim for trademark infringement under § 1125(a)."").

46 See generally WELKOWITZ, supra note 11, at 246-79 ("One group of courts uses some form of multifactor test to determine the existence of blurring. Another group of courts ... uses a second test, focusing on only two factors: the similarity of the marks and the renown of the senior (famous) marks.").


The case thus presented the Court with the opportunity to resolve many issues that had previously led to differing lower-court interpretations. First, the Court determined that despite the statute’s Congressional history, the FTDA did not provide for a separate tarnishment claim. Comparing the FTDA to state statutes that make a clear distinction between blurring and tarnishment, the Court found that the federal statute describes blurring but does not make tarnishment an independent claim. The Court further compared the FTDA with state statutes to come to another conclusion: while some state statutes mention a “likelihood” standard, the FTDA requires that the trademark owner show that the junior mark “causes dilution of the distinctive quality of the famous mark.” The Court thus held that the statute “unambiguously requires a showing of actual dilution, rather than a likelihood of dilution.”

2.5. Proposed Amendments

In response to Moseley, the House of Representatives passed H.R. 683, which, at the time this article was being prepared for publication, was being considered in the Senate. The FTDA, as amended, would do the following:

(1) explicitly provide for two dilution claims: tarnishment and dilution;

(2) provide a list of non-exclusive factors to assist courts in determining whether a mark has been diluted;

(3) change the required standard of proof from actual dilution to a likelihood of dilution;

(4) protect “the owner of a famous mark that is distinctive, inherently or through acquired distinctiveness”;


49 Id. at 424.
50 Id. at 432 ("Indeed, the contrast between the state statutes, which expressly refer to both 'injury to business reputation' and to 'dilution of the distinctive quality of a trade name or trademark,' and the federal statute which refers only to the latter, arguably supports a narrower reading of the FTDA.").
51 Id. at 433 (emphasis added by the Court) (internal citations removed).
52 Id.
(5) include a list of factors for courts to use to determine if a mark is famous.53

3. INTERNATIONAL LAW AND TRADEMARK DILUTION

It is important to consider the obligations of the United States under international law when amending the FTDA for several reasons. First, there is a growing effort to make intellectual property laws similar across international jurisdictions in order to reduce the cost, time, and uncertainty in gaining intellectual property protections worldwide.54 Second, U.S. lawmakers also aim to set the international standard, that is, create law that can be modeled in other jurisdictions.55 As Assistant Commissioner for Trademarks, Philip Hampton stated, "while the Uruguay Round of Agreements have been concluded and the World Trade Organization is established, the U.S., having met its obligations under these Agreements, should continue to set the standard for the world with regard to strong protection for intellectual property."56 When creating domestic law for the purposes of harmonization with international law, both justifications ought to be kept in mind. The question is therefore not only how the United States can best harmonize its laws with those of other nations but also, how will laws modeled on the dilution statute benefit U.S. corporations?

3.1. Harmonization

While, in general, international treaties and other agreements relating to intellectual property remain flexible, they do require some degree of harmonization. Harmonization has both costs and benefits. Most significantly, the United States must assure that in-

54 See Dinwoodie, supra note 15, at 308 ("The objectives of harmonization are frequently and easily stated: reducing the disparities between national laws will reduce the cost, time and uncertainty involved in determining and/or acquiring rights.").
55 See id. at 309 ("Participants in the process not only wish to make different countries' laws look the same, but they also seek to make foreign laws look like their laws."). Similarly, Senator Hatch noted, "foreign countries are reluctant to change their laws to protect famous U.S. marks if the U.S. does not afford special protection for such marks." Hatch, supra note 14, at S19310.
intellectual property laws, in particular trademark dilution statutes, honor the First Amendment's protection of freedom of speech. Despite differing applications worldwide, it is important to continue to allow the use of trademarks in parodies and other noncommercial, fair use contexts. Obtaining a more uniform system, however, has benefits for U.S. businesses. Harmonization creates greater confidence in the worldwide market and provides an efficient and low-cost means to allow trademark owners to identify their goods and services. Several international intellectual property treaties provide protections similar to the FTDA.

3.1.1. The Paris Agreement

Under the Paris Convention for the Protection of Industrial Property (Paris Convention), the United States was obligated to provide protection for marks considered famous in other countries. Article 6bis of the Paris Convention requires countries to prohibit the use of a trademark that is registered or

well known . . . as being already the mark of a person entitled to the benefits of this Convention and used for identical or similar goods. These provisions shall also apply when the essential part of the mark constitutes a reproduction of any such well-known mark or an imitation liable to create confusion therewith.

While this section does not provide protection from dilution per se, it does recognize the need to protect well-known marks against reproductions in addition to the traditional protection against imitation liable to create confusion. However, some commentators believe that the Paris Convention only protects famous marks against confusion, a protection granted by traditional trademark infringement rights.


See Kenneth L. Port, Trademark Harmonization: Norms, Names & Nonsense, 2 MARQ. INTELL. PROP. L. REV. 33, 34 (1998) (giving one possible justification for harmonization, namely "[t]o make all trademark law in the world uniform so that trademark owners know the bounds of protection anywhere in the world by understanding the laws of one country, thereby allowing trademark owners a higher degree of confidence in the worldwide market").


See, e.g., WELKOWITZ, supra note 11, at 435 ("[T]he U.S., a signatory of the
3.1.2. TRIPS

TRIPS went one step further and extended the protections of the Paris Convention Section 6bis in Article 16 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.\(^6\)

Arguably, this subsection provides a call for anti-dilution protection. As one commentator noted, the requirement that consumers perceive a "connection between" the senior mark and the junior mark "could be taken to mean only the ‘mental association’ required by dilution."\(^6\) Thus, after the adoption of TRIPS, the United States had bound itself to protect foreign marks against dilution but U.S. marks did not enjoy the same protection. Without the passage of the FTDA, famous foreign marks were not given extra protection and, as a result, foreign countries were reluctant to extend dilution protection to U.S. marks. The FTDA thus had a dual benefit; it helped U.S. companies seeking to protect their marks abroad and fulfilled the United States's TRIPS obligations.\(^6\)

TRIPS provisions relating to geographic indicators ("GIs") provide specific anti-dilution protection. Article 22 forbids the use of a mark "that indicates or suggests that the good in question originates in a geographical area other than the true place of origin in a manner which misleads the public as to the geographical origin of the good."\(^6\) Article 23 provides additional protections for wines and spirits prohibiting misdescriptive GIs "even where the true origin of the goods is indicated or the geographical indication is

\(^{61}\) TRIPS, art. 16, ¶ 2-3.

\(^{62}\) WELKOWITZ, supra note 10, at 436.

\(^{63}\) See K. Keith Facer, The Federal Trademark Dilution Act of 1995: A Whittling Away of State Dilution Statutes, 10 SETON HALL CONST. L.J. 863, 900 (2000) ("Enactment of the [FTDA] was a two-fold solution to the dilemma faced by first U.S. companies seeking protection of their marks abroad and second, the U.S. as a signatory to the . . . TRIPS agreement providing protection for trademarks.").

\(^{64}\) TRIPS, art. 22, ¶ 2(a).
used in translation or accompanied by expressions such as ‘kind’, ‘type’, ‘style’, ‘imitation’ or the like.”

These protections influenced U.S. law, which prior to the FTDA generally did not provide protections for GIs unless the indicator acquired a secondary meaning. The Lanham Act restricts the registration of GIs that are either misdescriptive or are geographically deceptive. If the GI identifies the source of the goods, the mark is considered geographically descriptive and is not provided with any trademark protection. However, Section 2(e) provides that GIs registered under § 4 of the Lanham Act (collective marks and certification marks) are an exception to the general rule against protecting GIs. Thus, a GI may be registered “in the same manner and with the same effect as are trademarks, by persons, and nations, States, municipalities, and the like, exercising legitimate control over the use of the marks sought to be registered” and receive protections against both trademark infringement and dilution.

The Elderflowers Champagne Case illustrates the relationship between the TRIPS provisions on GIs and trademark dilution. The question presented to the British court was whether the defendant could use the term “champagne” to refer to a non-alcoholic sparkling beverage made with the elderflower. The product was not sold in the same retail outlets as traditional champagne and the Elderflower Champagne was sold in part, for the elderflower’s reputation “for warding off colds and flus, and for cooling and cleansing the system.” Despite the dissimilarity, the court granted an injunction to restrain use of the word “champagne,” noting that the use of the GI for a non-competing product lead to an “erosion of the distinctiveness of the name champagne… [and] the goodwill in the distinctive name champagne will be eroded

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65 TRIPS, art. 23, ¶ 1.
66 See Lee Bendekgey & Caroline H. Mead, International Protection of Appellations of Origin and Other Geographic Indications, 82 TMR 765, 769 (1992) (showing protection for GIs did not occur unless there existed a second meaning).
68 Id.
69 See ROBERT MERGES, PETER MENELL & MARK LEMLEY, INTELLECTUAL PROPERTY IN THE NEW TECHNOLOGICAL AGE 653 (2d ed. 2000) (showing that GIs registered under the Lanham Act are an exception to the general rule).
72 Id. at 80.
with serious adverse consequences for the champagne houses." In other words, the ability of champagne to conjure up thoughts of the traditional alcoholic beverage from Champagne should not be harmed by a non-competing mark, even if consumers could clearly distinguish the two.

3.1.3. Joint Recommendation Concerning Well-Known Marks

Confusion over the definition of the term "well-known" in both the Paris Convention and the TRIPS agreement prompted the World Intellectual Property Organization (WIPO) to create guidelines for determining whether or not a mark is well-known. While the resolution does not have the force of a treaty, it does provide guidelines for lawmakers, many of which mirror the provisions in the FTDA. For example, both the FTDA and the Joint Recommendation take into consideration the duration of use, degree and extent of the publicity of the mark, and the geographic extent of the fame. The WIPO recommends taking other factors into consideration such as the "record of successful enforcement of rights in the mark, in particular, the extent to which the mark was recognized as well known by competent authorities" and the "value associated with the mark." Interestingly, the Joint Recommendation recommends that states should not require registration or use to achieve well-known status. As the McDonald's v. Joburgers Drive-Inn case shows, this level of protection can aid U.S. companies that, while not having engaged in commercial transactions in a particular country, have nevertheless achieved the status of a well-known mark. In this South African case, the McDonald's Corp. v. Joburgers Drive-Inn Restaurant (Pty), 1997 (1) SA 1 (A) at 3 (S. Afr.).
al'd's Corporation sought to enjoin a South African fast food chain from using McDonald's trademarks, including "Big Mac" and the golden arches.\textsuperscript{83} McDonald's successfully used a South African statute referencing the Paris Convention to protect their well-known mark.\textsuperscript{84} Although McDonald's did not have any restaurants in South Africa, people recognized the famous foreign mark. Even if consumers were not confused as to the ownership of the Joburgers chain, it "almost goes without saying that if the McDonald's mark [was] used . . . in relation to the same type of fast food business as that conducted by McDonald's, it would cause deception or confusion within the meaning of [the South African trademark statute]."\textsuperscript{85} While Joburgers dealt with a traditional trademark infringement statute, the case illustrates the possibilities for protecting well-known marks against dilution without requiring registration or commercial use.\textsuperscript{86} If an American mark gains fame abroad, even if it has not yet entered a market, it should gain protections against dilution from companies that may seek to take advantage of the senior mark's selling power.

The Joint Recommendation unambiguously calls for anti-dilution statutes. In addition to its recommended protections against conflicting marks used for the same or similar goods or services,\textsuperscript{87} Article 4(1)(b) of the Joint Recommendation suggests the following protections:

(b) Irrespective of the goods and/or services for which a mark is used, is the subject of an application for registration, or is registered, that mark shall be deemed to be in conflict with a well-known mark where the mark, or an essential part thereof, constitutes a reproduction, an imita-

\textsuperscript{83} See id. at 11 (quoting a newspaper article announcing that the South African chain will "serve McMuffins and Big Mac burgers. Restaurants will also be decorated with a large M device similar to two joined arches").

\textsuperscript{84} See id. at 20 (explaining that the legislative intent driving the new Trade Marks Act 1994 of 1993 was to protect "well-known" trade marks stemming from certain foreign countries).

\textsuperscript{85} Id. at 28.

\textsuperscript{86} Note, however, that Article 4(1)(c) of the \textit{JOINT RECOMMENDATION} may require more than just fame to gain dilution protection: "[n]otwithstanding Article 2(3)(a)(iii), for the purpose of applying paragraph (1)(b)(ii) and (iii), a Member State may require that the well-known mark be well known by the public at large."

\textsuperscript{87} \textit{JOINT RECOMMENDATION} Art. 4(1)(a).
tion, a translation, or a transliteration of the well-known mark, and where at least one of the following conditions is fulfilled:

(i) the use of that mark would indicate a connection between the goods and/or services for which the mark is used, is the subject of an application for registration, or is registered, and the owner of the well-known mark, and would be likely to damage his interests;

(ii) the use of that mark is likely to impair or dilute in an unfair manner the distinctive character of the well-known mark;

(iii) the use of that mark would take unfair advantage of the distinctive character of the well-known mark.88

Depending on the interpretation of “take unfair advantage,” this section may go beyond the protections in the FTDA and may prevent parodies and other constitutionally protected noncommercial uses of trademarks.89

3.1.4. The Madrid Protocol

A final international agreement that is important to consider in discussions of trademark dilution is the Madrid Protocol.90 The Protocol came into force in the United States in 2003 and provides a streamlined method of registering trademarks in other countries.91 The Protocol allows a trademark owner to file an application for registration internationally based either on their home

88 Id. Art. (1)(b) (emphasis added).
89 See WELKOWITZ, supra note 11, at 437 (arguing that the protections of the JOINT RECOMMENDATION may be more extensive than US law).
91 See Thorsten Klein, Madrid Trademark Agreement vs. Madrid Protocol, 12 J. CONTEMP. LEGAL ISSUES 484, 487 (2001) (detailing the merits of the process under the Madrid Protocol, which facilitates international trademark registration by requiring domestic filing, permitting the application to be in English, and shielding trademark applicants from automatic invalidation upon cancellation of a home-country registration).
country application or registration.\textsuperscript{92} Thus, a domestic company may obtain an early priority date for their trademark protections internationally rather than waiting for the U.S. Patents and Trademarks Office to complete their lengthy review of the application. Also, any member country may take up to eighteen months to refuse the international registration and may take even longer if a notification of an opposition to the registration is filed.\textsuperscript{93} The Protocol thus "provides a truly viable model for the internationalization of trademark law."\textsuperscript{94} By acceding to the treaty, the United States puts itself in the position to influence the trend to create a more uniform body of international trademark law.\textsuperscript{95} Also, since foreign registrants may obtain legal rights in the United States prior to using their mark in U.S. commercial transactions, they may have the ability to claim dilution protections before establishing a business in the United States.

3.2. Setting the Standard

In addition to making national laws adhere to international agreements in an effort to create a uniform system of trademark laws internationally, the United States should also seek to set the standard for how international treaties should be implemented domestically. As noted in testimony at the House Subcommittee Hearing on the TDRA, U.S.-based companies would benefit from anti-dilution statutes in other countries. As the General Counsel and Assistant Secretary for the Samsonite Corporation noted:

Samsonite has a current conflict with a company in India who has registered and is using "Samsonite" for footwear. We have recently seen our trademark on soccer balls and electric shavers from the Peoples [sic] Republic of China. I expect the U.S., taking a proper leadership role, could use this federal anti-dilution statute in international trade negotiations to aid our trading partners in instituting similar protections.\textsuperscript{96}

\begin{footnotesize}
\textsuperscript{92} Madrid Protocol, \textit{supra} note 90, art. 2(1).
\textsuperscript{93} Id. art. 5(2)(b), (c).
\textsuperscript{94} Wilner, \textit{supra} note 90, at 61.
\textsuperscript{96} \textit{Implementation Hearing, supra} note 3 (citing statement of Gregory W.}
\end{footnotesize}
Amendments to the FTDA are thus important because they may shape the way other nations interpret and apply the international intellectual property agreements discussed in the previous section. This section will explore the anti-dilution statutes in other nations to gain some insight into how U.S. laws can reflect and/or influence anti-dilution statutes globally. As this analysis reveals, many nations having the same difficulties with enforcing trademark dilution statutes. In particular, courts tend to conflate the traditional trademark infringement doctrine with trademark dilution.

3.2.1. Canada

Trademark dilution protection in Canada dates back to the 1953 Trade Marks Act, which protects against the depreciation of goodwill. The Act prevents the use of a trademark that is "likely to have the effect of depreciating the value of the goodwill attaching thereto."97 The Committee Notes discussing this section indicate that the law was meant to increase protections beyond those already provided for in traditional trademark infringement and passing off statutes:

If, therefore, a well known trade-mark is used by other than the trade-mark owner in such a manner as would not previously have constituted grounds for an action either of infringement or passing off, but which has the effect of bringing the trade-mark into contempt or disrepute in the public mind, the trade-mark owner will be in a position to see a remedy.98

Despite the statute's potential to provide greater protections than those found in the FTDA, Canadian courts have been reluctant to apply the law to prevent uses of trademarks on dissimilar goods. As the Toyota Jidosha Kabushiki Kaisha v. Lexus Foods, Inc. case illustrates, Canadian courts generally balance the rights of the senior mark owner with the right to compete freely in the marketplace.99 In Lexus Foods, the plaintiff sought to enjoin the use of

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98 1953 TRADEMARKS ACT TRADE-MARK LAW REVISION COMM., REPORT, ¶ 27 (1953).
Lexus on canned food products. The court noted:

Famousness . . . is merely a factor that must be weighed in connection with all the rest of the factors. If the fame of a name could prevent any other use of it, the fundamental concept of a trade-mark being granted in relation to certain wares would be rendered meaningless.  

Furthermore, courts will often look to the likelihood of confusion when determining if there was a loss of goodwill, making the claim less distinct from one of trademark infringement. Finally, courts limit the statute by requiring that trademark owners show irreparable harm prior to receiving any pre-trial injunctive relief. A few recent cases demonstrate the weakness of the Canadian anti-dilution statute. First, in United Artists v. Pink Panther Beauty Corporation, United Artists sued a Canadian company using Pink Panther for hair care and beauty products. The Canadian Federal Court of Appeals held for the defendant noting that consumers would not confuse the beauty supply store for the Pink Panther used in entertainment. For the court, "[t]he key factor here is the gaping divergence in the nature of the wares and in the nature of the trade. It is not a fissure but a chasm." Second, in Syntex, Inc. v. Novopharm, Ltd., the Federal Court of Appeal held that an unauthorized use of a trademark does not necessarily cause irreparable harm. Without a showing of irreparable harm, the court refused to issue a preliminary injunction. The court held that there was no basis for the injunction without a "specific finding that the respondent would suffer irreparable harm . . . irreparable harm must be clear and not speculative." Cases like these prompted one commentator to call for a revision of the Canadian statute that would make it similar to the FTDA.

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101 WELKOWITZ, supra note 11, at 445; see also Nature Co. v. Sci-Tech Educational Inc., [1992] 41 C.P.R. 359, 367 (denying an interlocutory injunction because "the evidence did not clearly show that [irreparable harm] would result").
103 Id. at 562 ¶ 50.
105 See James J. Holloway, The Protection of Trade-mark Goodwill in Canada: Where We Were, Where We Are, and Where We Should be Going, 17 INTELL. PROP. J. 1, 57 (2003) (noting that the Canadian system ought to focus less on characterizations of defendant actions and more on the effect of those actions on the plaintiff's property, as the FTDA permits).
3.2.2. Japan

In 1993, Japan amended its unfair competition statute to provide protection against trademark dilution.\(^{106}\) Article 2-1-2 of the Unfair Competition Protection Act requires the plaintiff to establish:

1. Use of the plaintiff's Goods or Other Appellation;

2. The plaintiff's appellation is famous;

3. The defendant's appellation is the same or similar to that of the plaintiff's.\(^{107}\)

A 1997 amendment to the Trademark Act broadens the definition of famousness beyond Japan's borders and protects well-known marks against others that "are identical with or similar to trade marks that are well-known among consumers either in Japan or abroad."\(^{108}\) Interpretations of the statute, however, remained varied to the point that "[t]rademark dilution jurisprudence in Japan is in a state of confusion."\(^{109}\) Like American courts, Japanese courts often fail to differentiate between trademark infringement and trademark dilution claims.\(^{110}\) Furthermore, Japanese judges may find something flawed about the dilution doctrine since it may be superfluous; courts in Japan traditionally treat confusion broad.\(^{111}\) For example, without relying on the 1993 amendment, a Japanese court enjoined the use of Sony's Walkman trademark on items such as bags, signage, and price tags.\(^{112}\) The confusion be-

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\(^{106}\) See WELKOWITZ, supra note 11, at 445 ("This amended statute provides dilution protection to those marks.").


\(^{108}\) Christopher Heath, The Protection of Well-Known Marks in Japan, in 1 MAX PLANCK SERIES ON ASIAN INTELLECTUAL PROPERTY LAW, THE PROTECTION OF WELL-KNOWN MARKS IN ASIA 69, 82 (Christopher Heath & Kung-Chung Liu eds., 2000).

\(^{109}\) Port, supra note 107, at 1.

\(^{110}\) See id. at 4 (noting that Japanese courts often do not distinguish between Articles 2-1-1 and 2-1-2 of the Unfair Competition Protection Act).

\(^{111}\) See id. at 41 (comparing dilution protection to protection from "wide" confusion, or kogi.).

\(^{112}\) WELKOWITZ, supra note 11, at 445 (describing the factual circumstances underlying Sony K.K. v. Yugen Kaisha Walkman, 1598 HANREI JIHO 142 (Chiba D. Ct., Apr. 4, 1996)).
between trademark infringement and dilution does not necessarily indicate the need to amend the statute. As Professor Port argues:

Maybe it's not that there is no dilution in Japan, maybe the issue is whether there is really so much actual dilution anywhere. Perhaps it's the U.S. that is the aberration. Maybe it's just that, in the U.S., we see dilution everywhere and over-utilize the Federal Trademark Dilution Act.\textsuperscript{113}

3.2.3. The European Union

In an effort to establish a unified mark that would allow goods to move freely between nations, the European Community sought to harmonize many different intellectual property laws, including trademark regulations. The Trademark Harmonization Directive\textsuperscript{114} meets that goal by providing a system of trademark protections. Directives are generally binding as to the "result to be achieved" but individual nations may choose the form in which those results will be achieved.\textsuperscript{115} Provisions in Articles 4 and 5 provide protections that are similar to those found in the FTDA. Article 5(1)(b) gives the owner of a mark the right to prevent uses that may either create a "likelihood of confusion" or "likelihood of association." Some have argued that this provision protects marks even when confusion has not been demonstrated.\textsuperscript{116} Furthermore, Article 5(2) provides:

Any Member State may also provide that the proprietor shall be entitled to prevent all third parties not having his consent from using in the course of trade any sign which is identical with, or similar to, the trade mark in relation to goods or services which are not similar to those for which the trade mark is registered, where the latter has a reputation in the Member State and where use of that sign with-

\textsuperscript{113} Port, supra note 107, at 44.


\textsuperscript{115} See Consolidated Version of the Treaty Establishing the European Community, Dec. 24, 2002, 2002 O.J. (C 325) 33, 132 ("A directive shall be binding, as to the result to be achieved . . . but shall leave to the national authorities the choice of form and methods.").

\textsuperscript{116} See Welkowitz, supra note 11, at 439 ("It has also been argued that the 'likelihood of association' language in Article 5(1)(b) . . . permits protection of marks without any demonstration of confusion.").
out due cause takes unfair advantage of, or is detrimental to, the distinctive character or the repute of the trade mark.¹¹⁷

As its language indicates, Article 5(2) is not binding on member nations; nonetheless most states have implemented its protections.¹¹⁸ While Article 5 seems to provide protections similar to those in the FTDA, there has been varying applications in EU member nations.

The U.K. implemented the Trademark Harmonization Directive in 1994 by statute.¹¹⁹ The strongest protections for trademark dilution are granted to marks in Section 10(3) of the Act, which specifically protects registered trademarks and prohibits use of the mark in relation to goods or services which are not similar to those for which the trade mark is registered, where the trade mark has a reputation in the United Kingdom and the use of the sign... takes unfair advantage of, or is detrimental to, the distinctive character or the repute of the trade mark.¹²⁰

Unlike other sections of the Act, a claim under Section 10(3) does not require proof of confusion. Interpretations of the statute, like interpretations of similar statutes in the United States and Japan, have confused the distinction between trademark dilution and other trademark claims and have required a showing of confusion for claims under 10(3). Baywatch Prod. Co. Ltd. v. Home Video Channel¹²¹ pitted the popular U.S. television series¹²² that features male and female lifeguards usually wearing red bathing suits against the Adult Channel, which broadcast episodes of a pornographic film series entitled "Babewatch." Like Baywatch, Babewatch featured lifeguards wearing red bathing suits.¹²³ Instead of saving drown-

¹¹⁷ Trademark Harmonization Directive, supra note 114, art. 5(2).
¹¹⁸ See WELKOWITZ, supra note 11, at 439 ("As its language indicates, it was not mandatory that countries adopt this provision... but it has been widely implemented.").
¹²⁰ Id. § 10(3)(b).
¹²² For an example of a typical Baywatch episode see Baywatch: Search and Rescue, (Jan. 13, 1997).
ing victims, however, these "lifeguards" engaged in sexual acts.\textsuperscript{124} Seeking a preliminary injunction against the Adult Film Channel, Baywatch asserted actions under section 10(2) and 10(3) of the Trade Marks Act as well as a passing off claim.\textsuperscript{125} While section 10(2) requires a showing of a "likelihood of confusion," 10(3) does not have such a requirement.\textsuperscript{126} Baywatch admitted that consumers would not be confused between the television series and the pornographic film.\textsuperscript{127} In determining Baywatch's claim under 10(3), the Chancery Division held that it would be illogical to grant greater protection to famous marks with regards to non-similar goods or services.\textsuperscript{128} Despite the wording of the statute, the judge found that since the television show and the pornographic video are not similar goods, they will not cause confusion of source and, therefore, the plaintiff has no claim under section 10(3).\textsuperscript{129} It is not clear under \textit{Baywatch} if the Chancery Division would distinguish between sections 10(2) and 10(3) or if they would provide any greater protections to well-known marks.

Unlike the U.K., Benelux countries have a tradition of strong protections against dilution. Prior to the 1996 amendments to their trademark laws, the Benelux countries provided trademark dilution protection to all marks, whether famous or not. The new anti-dilution statute provided protections to famous marks. Article 13(A)(1)(c) of the Uniform Benelux Law on Marks prohibits

\begin{quote}
any use in the course of trade, without due cause, made of a mark that has a reputation in the Benelux territory, or of a similar sign, for goods that are not similar to those for which the mark is registered, where use of such sign takes unfair advantage of or is detrimental to the distinctive character or the repute of the mark.\textsuperscript{130}
\end{quote}

The \textit{Chevy} case\textsuperscript{131} illustrates how this requirement has narrowed protections. In that case, General Motors, the owner of the

\textsuperscript{124} \textit{Id.}
\textsuperscript{125} \textit{See id. at 26.}
\textsuperscript{126} Trade Marks Act, \textit{supra} note 118, §§ 10(2)-(3).
\textsuperscript{127} \textit{Baywatch}, [1997] F.S.R. at 27.
\textsuperscript{128} \textit{Id. at 29.}
\textsuperscript{129} \textit{Id.}
\textsuperscript{130} Uniform Benelux Law on Marks, Art. 13 ¶ A(1)(c) available at https://www.jpo.go.jp/shiryou_e/s_monota_e/fips_e/benelux/ublm/chapl.htm#art13.
\textsuperscript{131} General Motors Corp. v. Yplon SA, [1999] 3 C.M.L.R. 427.
Chevrolet trademark commonly known as "Chevy", sought to enjoin a Belgian company from using the Chevy mark on detergents. The defendant successfully argued that Chevy is not well known in the Benelux territories.\textsuperscript{132} The court held that to have a reputation in the territory, it must be known by a significant number of the consuming public within the Benelux territory.\textsuperscript{133} The court provided several criteria to consider when determining whether a mark has achieved the requisite reputation: (1) the market share held by the trade mark; (2) the intensity of the mark; (3) the geographical extent in which the mark is used; (4) duration of its use, and; (5) the size of the investment made in promoting the mark.\textsuperscript{134} All five factors are similar to those used by American courts.\textsuperscript{135}

\begin{itemize}
\item \textsuperscript{132} See id. at 430-31 ("Yplon . . . argues that General Motors' trade mark 'Chevy' does not have a reputation within the Benelux countries," given General Motor's several challenges to the "Chevy" trademark in several European countries, "in particular, in Germany, Spain, and Denmark," were dismissed).
\item \textsuperscript{133} See id. at 443 (explaining that such reputation is significant so long as it exists in a substantial part of the Benelux territory, "which part may consist of a part of one of the Benelux countries").
\item \textsuperscript{134} Id.
\item \textsuperscript{135} Factors currently listed in the FTDA are:
\begin{itemize}
\item (A) the degree of inherent or acquired distinctiveness of the mark;
\item (B) the duration and extent of use of the mark in connection with the goods or services with which the mark is used;
\item (C) the duration and extent of advertising and publicity of the mark;
\item (D) the geographical extent of the trading area in which the mark is used;
\item (E) the channels of trade for the goods or services with which the mark is used;
\item (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;
\item (G) the nature and extent of use of the same or similar marks by third parties; and
\item (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.
\end{itemize}
\end{itemize}

\textsuperscript{132} See id. at 430-31 ("Yplon . . . argues that General Motors' trade mark 'Chevy' does not have a reputation within the Benelux countries," given General Motor's several challenges to the "Chevy" trademark in several European countries, "in particular, in Germany, Spain, and Denmark," were dismissed).
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\item (E) the channels of trade for the goods or services with which the mark is used;
\item (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;
\item (G) the nature and extent of use of the same or similar marks by third parties; and
\item (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.
\end{itemize}
4. AMENDING THE FTDA

Amendments to the FTDA have altered the scope of anti-dilution protection in the United States. The FTDA was originally enacted to, among other things, comply with international agreements such as TRIPS and implement WIPO recommendations. As I have argued, many countries have faced problems implementing these international agreements. Courts in the United States, Europe, Canada, and Japan have found it difficult to separate traditional trademark infringement from trademark dilution, often applying the "likelihood of confusion" test to trademark dilution. Scholars continue to lament this conflation and any further amendments to the FTDA should address it.

In this section I will argue that the United States can learn from dilution cases in other countries. Like the United States, foreign jurisdictions have faced many problems in implementing anti-dilution statutes. They do, however, provide some clues for how these problems can be addressed. In this section I will discuss the FTDA with foreign jurisdictions in mind. I ask what lessons foreign implementation of anti-dilution laws can teach to the United States, and how further amendments, while solving problems in the United States, can stand as an example to other countries while they consider amendments to their anti-dilution statutes.

Rather than rejecting the association of the "likelihood of confusion" standard used in trademark infringement claims, an anti-dilution statute should embrace it and expand its scope for famous marks. The amendments made in the United States may provide a means for other countries to similarly clarify their own anti-dilution statutes to provide protections that are distinct from traditional trademark infringement claims. Canada is currently considering such changes. Hopefully the amendment will create uniform protections in the United States and serve as an example that other nations will follow.

4.1. Blurring and Tarnishment

In nearly every foreign jurisdiction, dilution has been confused with trademark infringement. U.S. courts have used the "likelihood of confusion of source" standard to adjudicate trademark dilution claims despite the statute’s wording. Without a list of factors to determine whether dilution has occurred, courts have often reverted to the standard that they are most comfortable with: "likelihood of confusion." The TDRA addresses this problem by offering
a list of non-exclusive factors judges should use when adjudicating a blurring claim. These amendments are important for several reasons.

First, instead of creating a larger divide between "likelihood of confusion" and dilution, these factors embrace the conflation by expanding the idea of "confusion." For example, the recommended factors for blurring in the TDRA include: (1) similarity between the marks; (2) degree of recognition of the famous mark; (3) whether the junior user intended to create an association with the famous mark; and (4) any actual association between the junior and senior marks. These factors help expand the meaning of confusion: famous marks are not just protected against confusion of source but also confusion of sponsorship, affiliation, or similar type of connection. Instead of rejecting the standard of confusion, the FTDA should expand on it. Rather, if the FTDA is properly amended, the two may coexist, making it easier for courts to provide additional protections for famous marks. Confusion and dilution are interrelated and may "coexist in the context of confusion as to sponsorship or affiliation." A consumer may believe, for instance, that the senior mark has licensed or otherwise authorized the junior mark. If a company produces Kodak pianos, then the consumer may be "confused into thinking that Eastman Kodak has simply entered into a licensing agreement with a separate entity that makes pianos."

This view of dilution is supported by anti-dilution protections in other countries. For example, as Japan has shown, an expansive notion of confusion can successfully provide famous trademarks with greater protections distinct from those offered in traditional trademark infringement claims. As explained in Section 3, the new anti-dilution statute in Japan is underutilized and has not increased protections because, in part, Japanese courts have already had an expansive notion of confusion. Professor Port explains:

Japanese courts approach confusion as 'narrow' (kyogi) and 'wide' (kogi) confusion. That is, Japanese courts consider narrow confusion to be when two parties are in direct competition. Confusion in the wider sense of the term is used to prevent conduct that may also be prevented under a di-

138 Id. at 895.
The Japanese case over the trademark "Womenpower" illustrates how an expansive notion of confusion may lead to dilution protections. The court enjoined the use of the "Womenpower" mark for secretarial services despite the fact that it did not offer the same services as the plaintiff who owned the mark "Manpower." While the plaintiff may not be able to show a likelihood of confusion of source since the two companies offered different services, the court found that some people may believe that Womenpower was somehow economically related to Manpower (such as being a subsidiary of the other).\textsuperscript{140}

Europe’s interpretation of the term “likelihood of association” also lends support for this expansive view of confusion. As the ECJ held in Canon v. MGM, a plaintiff does not have a claim under the “likelihood of association” section in the Harmonization Directive “where it does not appear that the public could believe that the goods or services come from the same undertaking or, as the case may be, from economically-linked undertakings.”\textsuperscript{141} That is, the consuming public must be confused in terms of sponsorship or some other economic relationship. Furthermore, as the court in World Wide Fund for Nature (Formerly World Wildlife Fund) v. World Wrestling Federation held, the rights of owners of famous marks, such as that of the Fund are “not confined to ‘confusion’ in the strictest sense” but are able to file claims on an expanded view of confusion, using “the wider Benelux concept of ‘association’ with the definition of ‘confusion.’”\textsuperscript{142}

It would behoove the U.S. legislature to be explicit about the FTDA merely expanding the notion of confusion for famous marks. The proposed factors for blurring are a step in the right direction. Creating a separate tarnishment claim will also create an expansive notion of confusion; a company should be successful in protecting their famous marks if a junior mark would lead a customer to believe that the owner of the famous mark is somehow

\textsuperscript{139} Port, supra note 107, at 41.

\textsuperscript{140} Id. at 42 (citing Japan Womenpower K.K. v. Manpower Japan K.K., 1094 HANREI JIHÔ 107 (Sup. Ct., Oct. 7, 1983) (Japan)).


associated with unsavory things such as pornography or illegal activities. Even if the legislature is not explicit about expanding the scope of the "confusion" standard in order to provide greater protections to famous marks, U.S. courts should do so, as courts have in Japan and Europe.

4.2. Actual Dilution or Likelihood of Dilution

My proposal to view the "likelihood of dilution" standard as simply an expansive form of the "likelihood of confusion" standard also necessitates amending the FTDA in a way that establishes the "likelihood of" as the right standard rather than actual dilution. Plaintiffs claiming trademark infringement do not need to prove actual confusion. Similarly, famous marks should not be forced to show actual dilution. None of the foreign jurisdictions addressed in this comment use an "actual dilution" standard. Forcing owners of famous marks to file claims after dilution has already occurred provides them little protection. Moreover, this amendment is necessary to uphold the United States's obligations under the TRIPS agreement. TRIPS requires the protection of famous marks against similar marks on non-competing goods or services "provided that the interests of the owner of the registered trademark are likely to be damaged by such use."143

4.3. Factors to Determine Fame

The TDRA also amends the FTDA's list of factors to determine if a trademark is famous. Under the FTDA, the fame 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;

143 TRIPS, supra note 13, art. 16(3) (emphasis added).
(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.\(^{144}\)

The TDRA replaces these factors with a list of factors focused on determining which marks are "widely recognized by the general consuming public of the U.S."\(^{145}\) These factors are:

(A) the duration, extent, and geographic reach of advertising and publicity of the mark, whether advertised or publicized by the owner or third parties;

(B) the amount, volume, and geographic extent of sales of goods or services offered under the mark; and

(C) the extent of actual recognition of the mark.\(^{146}\)

These amendments are also supported by international trademark dilution law. First, by protecting marks that are famous nationally, rather than regionally, the United States complies with both the Paris Convention and TRIPS, which define "well-known" as nationally well-known for the purposes of dilution protection. Second, Japan, Canada, and the EU have defined fame in their national statutes as nation-wide fame. Third, this also comports with the WIPO recommendations that do not require registration or use in a country to establish fame, merely that the mark is well-known in the country. Finally, this will prevent holdings like that in *Star Markets v. Texaco* which held that the FTDA "does not require na-

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\(^{146}\) Id. at §§ C(2)(i) – (iii).
tional fame” since currently “[t]he Act does not indicate either a minimal or optimal trade area for courts to consider when weighing this factor.” Since the FTDA does not preempt state statutes, defining fame as nation-wide fame will allow states to protect marks that are well-known locally.

5. CONCLUSION

While hearings and debates over the need for the FTDA often focused on the United States’s obligations under international law, there was little mention of international law in discussions of the proposed amendments to the FTDA. It is important to consider both the international agreements that first justified passage of the FTDA and how these agreements have been applied in foreign jurisdictions when determining if the FTDA should have been amended. Applications in both the EU and Japan show that applying an expansive notion of the “likelihood of confusion” standard used traditionally for trademark infringement claims to dilution will strike the right balance between the rights of the owners of famous trademarks and the rights of those seeking to enter the market. Expanding “likelihood of confusion” for famous marks to encompass confusion over sponsorship or some other kind of economic association will protect famous marks from dilution while allowing for parodies and other forms of fair use. Furthermore, the statute should prevent courts from applying an “actual dilution” standard, a standard that is nearly impossible to meet without actual economic loss. Finally, any further amendments to the FTDA’s fame factors must comport with international law while allowing states to create their own dilution protections for locally famous marks.